



SNC • LAVALIN

# MANAGEMENT PROXY CIRCULAR

AND NOTICE OF ANNUAL MEETING  
OF SHAREHOLDERS

March 20, 2023

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## CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Circular contains forward-looking statements which can be identified by the use of the conditional or forward-looking terminology such as "aims", "anticipates", "assumes", "believes", "cost savings", "estimates", "expects", "forecasts", "goal", "intends", "likely", "may", "objective", "outlook", "plans", "projects", "should", "synergies", "target", "vision", "will", or the negative thereof or other variations thereon. Forward-looking statements include, but are not limited to, statements relating to the Company's future economic performance and financial condition, as well as ESG related objectives, vision and strategic goals. All such forward-looking statements are made pursuant to the "safe-harbour" provisions of applicable Canadian securities laws.

The Company cautions that, by their nature, forward-looking statements involve risks and uncertainties, and that their actual actions and/or results could differ materially from those expressed or implied in such forward-looking statements, or could affect the extent to which a particular projection materializes. Forward-looking statements are presented for the purpose of assisting investors and other stakeholders in understanding certain key elements of the Company's current objectives, strategic priorities, expectations and plans, including the ways we intend to address ESG matters. Readers are cautioned that such information may not be appropriate for other purposes.

Forward-looking statements made in this Circular are based on a number of assumptions believed by the Company to be reasonable on March 20, 2023. Many of these assumptions are set out throughout the MD&A dated March 2, 2023 (the "**2022 MD&A**") (particularly, in the sections entitled "Critical Accounting Judgments and Key Sources of Estimation Uncertainty" and "How

We Analyze and Report Our Results" in the 2022 MD&A). If these assumptions are inaccurate, the Company's actual results could differ materially from those expressed or implied in such forward-looking statements. In addition, important risk factors could cause the Company's assumptions and estimates to be inaccurate and actual results or events to differ materially from those expressed in or implied by these forward-looking statements. For more information on risks and uncertainties and the assumptions that could cause the Company's actual results to differ from current expectations, please refer to the sections "Risks and Uncertainties", "How We Analyze and Report Our Results" and "Critical Accounting Judgments and Key Sources of Estimation Uncertainty" in the Company's 2022 MD&A filed with the securities regulatory authorities in Canada, available on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.snc-lavalin.com](http://www.snc-lavalin.com) under the "Investors" section. The forward-looking statements herein reflect the Company's expectations as at March 20, 2023, and they are subject to change after this date. The Company does not undertake to update publicly or to revise any forward-looking information or statements whether as a result of new information, future events or otherwise, unless required by applicable legislation or regulation. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement.

## WEBSITE REFERENCES

Information contained in or accessible through any website mentioned in this Circular does not form part of this Circular, whether by implication or otherwise, except the 2022 MD&A, the AIF dated March 2, 2023 (the "**2022 AIF**") and sections thereof, to the extent explicitly referred to in this Circular.



# GLOSSARY OF TERMS

<b>AIF</b> Annual Information Form	<b>Executive Committee</b> A committee established by management comprised of the President and CEO and other Senior Officers
<b>AIP</b> Annual Incentive Plan	<b>GES Committee</b> Governance, Ethics and Sustainability Committee of the Board
<b>Board or Board of Directors</b> SNC-Lavalin Group Inc.'s board of directors	<b>HR Committee</b> Human Resources Committee of the Board
<b>CD&amp;A</b> Executive Compensation Discussion and Analysis	<b>HSE</b> Health, Safety and Environment
<b>CEO</b> Chief Executive Officer	<b>IFRS</b> International Financial Reporting Standards
<b>CFO</b> Chief Financial Officer	<b>LSTK</b> Lump Sum Turnkey
<b>CIO</b> Chief ESG and Integrity Officer	<b>LTIP</b> Long-Term Incentive Plan
<b>COO</b> Chief Operating Officer	<b>MD&amp;A</b> Management's Discussion and Analysis of SNC-Lavalin
<b>CSA</b> Canadian Securities Administrators	<b>Meeting</b> SNC-Lavalin Group Inc.'s annual meeting of shareholders to be held on May 18, 2023
<b>Chair</b> Chair of the Board / Chair of a Committee	<b>NEO</b> or Named Executive Officer has the meaning set forth in Regulation 51-102 respecting Continuous Disclosure Obligations
<b>Circular</b> Management Proxy Circular dated March 20, 2023	<b>OLG</b> Operational Leadership Group
<b>Committee</b> A committee established by the Board of Directors	<b>PSUs</b> Performance Share Units
<b>Common Shares</b> SNC-Lavalin Group Inc.'s common shares	<b>PSUP</b> Performance Share Unit Plan
<b>Company</b> SNC-Lavalin Group Inc.	<b>RSUs</b> Restricted Share Units
<b>Computershare</b> Computershare Investor Services Inc.	<b>RSUP</b> Restricted Share Unit Plan
<b>DCPP</b> Defined Contribution Pension Plan	<b>Say on Pay</b> Non-binding advisory vote on the Company's approach to executive compensation
<b>Directors</b> Members of the Board of Directors	<b>Senior Officers</b> Group composed of the Executive Committee members and other individuals, as the case may be, reporting directly to the President and CEO, as determined by the HR Committee
<b>D-DSUs</b> Director Deferred Share Units	<b>SERP</b> Supplemental Executive Retirement Plan
<b>D-DSUP</b> Director Deferred Share Unit Plan	<b>SNC-Lavalin</b> SNC-Lavalin Group Inc.
<b>E&amp;C</b> Engineering and Construction	<b>Stock Option Plan</b> SNC-Lavalin Group Inc.'s Stock Option Plan established in 2013 described in Schedule C to this Circular
<b>EBIT</b> Earnings before interest and taxes	<b>SPOT Committee</b> Safety, Project Oversight and Technology Committee of the Board
<b>EBITDA</b> Earnings before interest, taxes, depreciation and amortization	<b>TDC</b> Total Direct Compensation
<b>ED&amp;I</b> Equality, Diversity & Inclusion	<b>TSR</b> Total Shareholder Return
<b>E-DSUs</b> Executive Deferred Share Units	<b>TSX</b> Toronto Stock Exchange
<b>E-DSUP</b> Executive Deferred Share Unit Plan	
<b>Employment Agreements</b> Executive Employment Agreements	
<b>EPS</b> Earnings per share	
<b>ERM</b> Enterprise Risk Management	
<b>ESG</b> Environmental, Social and Governance	
<b>ESOP</b> Employee Share Ownership Plan	
<b>EVP</b> Executive Vice-President	

# LETTER FROM THE CHAIR OF THE BOARD

## INVITATION TO SHAREHOLDERS

Dear Fellow Shareholders:

On behalf of the Board of Directors, management and employees of SNC-Lavalin, we are pleased to invite you to this year's Annual Meeting of Shareholders to be held on Thursday, May 18, 2023, at 11:00 a.m. (Eastern Time) via live webcast as further detailed in our "Notice of Annual Meeting of Shareholders".

## MESSAGE TO SHAREHOLDERS

In 2022, SNC-Lavalin decisively pivoted to look forward. The past twelve months presented the Company with heightened geopolitical uncertainty and complexity, and ensuing challenges including supply chain disruptions, high inflation and labour shortages. Despite these global forces at play, and with guidance from an engaged Board, the executive leadership team was steadfast in the rollout of the three-year growth strategy that positions the Company for the future and that remains firmly committed to our purpose to engineer a better future for our planet and its people.

### Positioned for the future with the deployment of the strategic growth plan

2022 was a decisive year for SNC-Lavalin, as the three-year strategic growth plan unveiled in late 2021 unfolded and started to yield results. The Company reached a milestone in its transition away from LSTK projects, with the two Ontario projects largely physically complete. This wind down of the last LSTK projects should lead to positive free cash flow in the second half of 2023, strengthening the balance sheet and providing options for capital allocation to stimulate growth and reward shareholders.

With the transformation into a fully integrated professional services and project management company almost complete, SNC-Lavalin is positioned to deliver sustainable growth going forward. The Engineering Services business had a solid performance again this year, continuing to generate strong revenue and backlog growth. In addition, the renewed interest in nuclear energy as the world becomes more engaged in the path to net zero carbon emissions is bolstering a sector where the Company has a global competitive advantage.

### Broader perspective from new Directors

The Board welcomed two new Directors in 2022: Baroness Ruby McGregor-Smith CBE and Québec-based Mr. Robert Paré. Their combined experience and skills in corporate governance and leadership were a beneficial addition to support SNC-Lavalin in the deployment of its growth strategy, and I feel privileged to lead a Board with such deep expertise. Together, the Directors are committed to continue providing guidance to fulfill the Company's vision and oversight to uphold the highest standards of governance, all this to ensure the longevity of SNC-Lavalin as a purpose-driven company. On behalf of the Board of Directors and SNC-Lavalin management, I would also like to extend my gratitude to outgoing Director Ms. Isabelle Courville, who will not stand for re-election, for her valued contribution to the Board.

### Progressing on our ESG agenda

The Board is pleased with the continued progress accomplished on SNC-Lavalin's broad ESG agenda in 2022, both internally on our integrity journey and our ED&I and carbon targets, as well as externally with our clients through our Engineering Net Zero work.

Concerning ED&I, SNC-Lavalin pursued the implementation of a robust global program which cascades into supporting local action plans to maintain and create a more representative and inclusive culture for all its employees. The Board notes the progress achieved this year across all categories towards the 2025 gender diversity targets – to have at least 33% representation by women across the Company and at least 25% among managers and senior professionals – with the most significant impact at the executive leadership level. We will continue to closely monitor progress.

In addition to executive compensation, which is tied to integrity, HSE, sustainability and ED&I performance metrics, the Board supported another layer of incentive to advance the ESG agenda. SNC-Lavalin extended its corporate credit facilities, reducing borrowing costs contingent upon the achievement of certain ESG targets linked to reducing greenhouse gas emissions and to increasing gender diversity in managerial and senior professional roles.

The GES Committee reviewed the results of a comprehensive materiality assessment undertaken to realign the Company's ESG priorities with its vision and purpose. Developed to be used as a basis for internal and external communications going forward, the materiality assessment simplified model looks at twelve ESG measurement categories that represent priority societal issues that are most material to SNC-Lavalin's activities as an organization and across its projects.

The Board received the fourth and last report from the independent monitor, which highlights SNC-Lavalin's tremendous progress in its integrity journey: "SNC-Lavalin has expended considerable effort remediating its ABC (anti-bribery and corruption) Compliance Program and transforming its culture of ethics and compliance, resulting in what we now view as one of Canada's leading ABC Compliance Programs."<sup>(1)</sup>

The report confirms that the Company's integrity program now contains an adequate continuous review and improvement system to ensure the program's sustained robustness and effectiveness over time. The Board commends SNC-Lavalin's leadership for the relentless work accomplished since 2012 and remains committed to overseeing the evolution of the Company's best-in-class integrity program.

For its part, the Audit and Risk Committee oversaw the comprehensive rollout of the Company's renewed ERM framework, strategy, policies and governance, following last year's adoption of a broader mandate to drive more robust and effective governance around risks the Company faces. Within this ERM framework, strategic risks were identified and are monitored by executive sponsors who report on progress to the appropriate Board Committees. Equipped with Key Risk Indicators (KRIs) that were developed to track and report on the evolution of those strategic risks, the Board conducted the first annual review of the new ERM framework. Its operationalization will continue in 2023 to ensure it is integrated at all levels of the Company's projects and corporate functions.

I want to close by thanking our talented global workforce for their continued dedication and commitment to SNC-Lavalin and for their support in building a future-facing Company. I would also like to extend my appreciation to the shareholders for their ongoing support and confidence in SNC-Lavalin's future as a world-leading professional services and project management firm.

Yours truly,



**William L. Young, P.Eng.**

Chair of the Board

(1) The Final Report of the independent monitor, dated December 18, 2022, is available on the Company's website at [www.snc-lavalin.com](http://www.snc-lavalin.com) under "Investors"/"Independent monitor"/"Third Follow-up Review Report (December 2022)".



# NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

We invite you to the 2023 Annual Meeting of Shareholders of SNC-Lavalin Group Inc. (the "**Meeting**").

## DATE AND TIME

Thursday, May 18, 2023 11:00 a.m. (Eastern Time)

## HOW CAN I ATTEND?

### Online

via live video webcast at  
<https://web.lumiagm.com/414721330>

## WHO CAN ATTEND AND VOTE AT THE MEETING?

Registered shareholders and duly appointed proxyholders can attend, ask questions and vote at the Meeting of SNC-Lavalin Group Inc. (the "**Company**").

Each holder of the Common Shares is entitled to one (1) vote at the Meeting for each Common Share registered in the holder's name as at the close of business on the record date, March 20, 2023.

Guests may attend the Meeting but will not be allowed to vote or ask questions.

## WHAT IS THE DIFFERENCE BETWEEN A REGISTERED SHAREHOLDER AND A BENEFICIAL OWNER?

You are a registered shareholder if your common shares are registered directly in your name with Computershare Trust Company of Canada ("**Computershare**"), our transfer agent.

You are a **non-registered (or "beneficial") owner** if your Common Shares are listed in an account statement provided to you by the SNC-Lavalin Employee Share Ownership Plan (ESOP) administrator or by a bank, a trust company, a securities broker or another financial institution.

## WHAT WILL I BE VOTING ON?

You will vote on the matters listed below, for which you will find additional information in the "Business of the Meeting" section of the Company's Management Proxy Circular dated March 20, 2023 (the "**Circular**") and consider any other business that is properly brought before the Meeting. A simple majority of the votes cast will constitute approval of the following matters:

	Board recommendation	Additional Information in the Circular
1. To elect the Directors of the Company;	VOTE FOR	p. 12
2. To appoint the auditor for the fiscal year ended December 31, 2023 and to authorize the Board of Directors of the Company to fix the auditor's remuneration;	VOTE FOR	p. 12
3. To consider and, if deemed appropriate, to adopt a resolution reconfirming and approving the Amended and Restated Shareholder Rights Plan Agreement until the close of business on the date on which the annual meeting of the shareholders of the Corporation is held in 2026 (the full text of the resolution is reproduced in subsection 4 under the "Business of the Meeting" section of the Circular); and	VOTE FOR	p. 13
4. To consider and, if deemed appropriate, to adopt a resolution providing for a non-binding advisory vote on the Company's approach to executive compensation.	VOTE FOR	p. 13

Please take a moment to vote and read the following pages where you will find useful information about the Meeting.

BY ORDER OF THE BOARD OF DIRECTORS



Geneviève Simard  
Corporate Secretary

## DELIVERY OF MEETING MATERIALS

### Notice and Access

As permitted by Canadian securities regulators, we are using the “notice-and-access” mechanism for the delivery of the Circular and 2022 annual financial documents to our shareholders (the “**Meeting Materials**”).

Under notice-and-access, shareholders continue to receive a proxy form or voting instruction form enabling them to vote at the Meeting. However, instead of a paper copy of the Meeting Materials, shareholders receive this notice which contains information on how they may access the Meeting Materials and how to request a paper copy. The use of notice-and-access directly benefits the Company by substantially reducing its printing and mailing costs and is more environmentally friendly.

#### HOW TO ACCESS THE MEETING MATERIALS ONLINE

##### On our website

[www.snclavalin.com](http://www.snclavalin.com)

under “Investors”/“Investor’s Briefcase” or

##### On SEDAR

[www.sedar.com](http://www.sedar.com)

Shareholders are reminded to read the Circular and other Meeting Materials carefully before voting their Common Shares.

## HOW CAN I REQUEST A PAPER COPY OF THE MEETING MATERIALS?

### Before the Meeting

If you request the Circular before the date of the Meeting, it will be sent to you within three business days of receiving your request. To receive the Circular before the voting deadline and the date of the Meeting, we estimate that your request must be received no later than 5:00 p.m. (Eastern Time) on May 5, 2023.

Please note that you will not receive another form of proxy or voting instruction form; please retain your current one to vote your Common Shares.

### REGISTERED SHAREHOLDERS

Call Computershare at 1-866-962-0498 (within North America) or 514-982-8716 (international direct dial) and enter your control number as indicated on your form of proxy.

### NON-REGISTERED SHAREHOLDERS

Visit [www.proxyvote.com](http://www.proxyvote.com) and enter the control number located on your voting instruction form.

or

Submit a request by calling 1-877-907-7643 (within North America) or 905-507-5450 (international direct dial), or by email to [noticeandaccess@broadridge.com](mailto:noticeandaccess@broadridge.com).

### After the Meeting

Submit a request by email at [investors@snclavalin.com](mailto:investors@snclavalin.com).

A copy of the Meeting Materials will be sent to you within ten (10) calendar days of receiving your request.

You may request a paper copy of the Meeting Materials at no cost up to one (1) year from the date the Circular was filed on SEDAR.

## PROXY SOLICITATION

The solicitation of proxies in connection with the Meeting is being made primarily by mail, but proxies may also be solicited by telephone, fax or other personal contact by Directors, officers or other employees of the Company. The Company has also hired Laurel Hill Advisory Group (“**Laurel Hill**”) to act as the Company’s proxy solicitation agent and shareholder communications advisor in connection with the Meeting. The solicitation costs will be at the expense of the Company and are estimated at approximately \$42,500.

## HOW WILL MY COMMON SHARES BE VOTED IF I GIVE MY PROXY?

Your proxyholder must vote according to the instructions provided on your form of proxy or voting instruction form. If you properly complete and submit your form of proxy or voting instruction form but do not appoint a different proxyholder and do not specify how you want to vote, your Common Shares will be voted for you as follows:

- > **for** the election of the nominated Directors to the Board;
- > **for** the appointment of the independent auditor;
- > **for** the resolution reconfirming and approving the Amended and Restated Shareholder Rights Plan Agreement; and
- > **for** the advisory resolution on the Company’s approach to executive compensation.

Your proxyholder will also decide how to vote on any amendment or variation to any item of business in this notice of meeting or any other matters that are properly brought before the Meeting.

The Chair of the Meeting has the discretion to accept or reject any late form of proxies or voting instruction forms submitted after **11:00 a.m. (Eastern Time) on Tuesday, May 16, 2023**, and can waive or extend this deadline without notice.



## HOW CAN I VOTE?

### OPTION 1 – EXERCISE YOUR VOTING RIGHTS BY PROXY (BEFORE THE MEETING)

#### Registered Shareholders



##### Internet

Visit [www.investorvote.com](http://www.investorvote.com) and follow the instructions.



##### Smart Phone or Tablet

Scan the QR code on your form of proxy and follow the instructions.



##### Telephone

Call 1-866-732-8683 toll free and follow the instructions.

If you choose to vote by telephone, you cannot appoint any person other than the persons whose names already appear in your form of proxy.



##### Mail

Fill out your form of proxy and return it by mail in the envelope provided.

All forms of proxy must be received by 11:00 a.m. (Eastern Time) on Tuesday, May 16, 2023.

#### Non-Registered Shareholders



##### Internet

Visit [www.proxyvote.com](http://www.proxyvote.com) and follow the instructions. You will need the control number indicated on your voting instruction form.



##### Smart Phone or Tablet

Scan the QR code on your voting instruction form and follow the instructions.



##### Telephone

Call 1-800-474-7493 toll free and follow the instructions.

If you choose to vote by telephone, you cannot appoint any person other than the persons whose names already appear in your voting instruction form.



##### Mail

Fill out your voting instruction form and return it by mail in the envelope provided.

All voting instruction forms must be received by 11:00 a.m. (Eastern Time) on Tuesday, May 16, 2023.

### OPTION 2 – VOTE AT THE MEETING

#### Registered Shareholders



##### Online via Live Webcast

If you wish to vote online at the Meeting, you do not have to return your form of proxy and you must follow these steps:

1. Visit <https://web.lumiagm.com/414721330> and register online at least 15 minutes before the start of the Meeting. You will need the latest version of Chrome, Safari, Edge or Firefox.
2. Enter the control number located on your form of proxy as username and "snc2023" as password.

#### Non-Registered Shareholders



##### Online via Live Webcast

If you wish to vote online at the Meeting, you must follow these steps:

1. Name yourself as proxyholder on your voting instruction form. To do so, write your name in the space provided for such purpose on the voting instruction form and follow the instructions to submit such voting instruction form.
2. You MUST also register yourself as proxyholder by visiting [www.computershare.com/SNC](http://www.computershare.com/SNC) by 11:00 a.m. (Eastern Time) on Tuesday, May 16, 2023. Please see the "How can I Appoint a Third-Party Proxyholder" section below for more information.

Failure to register yourself as proxyholder will result in the proxyholder not receiving a username to participate in the Meeting online.



## HOW CAN I APPOINT A THIRD-PARTY AS PROXYHOLDER?

As a shareholder, you have the right to appoint another person to be your proxyholder to attend, participate or vote for you at the Meeting. You can also appoint a proxyholder other than the persons whose names already appear in your form of proxy or voting instruction form and that is not a shareholder of the Company. Make sure that the person you appoint is aware that they have been appointed and participates in the Meeting, otherwise your vote will not be taken into account.

### Registered Shareholders



#### Internet and Mail



If you wish to appoint a third-party proxyholder to attend, participate or vote for you online via live webcast at the Meeting:

1. Insert the name of your chosen proxyholder in the space provided for such purpose in your form of proxy. Follow the instructions to submit your form of proxy by Internet or by mail.
2. You MUST also register your proxyholder by visiting [www.computershare.com/SNC](http://www.computershare.com/SNC) by 11:00 a.m. (Eastern Time) on Tuesday, May 16, 2023 and providing the proxyholder's contact information so that Computershare may provide the proxyholder with a username via email.

Failure to register your proxyholder will result in the proxyholder not receiving a username to participate in the Meeting online.

## IF I CHANGE MY MIND, HOW CAN I REVOKE A PROXY OR VOTING INSTRUCTION FORM?

### Registered Shareholders

To revoke a previously submitted proxy:

- > Fill out a new form of proxy bearing a later date and return it by using one of the manners indicated under section "How can I vote?" above.

or

- > Attend the Meeting online, where you will be provided the opportunity to revoke any and all previously submitted proxies, and vote by ballot on the matters put forth at the Meeting.

To appoint a different third-party proxyholder to attend, participate or vote for you online via live webcast at the Meeting, follow the steps indicated under the section "How can I Appoint a Third-Party as Proxyholder?" above.

All forms of proxy must be received by 11:00 a.m. (Eastern Time) on Tuesday, May 16, 2023.

### Non-Registered Shareholders



#### Internet and Mail



If you wish to appoint a third-party proxyholder to attend, participate or vote for you online via live webcast at the Meeting:

1. Insert the name of your chosen proxyholder in the space provided for such purpose in your voting instruction form. Follow the instructions to submit your voting instruction form by Internet or by mail.
2. You MUST also register your proxyholder by visiting [www.computershare.com/SNC](http://www.computershare.com/SNC) by 11:00 a.m. (Eastern Time) on Tuesday, May 16, 2023 and providing the proxyholder's contact information so that Computershare may provide the proxyholder with a username via email.

Failure to register your proxyholder will result in the proxyholder not receiving a username to participate in the Meeting online.

### Non-Registered Shareholders

To revoke a previously submitted voting instruction form and appoint yourself as proxyholder to attend, participate or vote online via live webcast at the Meeting, fill out a new voting instruction form bearing a later date and follow the steps indicated under section "How can I Appoint a Third-Party as Proxyholder?" above and make sure to register yourself prior to attending the Meeting.

To appoint a different third-party proxyholder to attend, participate or vote for you online via live webcast at the Meeting, fill out a new voting form bearing a later date and follow the steps indicated under the section "How can I Appoint a Third-Party as Proxyholder?" above.

All voting instruction forms must be received by 11:00 a.m. (Eastern Time) on Tuesday, May 16, 2023.

## QUESTIONS?

If you have questions or require assistance, please contact our proxy solicitation agent, Laurel Hill at 1-877-452-7184 collect calls within North America, 416-304-0211 outside of North America or by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com)

# MANAGEMENT PROXY CIRCULAR

This Circular is being sent to shareholders in connection with the solicitation of proxies, by and on behalf of the management of the Company, for use online at the Meeting to be held on Thursday, May 18, 2023, via live webcast, commencing at the time and for the purposes set forth in the enclosed Notice of Annual Meeting of Shareholders and at any and all adjournments or postponements thereof. Unless otherwise indicated, the information provided in this Circular is given as of March 20, 2023 and currency amounts are presented in Canadian dollars, or “\$”.

## ADDITIONAL INFORMATION ABOUT THE MEETING

This year, we will hold our Meeting in a virtual-only format, which will be conducted via live webcast. Registered shareholders and duly appointed and registered proxyholders who will be attending the Meeting will have an equal opportunity to participate in the Meeting, regardless of geographic location, ask questions and vote, all in real time, provided they are connected to the Internet and comply with all of the requirements set out in this Circular.

Non-registered shareholders who have not duly appointed themselves as proxyholder and registered themselves with Computershare may attend the Meeting but will not be able to ask questions or vote at the Meeting. Guests may also attend the Meeting but will not be able to ask questions or vote at the Meeting.

### Information on Certain Shareholders of the Company

As of March 20, 2023, the Company had 175,554,252 Common Shares issued and outstanding.

As of March 20, 2023, to the knowledge of the Directors and officers of the Company based on shareholders' public filings, the persons or companies who beneficially own, or control or direct, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all shares of the Company are:

- i. **The Caisse de dépôt et placement du Québec** (the “**Caisse**”), an institutional fund manager. Based on public filings, the Caisse beneficially owned, or controlled or directed, directly or indirectly, 34,935,200 Common Shares representing 19.9% of the outstanding Common Shares; and
- ii. **Jarislowsky Fraser Limited** (“**Jarislowsky**”), a global investment management firm. Based on public filings, Jarislowsky beneficially owned, or controlled or directed, directly or indirectly, approximately 21,004,400 Common Shares representing approximately 11.96% of the outstanding Common Shares.

On July 3, 2017, the Company completed its previously-announced acquisition of the entire share capital of Atkins (the “**Atkins Acquisition**”). The Atkins Acquisition was financed through a combination of equity and debt issuance, including,

inter alia, a \$400M private placement of subscription receipts (the “**Concurrent Private Placement**”) with the Caisse and a \$1,500M loan (the “**CDPQ Loan**”) made by CDPQ Revenu Fixe Inc. (a wholly-owned subsidiary of the Caisse) to SNC-Lavalin Highway Holdings Inc. (“**Highway Holdings**”), an indirect wholly-owned subsidiary of the Company. Concurrently with the closing of the Atkins Acquisition, the Company and the Caisse entered into an investor's rights agreement (the “**Investor's Rights Agreement**”). Among other things, the Investor's Rights Agreement provides the Caisse with the right, as long as it beneficially owns or exercises control or direction over, directly or indirectly, 10% or more of the Company's outstanding Common Shares, to recommend to SNC-Lavalin one (1) nominee for election or appointment as a Director, provided that the Caisse nominee shall have no material relationship with SNC-Lavalin or the Caisse, and that their nomination shall be subject to a favourable recommendation of SNC-Lavalin's GES Committee. In addition, the Company has agreed that it will consult with the Caisse prior to the appointment of any new Chair of the Board.

Note that the Caisse has not recommended a nominee for election or appointment as a Director at this time.

The Investor's Rights Agreement also contains the following provisions:

- i. As long as the Caisse holds, directly or indirectly, at least 12% of the Company's issued and outstanding Common Shares, it has a pre-emptive right to participate in new issuances of Common Shares and convertible securities, subject to customary exceptions;
- ii. Subject to applicable securities laws and the rules of the TSX, the Caisse has the right to request that the Company repurchase its Common Shares directly or indirectly held by the Caisse representing up to 25% of any purchase to be made by the Company under any normal course issuer bid<sup>(1)</sup>; and
- iii. The Caisse has been granted “piggyback” (but not demand) qualification rights allowing it, as long as it directly or indirectly holds more than 12% of the Company's issued and outstanding Common Shares, to include its pro rata share of Common Shares sold in certain public offerings of Common Shares, subject to customary underwriter cut back demands and provisions.

For a complete description and the full text of the Investor's Rights Agreement's provisions, please refer to the SEDAR website at [www.sedar.com](http://www.sedar.com), on which the Investor's Rights Agreement was filed on July 7, 2017.

In addition, in connection with the Concurrent Private Placement and the CDPQ Loan, the Company has undertaken that, for a period of seven (7) years:

- i. The head office of the Company will remain in Montréal and will remain the focus of the Company's strategic decision-making;
- ii. A significant portion of the Company's management team, including its CEO, will be resident in the Province of Québec; and
- iii. The Company will propose nominees to ensure a strong representation of Québec and Canadian residents on its Board of Directors (beyond statutory requirements).

(1) On March 3, 2023, the Company announced a normal course issuer bid (the "NCIB") for which the Caisse has decided not to exercise its right that the Company repurchases some of its Common Shares held by the Caisse as part of the NCIB. For more information on the NCIB, please refer to the section "Recent Developments in 2023" of the 2022 AIF dated March 2, 2023.

## Technological Aspects and Procedures for the Meeting

### TECHNOLOGICAL ASPECTS OF THE ONLINE MEETING

If you participate in the Meeting, it is important that you are connected to the Internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedure.

Note that the Internet Explorer web browser cannot be used to access the Lumi platform. You should therefore consider using the latest version of a web browser such as Chrome, Safari, Edge or Firefox should you want to participate online in the Meeting.

An Online Meeting User Guide, which addresses how shareholders and duly appointed and registered proxyholders can register, participate, ask questions and vote during the Meeting when attending online is available on our website at [www.snclavalin.com](http://www.snclavalin.com) under "Investors"/"Investor's Briefcase" and on the SEDAR website at [www.sedar.com](http://www.sedar.com).

### PROCEDURE AT THE MEETING

We will strictly follow the agenda as we conduct the Meeting.

### VOTING BEFORE OR DURING THE MEETING

Please refer to section "How can I vote?" included in the notice of Meeting for information on how to vote before or during the Meeting.

### ASKING QUESTIONS AT THE MEETING RELATING TO MATTERS TO BE VOTED ON

Registered shareholders and duly appointed and registered proxyholders who attend the Meeting will have the opportunity to ask questions relating to matters to be voted on before a vote is held on each matter, if applicable, by chat. We recommend that questions be submitted as soon as possible during the Meeting so that they can be addressed in due course.

### ASKING GENERAL QUESTIONS FOLLOWING THE FORMAL BUSINESS OF THE MEETING

Following the formal business of the Meeting, management will give a presentation about the Company's business.

At the conclusion of this presentation, management or the Chair of the Board will address appropriate general questions from shareholders regarding the Company.

Registered shareholders and duly appointed and registered proxyholders who attend the Meeting will have the opportunity to ask general questions by chat. We recommend that questions be submitted as soon as possible during the Meeting so that they can be addressed in due course.

Questions should be succinct and cover only one topic per question. Questions from multiple shareholders on the same topic or that are otherwise related may be grouped, summarized and answered together.

### BEFORE ASKING A QUESTION

Shareholder questions are welcome, but conducting the business set out in the agenda for the benefit of all shareholders will be paramount. We do not intend to address any questions that are, among other things:

- › irrelevant to the business of the Company or to the business of the Meeting;
- › related to material non-public information of the Company;
- › related to personal grievances;
- › derogatory references to individuals or that are otherwise in bad taste;
- › repetitious statements already made by another shareholder;
- › in furtherance of the shareholder's personal or business interests; or
- › out of order or not otherwise suitable for the conduct of the Meeting as determined by the Chair of the Meeting or Corporate Secretary in their reasonable judgment.

If there are any matters of individual concern to a shareholder and not of general concern to all shareholders, or if a question asked was not otherwise answered, such matters may be raised separately after the by contacting the Company's Investor Relations team at [investors@snclavalin.com](mailto:investors@snclavalin.com).

### OTHER CONSIDERATIONS

The Chair of the Board, our President and CEO and certain members of management will be visible via the live webcast for those attending the Meeting online.

If a technical malfunction or other significant problem disrupts the Meeting, the Chair of the Meeting may recess, expedite or adjourn the Meeting, or take such other action as the Chair determines is appropriate under the circumstances.

### RECORDING OF MEETING

A webcast playback will be available 24 hours after the completion of the Meeting on the Company's website at [www.snclavalin.com](http://www.snclavalin.com), under "Investors"/"Investor's Briefcase".

# BUSINESS OF THE MEETING

## 1. CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The consolidated financial statements of the Company and the independent auditor's report for the fiscal year ended December 31, 2022, as well as the 2022 MD&A, are contained in the Company's 2022 Financial Report which is available on our website [www.snclavalin.com](http://www.snclavalin.com) under "Investors" / "Investor's Briefcase" and on the SEDAR website [www.sedar.com](http://www.sedar.com) under the name of SNC-Lavalin Group Inc.

## 2. ELECTION OF DIRECTORS

### Ten (10) Nominees for 2023

Gary C. Baughman	Steven L. Newman
Mary-Ann Bell	Robert Paré
Christie J.B. Clark	Michael B. Pedersen
Ian L. Edwards	Benita M. Warmbold
Ruby McGregor-Smith	William L. Young

The Board of Directors has fixed at ten (10) the number of Directors to be elected for the current year. The term of office of each Director so elected will expire upon the election of their successor unless they shall resign their office or their office becomes vacant through death, removal or other cause. The management of the Company does not contemplate that any of the nominees will be unable, or for any reason will become unwilling, to serve as a Director.

Should this occur for any reason prior to the election, the persons named in the form of proxy or the voting instruction form reserve the right to vote for another nominee, at their discretion, unless the shareholder has specified in the form of proxy or the voting instruction form that their shares are to be vote against the Directors.

Ms. Isabelle Courville, an independent Director who has served as a Director of the Company since May 4, 2017, will not be standing for re-election at the Meeting.

The "Information on our Director Nominees" section of this Circular sets out detailed information on each of these nominees.

## Majority Voting Requirement

The amendments to the Canada Business Corporations Act (the "CBCA"), which took effect on August 31, 2022, implemented a majority voting requirement for uncontested elections. These amendments provide that each Director nominee is elected only if the number of votes cast in their favor represents a majority of the votes cast for and against them. Notwithstanding the foregoing and in accordance with the CBCA, if an incumbent Director who was a nominee was not elected during the election, the incumbent Director may continue in office until the earlier of (i) the 90<sup>th</sup> day after the day of the election and (ii) the day on which their successor is appointed or elected. In addition, the Board may appoint the incumbent Director who was a candidate and who was not elected during the election to ensure that the Board is composed of the required number of (i) Canadian residents; and (ii) Directors who are not officers or employees of the Company.

Following the implementation of the recent amendments to the CBCA, the Company's Majority Voting Policy was rendered redundant and as such, the Majority Voting Policy is expected to be revoked shortly.

## 3. APPOINTMENT OF AUDITOR

The auditor of the Company is Deloitte LLP, a registered limited liability partnership. Deloitte LLP was first appointed as auditor of the Company on May 8, 2003.

Management and the Board of Directors recommend that Deloitte LLP be appointed to serve as auditor of the Company to hold office until the next annual meeting of shareholders, at a remuneration to be fixed by the Directors. **Unless contrary instructions are indicated on the form of proxy or the voting instruction form, the persons designated in the form of proxy or voting instruction form intend to vote FOR the appointment of Deloitte LLP, as auditor of the Company, to hold office until the next annual meeting of shareholders, to be fixed by the Board of Directors.**

## Auditors Fees

The aggregate fees paid, for professional services rendered by Deloitte LLP and its affiliates, for the year ended December 31, 2022, and the year ended December 31, 2021, can be found in the 2022 AIF available on SEDAR's website [www.sedar.com](http://www.sedar.com) and on the Company's website [www.snclavalin.com](http://www.snclavalin.com) under "Investors" / "Investor's Briefcase".



#### 4. RECONFIRMATION AND APPROVAL OF THE AMENDED AND RESTATED SHAREHOLDER RIGHTS PLAN AGREEMENT

The Company originally implemented a shareholder rights plan by entering into a shareholder rights plan agreement on March 8, 1996, which agreement was subsequently amended and restated as of May 8, 1996, February 26, 1999, March 1, 2002, March 4, 2005, March 6, 2008, March 4, 2011 and March 2, 2017 (as so amended and restated, the "**Original Rights Plan**"). The Rights Plan was reconfirmed by the shareholders on May 7, 2020.

Under the terms of the Original Rights Plan, its continued existence must be reconfirmed by the Company's shareholders at the Meeting. In connection with submitting the Original Rights Plan to shareholders for reconfirmation, the Board of Directors determined that it is further required to amend the definition of "Expiration Time" which currently provides that the Original Rights Plan expires on the Meeting date. Accordingly, at the Meeting, shareholders will be asked to review and, if deemed appropriate, to adopt the resolution reproduced below (the "**Rights Plan Resolution**"), to approve the continuation of the Rights Plan for another three (3) years and to approve the amendments and restatement as reflected in the Amended and Restated Shareholder Rights Plan Agreement. **If the Rights Plan Resolution is not adopted, the Rights Plan will terminate on the date of the Meeting.** If the Rights Plan Resolution is adopted at the Meeting, the Rights Plan will remain in place until the close of business on the date of the annual meeting of shareholders of the Company to be held in 2026, unless terminated earlier in accordance with the terms of the Rights Plan.

A summary of the Rights Plan and of the proposed amendment are set forth in Schedule A to this Circular.

To be adopted, the Rights Plan Resolution (reproduced below) must be approved by the majority of the votes cast by holders of Common Shares:

##### "BE IT RESOLVED:

**THAT** the Shareholder Rights Plan evidenced by the Amended and Restated Shareholder Rights Plan Agreement dated as of March 2, 2017 between the Company and Computershare Investor Services Inc., as Rights Agent, be and is hereby ratified, reconfirmed and approved for a period ending on the close of business on the date on which the annual meeting of the shareholders of the Company is held in 2026, as substantially described in the Company's Management Proxy Circular dated March 20, 2023;

**THAT** any Director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to do all act and things, as such Director or officer may determine necessary or advisable to give effect to this resolution."

Management and the Board of Directors recommend that shareholders vote in favour of the Rights Plan Resolution. **Unless contrary instructions are indicated on the form of proxy or the voting instruction form, the persons designated in the form of proxy or voting instruction form intend to vote FOR the Rights Plan Resolution and the reconfirmation of the Rights Plan.**

#### 5. ADOPTION OF A SAY ON PAY RESOLUTION

An advisory Say on Pay resolution (reproduced below) is submitted for adoption by the shareholders.

As this is an advisory vote, the results will not be binding upon the Company. If a significant number of shareholders vote against the Say on Pay resolution, the Board will consult with the Company's shareholders so that they may voice their concerns about the compensation plans in place and so that Directors clearly understand their concerns. The Board will then review the Company's approach to compensation in light of these concerns.

The Board took note of the Say on Pay vote and the 96.50% of favourable votes obtained at the Annual Meeting of the Shareholders of the Company held on May 5, 2022, consistent with the previous five (5) years voting results all in excess of 91%.

At the Meeting, shareholders will be asked to review and, if deemed appropriate, to adopt the following resolution:

##### "BE IT RESOLVED:

**THAT**, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, the shareholders accept the approach to executive compensation disclosed in the Circular delivered in advance of the Meeting."

Management and the Board of Directors recommend that the shareholders vote in favour of the approval of this Say on Pay resolution. **Unless contrary instructions are indicated on the form of proxy or the voting instruction form, the persons designated in the form of proxy or voting instruction form intend to vote FOR this Say on Pay resolution.**

#### WITHDRAWN SHAREHOLDER PROPOSAL - DISCLOSURE OF LANGUAGES MASTERED BY DIRECTORS

The Company has received one (1) shareholder proposal submitted by the Mouvement d'éducation et de défense des actionnaires (the "**MÉDAC**"), asking that the languages mastered by our Directors be disclosed.

Following discussions with MÉDAC, in light of past practices of the Company with respect to language disclosure and considering the addition of the languages mastered by our Director nominees in each of their biographical information included under the "Information on Our Director Nominees" section of this Circular, MÉDAC agreed to withdraw its proposal.

# INFORMATION ON OUR DIRECTOR NOMINEES

The following is a summary of relevant biographical and compensation information relating to each Director nominated for election. For further details on the compensation components, see the “Directors’ Compensation Discussion and Analysis” section of this Circular.

## Gary C. Baughman



### Independent

Charlotte (North Carolina),  
United States

**Director since:** May 7, 2020

**Age:** 60

**Language mastered:** English

Mr. Baughman is a corporate director and brings more than 35 years of international engineering, construction, operations, maintenance and environmental industry experience. He is currently President of Back Tee Sports, LLC, a global event management company, and also a corporate director of Elixsys Inc. (specialty chemical company) where he served as COO from 2020 to 2022, American Equipment Company, Inc. (AMECO) (provider of heavy equipment, tools, vehicles and construction support services) and AGS Construction (construction services company). In addition, Mr. Baughman serves as an operating partner for Crescendo Capital Partners (a private equity firm) and as a partner/consultant in an organizational development consultancy practice that delivers a platform called The Collaborative Way.

From 2017 to 2019, he was Chairman and CEO of Texas-based APTIM Corp (global design, construction, environmental remediation and maintenance services supplier). He previously worked at M+W Group GmbH (global high-technology engineering services company), where he

first served as COO, Americas in 2015, until he was appointed CEO, Americas in 2016.

Prior to that, Mr. Baughman served as Executive Vice-President at AECOM (Engineering and Construction) from 2012 to 2015, where he was responsible for leading growth for the industrial end market in the Americas as well as globally for the chemical/pharmaceutical market.

He began his career at Fluor Corporation, where he spent 15 years in a number of sales, marketing and finance roles.

Mr. Baughman holds a Bachelor of Science degree in Accounting from Clemson University and obtained his National Association of Corporate Directors (NACD) directorship certification in December 2020.

### Areas of Expertise

- > Engineering Industry Knowledge
- > Strategic Planning
- > Risk Management
- > Operations
- > HR/Compensation
- > Mergers & Acquisitions, Divestitures, Restructuring

### Overall Attendance: 100%

Board/Committee Membership as at December 31, 2022	Regular	Special	Other Public Board Memberships During the Last Five (5) Years
Board	4 of 4	3 of 3	
HR Committee	5 of 5	1 of 1	None
SPOT Committee	4 of 4	2 of 2	

### Securities Held

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Greater of Actual Cost Incurred in Buying Common Shares and D-DSUs or Total Market Value	Meets Minimum Shareholding Requirement of 3 X Annual Retainer i.e. \$810,000 (5-year target)
As at Dec. 31, 2022	3,000	14,162	17,162	\$437,226 <sup>(1)</sup>	In process (54%)
As at Dec. 31, 2021	1,400	7,539	8,939	\$276,304 <sup>(2)</sup>	In process (34%)

(1) This amount represents the actual cost incurred by Mr. Baughman. The total market value of Mr. Baughman's holding of Common Shares and D-DSUs is \$409,485 as at December 31, 2022.

(2) This amount represents the total market value of Mr. Baughman's holding of Common Shares and D-DSUs as at December 31, 2021.

### Voting Results of 2022 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	%Withheld
123,180,467	99.10%	1,115,033	0.90%

## Mary-Ann Bell, P. Eng.



### Independent

Bromont (Québec), Canada

Director since: May 7, 2020

Age: 63

Language mastered:  
English and French

Ms. Bell is an engineer and a corporate director and brings more than 30 years of experience in the telecommunications sector. Prior to her retirement in 2014, she was Senior Vice-President, Québec and Ontario at Bell Aliant Regional Communications Inc. from 2009 to 2014, and from 2005 to 2009, COO, Québec, where she led different operational functions, including engineering, field services and customer services. She previously worked at Bell Canada from 1982 to 2005, where she held various management positions, including Senior Vice-President, Contact Centres and Vice-President, Operations.

In addition to the public company boards listed below, Ms. Bell is a director of the Institute for Governance of Private and Public Organizations (IGOPP) and chairs its audit committee. She served as director of the Institut national de la recherche scientifique (INRS) from 2002 to 2017 and chaired its board from 2012 to 2017. Ms. Bell has been actively involved in the community.

She is a former director of the Théâtre du Nouveau Monde, the International Women's Forum of Canada, the Québec Council on Science and Technology, Centraide du Grand Montréal and Women's Y of Montréal.

Ms. Bell holds a Bachelor's degree in Industrial Engineering from Polytechnique Montréal and a Master of Science degree from INRS. She also completed the corporate governance certification from the Collège des administrateurs de sociétés.

### Areas of Expertise

- > Strategic Planning
- > Risk Management
- > Operations
- > HR/Compensation
- > Public Company Leadership

### Overall Attendance: 100%

Board/Committee Membership as at December 31, 2022	Regular	Special	Other Public Board Memberships During the Last Five (5) Years
Board	4 of 4	3 of 3	> Cogeco Inc. (2016 – Present)
Audit and Risk Committee	4 of 4	3 of 3	> Cogeco Communications Inc. (2023-Present)
GES Committee	4 of 4	5 of 5	> mdf commerce inc. (2021 – Present)
			> NAV Canada (2014 – 2023)
			> Énergir Inc./Valener Inc. (2014 – 2019)
			> Cominar Real Estate Investment Trust (2012 – 2018)

### Securities Held

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Greater of Actual Cost Incurred in Buying Common Shares and D-DSUs or Total Market Value	Meets Minimum Shareholding Requirement of 3 X Annual Retainer i.e. \$810,000 (5-year target)
As at Dec. 31, 2022	13,800	14,162	27,962	\$667,173 <sup>(1)</sup>	In process (82%)
As at Dec. 31, 2021	13,800	7,539	21,339	\$659,588 <sup>(2)</sup>	In process (81%)

(1) This amount represents the total market value of Ms. Bell's holding of Common Shares and D-DSUs as at December 31, 2022.

(2) This amount represents the total market value of Ms. Bell's holding of Common Shares and D-DSUs as at December 31, 2021.

### Voting Results of 2022 Annual Meeting of Shareholders

Votes For	%For	Votes Withheld	% Withheld
122,936,344	98.91%	1,359,156	1.09%

## Christie J.B. Clark



### Independent

Toronto (Ontario), Canada

Director since: May 7, 2020

Age: 69

Language mastered: English

Mr. Clark is a corporate director and brings more than 30 years of experience in the accounting, finance and professional services industries. From 2005 to 2011, he was CEO and Senior Partner of PricewaterhouseCoopers LLP (professional services). Prior to being elected as CEO, Mr. Clark served as National Managing Partner and member of the firm's executive committee from 2001 to 2005.

In addition to the public company boards listed below, Mr. Clark is also a director of the Canadian Olympic Committee, the Canadian Olympic Foundation, Own. The Podium and the Sunnybrook Hospital Foundation. He is an Emeritus member of the Advisory Board of the Stephen J.R. Smith School of Business at Queen's University and a former director of Brookfield Office Properties Inc., IGM Financial Inc., Hydro One Limited and Hydro One Inc.

Mr. Clark graduated from Queen's University with a Bachelor of Commerce degree from the University of Toronto with a MBA. He is a Fellow Chartered Accountant and former National Academic Director for the Institute of Corporate Director's course entitled "Audit Committee Effectiveness".

### Areas of Expertise

- > Strategic Planning
- > Risk Management
- > Accounting/Finance
- > HR/Compensation
- > Capital Markets
- > Mergers & Acquisitions, Divestitures, Restructuring
- > Public Company Leadership

Board/Committee Membership as at December 31, 2022	Overall Attendance: 100%		Other Public Board Memberships During the Last Five (5) Years
	Regular	Special	
Board	4 of 4	3 of 3	> Air Canada (2013 – Present)
Audit and Risk Committee	4 of 4	3 of 3	> Choice Properties Real Estate Investment Trust (2013 – Present) <sup>(1)</sup>
HR Committee	5 of 5	1 of 1	> Loblaw Companies Limited (2011 – Present)
			> Hydro One Limited (2015 – 2018)

(1) Mr. Clark will not be standing for re-election as a trustee of Choice Properties Real Estate Investment Trust at the annual meeting of unitholders to be held on April 25, 2023.

### Securities Held

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Greater of Actual Cost Incurred in Buying Common Shares and D-DSUs or Total Market Value	Meets Minimum Shareholding Requirement of 3 X Annual Retainer i.e. \$810,000 (5-year target)
As at Dec. 31, 2022	7,100	15,689	22,789	\$614,101 <sup>(1)</sup>	In process (76%)
As at Dec. 31, 2021	3,600	9,061	12,661	\$391,352 <sup>(2)</sup>	In process (48%)

(1) This amount represents the actual cost incurred by Mr. Clark. The total market value of Mr. Clark's holding of Common Shares and D-DSUs is \$543,746 as at December 31, 2022.

(2) This amount represents the total market value of Mr. Clark's holding of D-DSUs as at December 31, 2021.

### Voting Results of 2022 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
122,793,478	98.79%	1,502,022	1.21%



## Ian L. Edwards



**Non-Independent  
(member of management)**

Montréal (Québec), Canada

**Director since:** June 11, 2019

**Age:** 60

**Language mastered:** English

Mr. Edwards was appointed Interim President and CEO on June 11, 2019 and later appointed President and CEO of the Company on October 31, 2019. He has over 30 years of global experience in delivering complex infrastructure and resources projects and leading businesses in many sectors and across numerous geographies including North America, Europe, the Middle East and Asia Pacific.

Mr. Edwards joined the Company in 2014 as Executive Vice-President, Infrastructure Construction, and was appointed President, Infrastructure sector in 2015. As President, Infrastructure, he led employees within the Company's global Infrastructure business and oversaw the turnaround and transformation of the sector. He served as COO from January 2019 to June 2019 when he was appointed Interim President and CEO. As COO, he led the initiative to simplify, focus and grow the business and implemented measures to improve the operational performance of the Company. Prior to joining the Company, Mr. Edwards spent six (6) years in senior roles with the Leighton Group (General Contractors), where, as Managing Director, Leighton Asia, India and Offshore, he led

a diverse business of 20,000 employees spanning the construction, infrastructure, oil and gas and mining sectors in 14 countries.

In addition to acting as President and CEO of the Company, Mr. Edwards is also a director on the Board of the McGill University Health Center Foundation (MUHC).

Mr. Edwards holds Higher and Ordinary Certificates in Civil Engineering from Lancashire University in the U.K. He is an incorporated Member of the Chartered Institute of Building, a Fellow of the Institution of Civil Engineers, and Fellow of the Hong Kong Institution of Engineers.

## Areas of Expertise

- › Engineering Industry Knowledge
- › Strategic Planning
- › Risk Management
- › Project Management
- › Operations

## Overall Attendance: 100%

### Board/Committee Membership as at December 31, 2022 <sup>(1)</sup>

#### Regular

#### Special

### Other Public Board Memberships During the Last Five (5) Years

Board	4 of 4	3 of 3	None
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- (1) Mr. Edwards, as President and CEO, is not a member of any Committee but attends Committee meetings at the invitation of the Committees. In 2022, he attended 100% of all Committee meetings as a non-voting participant. He does not receive compensation as a member of the Board of Directors of the Company. For details on Mr. Edwards's compensation as President and CEO, see the "Executive Compensation Discussion and Analysis" section of this Circular.

## Securities Held

Year	Common Shares	Deferred Share Units (E-DSUs)	Unvested Restricted Share Units (RSUs)	Total Common Shares, E-DSUs and Unvested RSUs	Total Value of Common Shares, E-DSUs and Unvested RSUs <sup>(1)</sup>	Meets Minimum Shareholding Requirement <sup>(2)</sup>
As at Dec. 31, 2022	41,065	116,597	158,928	316,590	\$8,964,406	N/A
As at Dec. 31, 2021	19,886	116,597	129,283	265,766	\$8,558,215	N/A

- (1) For details on the calculation of the total value of Mr. Edwards' Common Shares, vested E-DSUs and unvested RSUs, see the "Executive Share Ownership Guidelines" subsection under the "Executive Compensation Discussion and Analysis" section of this Circular.

- (2) Note that the President and CEO does not have a minimum shareholding requirement as a Director. For details on Mr. Edwards' share ownership requirement as President and CEO, see the "Executive Share Ownership Guidelines" subsection under the "Executive Compensation Discussion and Analysis" section of this Circular.

## Voting Results of 2022 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
122,128,178	98.06%	2,414,764	1.94%

## Ruby McGregor-Smith, CBE



### Independent

Ascot (Berkshire), United Kingdom

Director since: May 5, 2022

Age: 60

Language mastered: English

Ms. McGregor-Smith is a corporate director and brings more than 25 years of experience in the sectors of infrastructure services and facilities management.

From 2007 to 2016, she was CEO of the Mitie Group plc, the strategic outsourcing and energy services company, and was the first Asian woman to be appointed to such a role in the FTSE 250 or FTSE 100. Ms. McGregor-Smith joined Mitie in 2002, serving as Group Financial Director and COO until her appointment as CEO in 2007. She previously held senior positions with SGI Babcock International Group as well as Serco Group plc, working in a range of commercial and financial roles.

In addition to the public company boards listed below, Ms. McGregor-Smith currently is the Chair of the Institute of Apprenticeships and Technical Education, and the Air Operators Association; a non-executive director for the Tideway Tunnel and president on the Board of the Chartered Institute of Personnel and Development (CIPD). Among Ms. McGregor-Smith's other commitments, she supports

Investcorp Europe Acquisition Corp 1, a time limited special purpose acquisition company ("SPAC"), as CEO. She was President of the British Chambers of Commerce from 2020 to 2022.

Ms. McGregor-Smith holds a Bachelor of Economics from Kingston University and a Post Graduate Diploma in Global Business from the Saïd Business School, University of Oxford. She is a Fellow of the Institute of Chartered Accountants in England and Wales. In 2012, Ms. McGregor-Smith was appointed a Commander of the Order of the British Empire (CBE) for services to business and diversity in business

### Areas of Expertise:

- > Strategic Planning
- > Risk Management
- > Operations
- > Government/Regulatory Affairs
- > Accounting/Finance
- > Capital Markets
- > Public Company Leadership

### Overall Attendance: 90%

Board/Committee Membership as at December 31, 2022	Overall Attendance: 90%		Other Public Board Memberships During the Last Five (5) Years
	Regular	Special	
Board	3 of 3	1 of 1	> Everyman Media Group PLC (2022 - Present)
Audit and Risk Committee	2 of 2		> Mind Gym plc (2020 - Present)
SPOT Committee	2 of 2	1 of 2	

### Securities Held

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Greater of Actual Cost Incurred in Buying Common Shares and D-DSUs or Total Market Value	Meets Minimum Shareholding Requirement of 3 X Annual Retainer i.e. \$810,000 (5-year target)
As at Dec. 31, 2022	N/A	4,596	4,595	\$109,661 <sup>(1)</sup>	In process (14%)
As at Dec. 31, 2021	N/A	N/A	N/A	N/A	N/A

(1) This amount represents the total market value of Ms. McGregor-Smith's holding of D-DSUs as at December 31, 2022.

### Voting Results of 2022 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
123,171,841	99.10%	1,123,659	0.90%

**Steven L. Newman****Independent**

Holladay (Utah), United States

**Director since:** November 5, 2015**Age:** 58**Language mastered:**

English, Spanish and Portuguese

Mr. Newman is a corporate director and brings more than 25 years of experience in the energy industry. He is currently the Chairman and CEO of Aquadrill LLC, a private offshore contract drilling company. From March 2010 to February 2015, he was President and CEO and a director of Transocean, Ltd. (oil and gas drilling and exploration). Mr. Newman joined Transocean in 1994 and held various management and operational positions. He served as President and COO from May 2008 until March 2010 when he was appointed President and CEO. In his early career, Mr. Newman was Financial Analyst at Chevron Corporation and Reservoir Engineer at Mobil E&P US.

Mr. Newman holds a Bachelor of Science degree in Petroleum Engineering from the Colorado School of Mines and a MBA from Harvard Graduate School of Business. He is a member of the Society of Petroleum Engineers and the National Association of Corporate Directors (NACD).

**Areas of Expertise:**

- > Strategic Planning
- > Operations
- > HR/Compensation
- > Mergers & Acquisitions, Divestitures, Restructuring
- > Public Company Leadership

**Overall Attendance: 100%****Board/Committee Membership as at December 31, 2022****Regular****Special****Other Public Board Memberships During the Last Five (5) Years**

Board	4 of 4	3 of 3	> Dril-Quip, Inc. (2015 – Present)
Audit and Risk Committee	4 of 4	3 of 3	> Tidewater, Inc. (2017 – 2019)
GES Committee (Chair)	4 of 4	5 of 5	
SPOT Committee	4 of 4	2 of 2	

**Securities Held**

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Greater of Actual Cost Incurred in Buying Common Shares and D-DSUs or Total Market Value	Meets Minimum Shareholding Requirement of 3 X Annual Retainer i.e. \$810,000 (5-year target)
As at Dec. 31, 2022	4,917	51,642	56,559	\$1,906,306 <sup>(1)</sup>	Yes (235%)
As at Dec. 31, 2021	4,917	39,334	44,251	\$1,607,563 <sup>(2)</sup>	Yes (198%)

(1) This amount represents the actual cost incurred by Mr. Newman. The total market value of Mr. Newman's holding of Common Shares and D-DSUs is \$1,349,498 as at December 31, 2022.

(2) This amount represents the actual cost incurred by Mr. Newman. The total market value of Mr. Newman's holding of Common Shares and D-DSUs is \$1,367,798 as at December 31, 2021.

**Voting Results of 2022 Annual Meeting of Shareholders**

Votes For	% For	Votes Withheld	% Withheld
122,753,207	98.76%	1,542,293	1.24%

## Robert Paré



### Independent

Westmount (Québec), Canada

**Director since:** May 5, 2022

**Age:** 68

**Language mastered:**  
English and French

Mr. Paré is a corporate director and brings more than 40 years of experience in business law, particularly in the areas of capital markets, mergers and acquisitions, and corporate governance. From 2018 to 2022, he was a Strategic Advisor to the law firm Fasken Martineau Du Moulin LLP where he previously served as Senior Partner. As legal and strategic senior advisor, Mr. Paré has been involved in many corporate transactions having marked the Canadian and Québec economic landscapes.

In addition to the public company boards listed below, Mr. Paré is a director of the Institute for Research and Immunology and Cancer (IRIC) as well as of the Institute of Corporate Directors (the "ICD"), having chaired the Québec Chapter from 2015 to 2017.

Mr. Paré has a Bachelor's degree in Law from the Université de Laval and is a member of the Québec Bar.

### Areas of Expertise:

- > Capital Markets
- > Government/Regulatory Affairs
- > Mergers & Acquisitions, Divestitures, Restructuring
- > HR/Compensation

Board/Committee Membership as at December 31, 2022	Overall Attendance: 90%		Other Public Board Memberships During the Last Five (5) Years
	Regular	Special	
Board	3 of 3	0 of 1	> National Bank of Canada (2018 – Present)
GES Committee	2 of 2		> Quebecor Inc. (2014 – 2022)
SPOT Committee	2 of 2	2 of 2	> ADF Group Inc. (2008 – 2019)

### Securities Held

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Greater of Actual Cost Incurred in Buying Common Shares and D-DSUs or Total Market Value	Meets Minimum Shareholding Requirement of 3 X Annual Retainer i.e. \$810,000 (5-year target)
As at Dec. 31, 2022	16,600	7,980	24,580	\$609,187 <sup>(1)</sup>	In process (75%)
As at Dec. 31, 2021	N/A	N/A	N/A	N/A	N/A

(1) This amount represents the actual cost incurred by Mr. Paré. The total market value of Mr. Paré's holding of Common Shares and D-DSUs is \$586,479 as at December 31, 2022.

### Voting Results of 2022 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
123,199,030	99.12%	1,096,470	0.88%



## Michael B. Pedersen



### Independent

Toronto (Ontario), Canada

Director since: May 7, 2020

Age: 62

Language mastered:  
English and Danish

Mr. Pedersen is a corporate director and brings more than 30 years of experience in the banking and finance sectors. Prior to his retirement in 2018, he was Special Advisor to the CEO of The Toronto-Dominion Bank since June 2017 and, from 2013 to 2017, President and CEO of TD Bank US Holding Company's retail and commercial banking business. From 2007 to 2013, he served as Group Head for The Toronto-Dominion Bank's corporate operations and global wealth and insurance businesses. Prior to joining TD Bank Group in 2007, Mr. Pedersen worked at Barclays plc (financial institution) in the U.K. where he was responsible for three (3) global businesses and prior to that he worked at CIBC where he held senior executive roles in retail and business banking.

In addition to the public company board listed below, Mr. Pedersen is the chairperson of the board of the Business Development Bank of Canada (BDC), the chair of the board of Nature Conservancy of Canada, the chair of the advisory committee of the Intact Centre on Climate Adaptation, as well as a

member of the sustainable finance advisory committee of the Global Risk Institute.

Mr. Pedersen holds a Bachelor of Commerce degree from the University of British Columbia and a Master of Industrial Relations degree from the University of Toronto.

### Areas of Expertise:

- > Strategic Planning
- > Risk Management
- > Extensive Knowledge/ Experience of U.S. and U.K. Markets
- > Government/Regulatory Affairs
- > HR/Compensation
- > Mergers & Acquisitions, Divestitures, Restructuring
- > Public Company Leadership

### Overall Attendance: 100%

Board/Committee Membership as at December 31, 2022	Overall Attendance: 100%		Other Public Board Memberships During the Last Five (5) Years
	Regular	Special	
Board	4 of 4	3 of 3	> CGI Inc. (2017 – Present)
HR Committee	5 of 5	1 of 1	
SPOT Committee (Chair)	4 of 4	2 of 2	

### Securities Held

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Greater of Actual Cost Incurred in Buying Common Shares and D-DSUs or Total Market Value	Meets Minimum Shareholding Requirement of 3 X Annual Retainer i.e. \$810,000 (5-year target)
As at Dec. 31, 2022	85,000	27,890	112,890	\$2,991,874 <sup>(1)</sup>	Yes (369%)
As at Dec. 31, 2021	75,000	15,904	90,904	\$2,809,843 <sup>(2)</sup>	Yes (347%)

(1) This amount represents the actual cost incurred by Mr. Pedersen. The total market value of Mr. Pedersen's holding of Common Shares and D-DSUs is \$2,693,555.40 as at December 31, 2022.

(2) This amount represents the total market value of Mr. Pedersen's holding of D-DSUs as at December 31, 2021.

### Voting Results of 2022 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
123,195,976	99.12%	1,099,524	0.88%

**Benita M. Warmbold,**  
**FCPA, FCA, ICD.D**



**Independent**

Toronto (Ontario), Canada

**Director since:** May 4, 2017

**Age:** 64

**Language mastered:**  
English and German

Ms. Warmbold is a corporate director and brings more than 30 years of experience in the finance industry. She is the former Senior Managing Director and CFO of the Canada Pension Plan Investment Board (the "CPPIB"), a position she held from December 2013 to July 2017. Prior to that, she was Senior Vice-President and COO of CPPIB from 2008 to 2013. CPPIB is a professional investment management organization responsible for investing funds on behalf of the Canada Pension Plan. Before joining CPPIB, she served as Managing Director and CFO for Northwater Capital Management Inc. from 1997 to 2008. She previously held senior positions with Canada Development Investment Corporation and KPMG.

In addition to the public company boards listed below, Ms. Warmbold is chair of the Canadian Public Accountability Board.

She is also a former director of Crestone Peak Resources (now, Civitas Resources, Inc.) and a former member of Queen's University Board of Trustees.

Ms. Warmbold holds an Honours Bachelor of Commerce degree from Queen's University, is a Fellow of CPA-Ontario and has been granted the ICD.D and FICD designations by the Institute of Corporate Directors. She was recognised as a Top 100 Most Powerful Women in 2009, 2010 and 2015 and in 2016, was inducted into the Women's Executive Network's Hall of Fame. She was also selected by the Canadian Board Diversity Council for its first-ever Diversity 50, which recognizes qualified, diverse candidates for board of director appointments.

**Areas of Expertise:**

- › Strategic Planning
- › Risk Management
- › Operations
- › Accounting/Finance
- › Capital Markets
- › Mergers & Acquisitions, Divestitures, Restructuring

**Overall Attendance: 100%**

Board/Committee Membership as at December 31, 2022	Overall Attendance: 100%		Other Public Board Memberships During the Last Five (5) Years
	Regular	Special	
Board	4 of 4	3 of 3	<ul style="list-style-type: none"> <li>› The Bank of Nova Scotia (2018 – Present)</li> <li>› Methanex Corporation (2016 – Present)</li> </ul>
Audit and Risk Committee (Chair)	4 of 4	3 of 3	
HR Committee	5 of 5	1 of 1	

**Securities Held**

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Greater of Actual Cost Incurred in Buying Common Shares and D-DSUs or Total Market Value	Meets Minimum Shareholding Requirement of 3 X Annual Retainer i.e. \$810,000 (5-year target)
As at Dec. 31, 2022	3,000	25,922	28,922	\$994,761 <sup>(1)</sup>	Yes (123%)
As at Dec. 31, 2021	3,000	19,264	22,264	\$833,040 <sup>(2)</sup>	Yes (103%)

(1) This amount represents the actual cost incurred by Ms. Warmbold. The total market value of Ms. Warmbold's holding of Common Shares and D-DSUs is \$690,079 as at December 31, 2022.

(2) This amount represents the actual cost incurred by Ms. Warmbold. The total market value of Ms. Warmbold's holding of Common Shares and D-DSUs is \$688,180 as at December 31, 2021.

**Voting Results of 2022 Annual Meeting of Shareholders**

Votes For	% For	Votes Withheld	% Withheld
123,021,294	98.97%	1,274,206	1.03%

## William L. Young, P.Eng.



### Independent

Lexington (Massachusetts),  
United States

**Director since:** September 9, 2020

**Age:** 68

**Language mastered:** English

Mr. Young is a corporate director with extensive public company board experience and has been Chair of the Board since September 9, 2020. He also brings more than 30 years of experience in the private equity sector. He co-founded, and until 2018 was a partner of, Monitor Clipper Partners, a private equity firm established in 1998. He is also a founding partner of Westbourne Management Group (1988) and was a partner in the European practice of Bain & Company (1981 to 1988). Mr. Young possesses significant operational experience, as well as extensive mergers & acquisitions experience.

In addition to the public company boards listed below, he is Chair Emeritus of the Board of Trustees of Queen's University, which he chaired from 2006 to 2012, and chair of the board of the Canadian Institute for Advanced Research (CIFAR). Mr. Young has also acquired significant private company board and board

leadership experience over the last 20 years, including at a number of European and U.S.-based companies.

He is a professional engineer (P.Eng. – Ontario) and holds an Honours Bachelor of Science in chemical engineering from Queen's University and a MBA with distinction from Harvard Business School.

### Areas of Expertise:

- > Strategic Planning
- > Extensive Knowledge/ Experience of U.S. and U.K. Markets
- > Accounting/Finance
- > Capital Markets
- > Mergers & Acquisitions, Divestitures, Restructuring
- > Public Company Leadership

### Overall Attendance: 100%

#### Board/Committee Membership as at December 31, 2022

#### Regular

#### Special

#### Other Public Board Memberships During the Last Five (5) Years

Board (Chair)

4 of 4

3 of 3

> Intact Financial Corporation (2018 – Present)

HR Committee (Chair)

> Magna International Inc. (2011 – 2022)

As Chair of the Board, Mr. Young attended 100% of all Committee meetings as an ex-officio member

### Securities Held

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Greater of Actual Cost Incurred in Buying Common Shares and D-DSUs or Total Market Value	Meets Minimum Shareholding Requirement of 3 X Annual Retainer i.e. \$1,350,000 (5-year target)
As at Dec. 31, 2022	35,800	36,363	72,163	\$1,721,809 <sup>(1)</sup>	Yes (128%)
As at Dec. 31, 2021	12,300	17,531	29,831	\$922,076 <sup>(2)</sup>	In process (68%)

(1) This amount represents the total market value of Mr. Young's holding of Common Shares and D-DSUs as at December 31, 2022.

(2) This amount represents the total market value of Mr. Young's holding of Common Shares and D-DSUs as at December 31, 2021.

### Voting Results of 2022 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
121,009,873	97.36%	3,285,627	2.64%

## ADDITIONAL INFORMATION ON OUR DIRECTOR NOMINEES

As of March 20, 2023, to the date hereof, to the knowledge of the Company, in the last ten (10) years, none of the above-named nominees is or has been a director or officer of any company that, while that person was acting in that capacity, was the subject of a cease trade order or similar order, or an order that denied the relevant company access to any exemptions under securities legislation (each, an “**order**”), for a period of more than thirty (30) consecutive days. To the knowledge of the Company, in the last ten (10) years, none of the above-named nominees is or has been a director or officer of any company that was subject to an order that was issued after that person ceased to act in that capacity and which resulted from an event that occurred while that person was acting in that capacity.

In addition, to the knowledge of the Company, in the last ten (10) years, none of the above-named nominees has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

Furthermore, to the knowledge of the Company, in the last ten (10) years, none of the above-named nominees is or has been a director or officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets, except for the following:

- › **William L. Young**, our Chair of the Board, served as a director of Pharmetics Inc. (“**Pharmetics**”), a private company, from 2011 until he resigned in connection with the sale of Pharmetics in September 2017. Approximately five (5) months after the sale, in February 2018, Pharmetics filed a notice of intention to make a proposal under the Bankruptcy and Insolvency Act (Canada) and was subsequently declared bankrupt as of March 16, 2018.

# DIRECTORS' COMPENSATION DISCUSSION AND ANALYSIS

## DIRECTORS' COMPENSATION PHILOSOPHY, REVIEW AND PROCESS

Our philosophy with respect to Directors' compensation is based on the following guiding principles:

- › Recruit and retain qualified individuals to serve as Directors of the Company;
- › Align the interests of the Directors with those of shareholders by requiring Directors to hold a multiple of their annual retainer in Common Shares or D-DSUs, or a combination of both;
- › Provide compensation reflecting the risks and responsibilities and commitment inherent to the role of Director and recognizing the increasing complexity of the Company's business; and
- › Provide competitive compensation based on market standards.

The GES Committee is responsible for reviewing Directors' compensation every year and recommending changes to the Board, if required. In order to appropriately benchmark Directors' compensation, the GES Committee reviews our Directors' compensation scheme against that of a group of companies as outlined below, referred to herein as the "**Director Comparator Group**". The Director Comparator Group is created with the assistance of an external consultant retained by the Company to benchmark its Directors' compensation. Based on these findings and the above guiding principles, the GES Committee makes its recommendations to the Board thereon.

The last review with respect to the compensation of our Chair of the Board and non-executive Directors was carried out by the GES Committee in June 2021, with the assistance of Willis Towers Watson.

The following Director Comparator Group was used by Willis Towers Watson:

Company Name	Industry
<b>Canada</b>	
CGI Inc.	IT Consulting and Other Services
Teck Resources Limited	Diversified Metals and Mining
WSP Global Inc.	Engineering and Construction
Finning International Inc.	Trading Companies and Distributors
Stantec Inc.	Research and Consulting Services
Aecon Group Inc.	Engineering and Construction
CAE Inc.	Aerospace and Defense
<b>United States</b>	
Fluor Corporation	Engineering and Construction
Jacobs Engineering Group Inc.	Research and Consulting Services
AECOM	Engineering and Construction
EMCOR Group, Inc.	Engineering and Construction
KBR, Inc.	Research and Consulting Services
Tutor Perini Corporation	Engineering and Construction
Tetra Tech, Inc.	Environmental and Facilities Services
<b>United Kingdom</b>	
Balfour Beatty plc	Engineering and Construction
Babcock International Group PLC	Aerospace and Defense
Serco Group plc	Environmental and Facilities Services
Capita plc	Data Processing and Outsourced Services



The Director Comparator Group is representative of global companies located in Canada, U.S. and the U.K.

The selection criteria included companies that are:

- publicly listed;
- SNC-Lavalin's direct competitors and companies operating in the same or related industry and in the same business sectors of activities;
- included in one (1) of the three (3) peer groups in place at the time at SNC-Lavalin<sup>(1)</sup>;
- within comparable revenue scope falling in a range of 0.5x and 2x of SNC-Lavalin revenues and comparable market capitalization; and
- in the typical recruitment market for board members having the required experience and expertise.

Pursuant to this review, the GES Committee recommended to the Board the adoption of a broadly flat-fee approach with annual retainers, for both the Chair of the Board and non-executive Directors so as to allow:

- a better alignment with market practices;
- the simplification of the administration of the compensation; and
- an enhanced recognition of the experience and contribution of Directors that is, to a lesser extent, based on the number of meetings attended in a given year.

(1) These peer groups are the Executive Compensation Comparator Group, the Performance Comparator Group and the prior Director Comparator Group.

## DIRECTORS' COMPENSATION PACKAGE

The following table outlines the revised compensation received by our Chair of the Board and non-executive Directors which was adopted as of July 1, 2021. Note that our President and CEO does not receive compensation as a member of the Board of Directors of the Company. For details on our President and CEO's compensation, see the "Executive Compensation Discussion and Analysis" section of this Circular.

ANNUAL RETAINER	AMOUNT(\$)
<b>Director Retainer</b>	
i) a cash award <sup>(1)</sup>	110,000
ii) a lump sum credited in D-DSUs	160,000
<b>TOTAL</b>	<b>270,000</b>
<b>Chair of the Board Retainer</b>	
Annual retainer consisting of:	
i) a cash award <sup>(1)</sup>	202,500
ii) a lump sum credited in D-DSUs	247,500
<b>TOTAL</b>	<b>450,000</b>

ANNUAL RETAINER	AMOUNT(\$)
<b>Committee Chair Retainer<sup>(1)</sup></b>	
Audit and Risk Committee	25,000
GES, HR and SPOT Committees	20,000
<b>MEETING FEES<sup>(1)(2)(3)</sup></b>	
Additional Board or Committee meeting, or meeting with Stakeholders	2,250
<b>TRAVEL FEES<sup>(1)</sup></b>	
For travel requiring more than three (3) hours but less than five (5) hours (one way)	1,500
For travel requiring five (5) hours or more (one way)	3,000

- (1) The Chair of the Board and other non-executive Directors may elect to receive 100% of their compensation payable in cash, in either cash or D-DSUs (i.e. cash award portion of annual retainer, meeting fees, travel fees and Committee Chair retainer (if applicable)).
- (2) A non-executive Director is paid \$2,250 for attendance at a meeting of the Board or Board Committee on which they sit as a member when more than eight (8) meetings of the Board or of such Committee are held over a calendar year.
- (3) A non-executive Director (excluding the Chair of the Board) is also paid \$2,250 when required to meet with management or any other person in the course of their work as a Director except for purposes that derive from their role as Chair of the Board or Chair of a Committee. This fee is payable when the combined preparation and meeting time for such meeting is equivalent to half a day of work (4 hours) or when the circumstances otherwise justify such fee at the discretion of the Chair of the GES Committee and of the Chair of the Board.

The Company also reimburses the Chair of the Board and the non-executive Directors for any reasonable travel and other out-of-pocket expenses relating to their respective duties.

## D-DSUS

D-DSUs are the "at-risk" component of our Directors' compensation program designed to encourage Directors to better align their interests with those of shareholders.

Under the D-DSUP, Directors are credited D-DSUs as part of their annual retainer (i.e. lump sum credited in D-DSUs). They can also elect to receive 100% of their cash compensation in D-DSUs (i.e. cash award portion of their annual retainer, meeting fees, travel fees and Committee Chair retainer, if applicable). In 2022, four (4) Directors elected to receive all of their compensation in D-DSUs, including our Chair of the Board.

D-DSUs track the value of our Common Shares. They accumulate during the Director's term in office and are redeemed in cash when the Director leaves the Board. For the purposes of redeeming D-DSUs, the value of a D-DSU on any given date is equivalent to the average of the closing price for a Common Share on the TSX for the five (5) trading days immediately prior to such date.

D-DSUs are credited on a quarterly basis and do not carry voting rights. Furthermore, additional D-DSUs accumulate as dividend equivalents whenever cash dividends are paid on Common Shares.

## ANTI-HEDGING AND ANTI-MONETIZATION

The Board has adopted a policy prohibiting hedging and trading in derivatives applicable to the Company's insiders, which include our Directors.

## DIRECTORS' SHARE OWNERSHIP REQUIREMENT

The Company believes it is important that Directors demonstrate their commitment to the Company's growth through share ownership. In order to align the interests of the Directors with those of the shareholders, the Company requires its Directors to hold a multiple of their annual retainer in Common Shares or DSUs, or a combination of both.

The last review with respect to the Directors' share ownership requirement was carried out by the GES Committee in 2021 with the assistance of Willis Towers Watson. Willis Towers Watson prepared a benchmarking study using the same Director Comparator Group used for the Directors compensation review and concluded that the Company's current share ownership requirements were either aligned (for the non-executive Directors) or higher than market median (for the Chair of the Board). Following this review, Willis Towers Watson recommended to maintain the current share ownership requirement and therefore, the GES Committee did not recommend any changes to the Board in this respect.

### Directors' Share Ownership Requirement<sup>(1)</sup> 5-Year Target = 3 X Annual Retainer (approx.)

Position	Share Ownership Requirement
Chair of the Board	\$ 1,350,000
Non-executive Directors	\$ 810,000

(1) The value of the share ownership requirement is determined as the greater of:

- (i) The actual purchase cost of the Common Shares incurred by the Director, plus the total value, at the time of the grant, of the D-DSUs granted under the D-DSUP to such Director; or
- (ii) The market value, at the time of assessment, of all Common Shares held by a Director and of all Common Shares represented by DSUs granted to such Director under the D-DSUP.

Ownership can be achieved by purchasing Common Shares and by participating in the D-DSUP. All non-executive Directors, are required to continue to hold all their D-DSUs throughout their tenure as Directors. They can, however, dispose of their Common Shares as long as the minimum Director share ownership requirement is satisfied.

## OUTSTANDING SHARE- BASED AWARDS

The following table reflects all awards outstanding as at December 31, 2022 with respect to our non-executive Directors. For further details on each Director's share ownership, see the "Securities Held" section of each nominee Director's biographical and compensation information located under the "Information on Our Director Nominees" section of this Circular.

Director	Share-based Awards	
	Number of D-DSUs that have not vested	Market or payout value of D-DSUs that have not vested <sup>(1)</sup>
	(#)	(\$)
G.C. Baughman	14,162	329,833
M.-A. Bell	14,162	329,833
C.J.B. Clark	15,689	365,397
I. Courville	33,643	783,545
R. McGregor-Smith	4,596	107,041
S.L. Newman	51,642	1,202,742
R. Paré	7,980	185,854
M.B. Pedersen	27,890	649,558
B.M. Warmbold	25,922	603,723
W.L. Young	36,363	846,894

(1) The value of outstanding D-DSUs is based on the closing price for a Common Share on the TSX on December 31, 2022 (\$23.29).

## TOTAL DIRECTORS' COMPENSATION

Note that the President and CEO does not have a minimum share ownership requirement as a Director but rather as President and CEO. For his minimum share ownership requirement as President and CEO, see the "Executive Share Ownership Guidelines" subsection under the "Executive Compensation Discussion and Analysis" section of this Circular.

Director	Fees Earned			Share-based Awards <sup>(4)</sup>	All Other Compensation <sup>(5)</sup>	TOTAL	Percentage of Total Fees Received in D-DSUs <sup>(6)</sup>
	Non-Executive Director Retainer and Chair of the Board Retainer <sup>(1)</sup>	Committee Chair Retainer <sup>(2)</sup>	Board and Committee Meeting Fees <sup>(3)</sup>				
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(%)
G.C. Baughman	110,000	–	5,250	160,000	790	276,040	58%
M.-A. Bell	110,000	–	5,250	160,000	790	276,040	58%
C.J.B. Clark	110,000	–	5,250	160,000	912	276,162	58%
I. Courville	110,000	20,000	5,250	160,000	2,346	295,596	55%
R. McGregor-Smith <sup>(7)</sup>	72,225	–	11,250	105,055	80	188,610	56%
S.L. Newman	–	–	–	295,250	3,488	296,739	100%
R. Paré <sup>(8)</sup>	–	–	–	182,530	135	182,665	100%
M.B. Pedersen	–	–	–	288,327	1,599	289,925	100%
Z. Smati <sup>(9)</sup>	38,077	4,923	–	55,385	474	98,859	57%
B.M. Warmbold	110,000	25,000	5,250	160,000	1,729	301,929	54%
W.L. Young	–	–	–	455,250	1,928	457,178	100%
<b>TOTAL</b>	<b>660,302</b>	<b>47,873</b>	<b>37,500</b>	<b>2,179,797</b>	<b>14,271</b>	<b>2,939,743</b>	<b>72%</b>

(1) Such amounts represent the portion of the annual retainer elected to be received in cash by the Chair of the Board and each non-executive Director.

(2) Such amounts represent fees elected to be received in cash by Committee Chairs.

(3) Such amounts represent fees elected to be received in cash by the Chair of the Board and non-executive Directors and include (i) fees paid to members of non-standing Board Committees, (ii) fees paid to the Chair of the Board and non-executive Directors for attendance at special Board and special Committee meetings, and (iii) travel fees paid to our non-executive Directors (totaling \$24,000 in 2022).

(4) Such amounts represent (i) the cash award portion of the annual retainer elected to be received in D-DSUs by the Chair of the Board and each non-executive Director, and (ii) the lump sum portion of the annual retainer payable in D-DSUs. Such amounts also represent fees elected to be received in D-DSUs by the Chair of the Board and non-executive Directors and include (i) meeting fees, travel fees and Committee Chair retainers (if applicable), (ii) fees paid to members of non-standing Board Committees, (iii) fees paid to the Chair of the Board and non-executive Directors for attendance at special Board and special Committee meetings, and (iv) fees paid to Committee Chairs and other non-executive Directors for meetings with management or any other person in the course of their work as Director.

(5) Such amounts represent (i) D-DSUs from dividend equivalents, and (ii) fees elected to be received in cash paid to Committee Chairs and other non-executive Directors for meetings with management or any other person in the course of their work as Director.

(6) Such percentage is calculated by dividing the aggregate of the value provided under the share-based awards column and the dividend equivalents included in the "All Other Compensation" column, by the value provided under the total column.

(7) Ms. McGregor-Smith was elected Director on May 5, 2022. As a result, her compensation was prorated.

(8) Mr. Paré was elected Director on May 5, 2022. As a result, his compensation was prorated.

(9) Mr. Smati ceased to be a Director on May 5, 2022. As a result, his compensation was prorated.

# BOARD COMMITTEE REPORTS

## OVERVIEW

The Board has four (4) standing Committees to assist it in fulfilling its responsibilities:

- › the Audit and Risk Committee
- › the GES Committee
- › the HR Committee
- › the SPOT Committee

Each Committee is composed solely of directors who are independent according to the independence criteria adopted by the Board of Directors (for more information on the independence of the members of the Committees, please refer to the section "Statement of Corporate Governance Practices - Independence" of this Circular). The mandate of each standing Committee requires that, at each regularly scheduled meeting, the members of the Committee hold *in camera* sessions (sessions at which members of management are not present). The mandate and the work plan of each standing Committee as well as the performance of each Committee and its respective Chair are reviewed annually.

Committees review specific aspects of the Company's business and affairs as outlined in their mandates. They analyze policies and strategies which are developed by management and are designed to be more conducive to deeper discussion on assigned subjects. They examine alternatives and where appropriate make recommendations to the Board. Committees do not take action or make decisions on behalf of the Board unless specifically mandated to do so. The Chair of each standing Committee provides a report of the Committee's activities to the full Board after each of the Committee's regular meetings.

This section contains information about the members, objectives and highlights for the year 2022 of each standing Committee. For the background and experience of the Committee members, please refer to the section "Information on our Director Nominees" of this Circular. The standing Committee mandates are also available on the Company's website at [www.snclavalin.com](http://www.snclavalin.com) under "About Us"/"Leadership & Governance"/"Governance".

Each standing Committee is satisfied that, for the year 2022, it has fulfilled all of its responsibilities in accordance with its mandate.

Furthermore, in 2022, the Board of Directors has created the Cyber Security Crisis Committee with the mandate of providing oversight and advising management and the Board in the event of a significant cyber security incident. This non-standing committee is composed of the following independent Directors: Christie J. B. Clark, Robert Paré, Michael B. Pedersen, Benita M. Warmbold and William L. Young.

# AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee is primarily responsible for assisting the Board in overseeing the Company's financial controls and reporting and in overseeing the Company's ERM framework, strategy, policies and governance. The Committee also monitors through reasonable measures, whether the Company complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management as well as the Company's relationship with its independent auditor and its internal audit function.

## THE MEMBERS OF THE AUDIT AND RISK COMMITTEE ARE:



**Benita M. Warmbold (Chair)**



**Mary-Ann Bell**



**Christie J.B. Clark**



**Ruby McGregor-Smith**



**Steven L. Newman**

In 2022, four (4) regular meetings and three (3) special meetings of the Audit and Risk Committee were held.

## Audit and Related Experience and Financial Literacy of Audit and Risk Committee Members

For the purposes of determining whether a Director is suitably qualified to become a member of the Company's Audit and Risk Committee, the Board has adopted the definition of "financial literacy" set out in Section 1.6 of Regulation 52-110 – Audit and Risk Committees (the "**Regulation 52-110**")<sup>(1)</sup>, which has been incorporated in the terms of the mandate of the Audit and Risk Committee.

All Audit and Risk Committee members meet the financial literacy requirements.

For details on the relevant professional qualifications/business experience of each Audit and Risk Committee member, see the 2022 AIF available on SEDAR's website at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.snc-lavalin.com](http://www.snc-lavalin.com).

(1) Regulation 52-110 sets out requirements concerning the composition and responsibilities of an issuer's Audit committee and concerning an issuer's reporting obligations with respect to audit-related matters. The Company complies with Regulation 52-110 and appropriate disclosure of such compliance is made in this Report of the Audit and Risk Committee.

## Cross Membership

The mandate of the Audit and Risk Committee provides for at least one (1) member to sit on the HR Committee and vice versa in order to monitor and maintain the link between pay and performance, both financial and individual, and thus mitigate risks. Christie J.B. Clark and Benita M. Warmbold are currently members of both the Audit and Risk and HR Committees. The mandate of the Audit and Risk Committee also provides for at least one (1) member to sit on the SPOT Committee and vice versa in order to understand the operational issues which may have a negative impact on the financial outcome of a project, and thus mitigate risks. Steven L. Newman and Ruby McGregor-Smith are currently members of both the Audit and Risk and SPOT Committees.

## 2022 Highlights

### FINANCIAL DISCLOSURE

A major part of the Committee's activities is to review the Company's annual and quarterly financial disclosure documents listed below. This includes reviewing any reports or materials prepared by management, the independent auditor or the internal auditor outlining any significant financial reporting issues as well as critical judgments made by management in connection with the preparation of the financial statements.

This review also aims to determine the appropriateness of the accounting principles used to prepare the Company's financial statements, in particular where judgments, estimates, risks and uncertainties are involved, and that adequate disclosure of material items is provided.

In 2022, the Committee:

- › Reviewed and recommended for approval by the Board the quarterly and annual financial statements and accompanying notes, MD&A, press releases, AIF and other disclosure documents;
- › Reviewed and recommended for approval by the Board the financial information included in the Company's ESG disclosure documents including in the 2021 Sustainability Report; Reviewed the quarterly CEO and CFO certification of the effectiveness of the disclosure controls and procedures and internal controls over financial reporting, in compliance with Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings (the "**Regulation 52-109**");



- › Reviewed the President and CEO and EVP and CFO's annual certification plan (the "**CEO/CFO Certification**"), received the CEO/CFO Certification of interim and annual filings prepared in accordance with Regulation 52-109 and reviewed the results of the interim and annual CEO/CFO Certification testing;
- › Reviewed significant management judgments relating to a number of accounting matters, including provisions, claims recoverable and project reforecasts including as regards to significant litigation and commercial claims and impact of materials inflation rates, supply chain disruptions and labour actions;
- › Reviewed the results of impairment testing;
- › Reviewed and discussed the appropriateness of accounting policies, including the Revenue Recognition Policy;
- › Reviewed the minutes of the Disclosure Committee meetings; and
- › Reviewed the operating cashflow performance as well as the current and forecasted liquidity of the Company.

The Committee also met *in camera* with the CFO at each regular meeting.

## RISK MANAGEMENT

- › Reviewed the Company's Risk Management Policy, Risk Appetite Statement and Risk Policy Statement;
- › Oversaw the key risk indicators (KRIs) associated with the enterprise risks for which the Committee has specific oversight responsibility under its mandate;
- › Reviewed the Company's risk control matrix and enterprise risk register to provide oversight of the process; and
- › Reviewed the Company's top risks, emerging risks and trends, and risk-related content of the financial disclosure documents.

## INDEPENDENT AUDITOR

The Committee retains an independent auditor to conduct the annual audit of the financial statements. In 2021, the Committee reappointed Deloitte LLP as its independent auditor to undertake the 2022 audit. The Committee discussed with its independent auditor its responsibilities, its determination of areas of significant audit risk and its related mitigation procedures.

The Committee reviewed:

- › The independent auditor's annual audit report to the Committee and quarterly review reports as well as its audit plan and fees;
- › The Company's hiring policies regarding partners, employees and former partners and employees of the independent auditor; and
- › The independence of the independent auditor.

The Committee also:

- › Approved the independent auditor's fees and those that were either pre-approved internally by management or that required direct approval by the Committee, as per the Company's written policy;

- › Reviewed and discussed with the independent auditor and management the quality, appropriateness and disclosure of the Company's critical accounting principles and policies, underlying assumptions and reporting practices, and any changes thereto;
- › Discussed with the independent auditor the process for how the independent auditor ensures the quality of the audit;
- › Performed an annual review of the mandate, organization, staffing, qualifications and performance of the independent auditor; and
- › Engaged with the independent auditor on the required rotation of applicable audit partners in line with required regulation.

The Committee also met *in camera* with the independent auditor at each regular meeting.

## INTERNAL AUDITOR

The Committee oversaw the work completed by the Company's internal auditor and:

- › Reviewed the Internal Audit Charter;
- › Reviewed and approved the annual internal audit plan and the changes thereto;
- › Reviewed and discussed the internal audit reports and reviewed the status of corrective actions with management at regular quarterly meetings; and
- › Reviewed and provided input on the performance of the internal auditor.

The Committee also met *in camera* with the internal auditor at each regular meeting.

## INTERNAL CONTROLS & OTHER

The Committee also:

- › Reviewed the corporate controllership report, including financial controls and governance and updates on regulatory requirements;
- › Reviewed insurance programs and overall insurance coverage;
- › Reviewed tax filing compliance and discussed emerging tax issues and proposed tax legislation changes;
- › Reviewed reports on significant litigation matters and discussed with the General Counsel to assess the appropriateness of financial disclosure in relation thereto;
- › Reviewed reports from the CIO with respect to the Company's internal control and fraud-related investigations as well as on the results of compliance investigations (conducted by the Integrity team) and deviations to the Company's policies and procedures;
- › Reviewed the Treasury Policy; and
- › Reviewed and provided input on the performance of the CFO.

# GOVERNANCE ETHICS AND SUSTAINABILITY COMMITTEE REPORT

The GES Committee assists the Board in developing the Company's approach to corporate governance and overseeing the Company's approach to integrity issues and its ESG and sustainability framework, governance and strategy. The Committee proposes new Board nominees and assesses the effectiveness of the Board and its Committees, their respective Chairs and individual Directors. The GES Committee also provides its statement of corporate governance practices in the "Statement of Corporate Governance Practices" section of this Circular.

## THE MEMBERS OF THE GES COMMITTEE ARE:



**Steven L. Newman (Chair)**



**Mary-Ann Bell**



**Isabelle Courville**



**Robert Paré**

In 2022, four (4) regular meetings and five (5) special meetings of the GES Committee were held.

## 2022 Highlights

During the course of 2022, the GES Committee:

### INTEGRITY FUNCTION

- › Reviewed quarterly reports prepared by the CIO and the Integrity team so as to provide them with timely and constructive feedback and oversight on the integrity framework and programs;
- › Reviewed the progress against the sustainability and integrity targets included in the 2022 AIP and established sustainability and integrity targets for the 2023 AIP;
- › Conducted, via the Chair of the GES Committee and the EVP and General Counsel, the performance evaluation of the CIO and the review of his compensation and objectives for the coming year; and
- › Met with the independent monitor as part of its assessment of the Company's Integrity Program.

The Committee also met *in camera* with the CIO at each regular meeting.

### LEGAL AND ETHICS AND COMPLIANCE

- › Oversaw review of certain legal proceedings and compliance-related matters;
- › Conducted the annual review of the Ethics and Compliance Committee Charter; and
- › Reviewed the Lobbying and Political Activities Report.

### ESG

- › Reviewed the Company's ED&I Commitment;
- › Reviewed the Company's 2021 Sustainability Report; and
- › Reviewed the ESG approach, including the Company's plan for identifying and implementing appropriate ESG metrics, and the ESG targets for the 2023 AIP.

### RISK MANAGEMENT

- › Oversaw the key risk indicators (KRIs) associated with the enterprise risks for which the Committee has specific oversight responsibility under its mandate.

### BOARD MATTERS

#### Directors Compensation

- › Reviewed the non-executive Director's share ownership requirements.

#### Director Succession and Board Renewal

- › Reviewed the requirements for new directors, including with respect to Board diversity, skill, competency and experience requirements and other selection criteria;
- › With the assistance of external resources, conducted a director search in light of the selection criteria identified by the Committee, which led to two (2) new Board nominees being invited to stand for election at the annual meeting of shareholders held on May 5, 2022, namely Ms. Ruby McGregor-Smith and Mr. Robert Paré;
- › Assessed the Committee composition and leadership following the departure of the former Chair of the SPOT Committee and the election of Ms. Ruby McGregor-Smith, CBE and Mr. Robert Paré; and
- › Reviewed qualifications of incumbent Directors, including independence, board interlocks, availability and the skills and experience required to assist the Board with its mandate.

### **Board Effectiveness Assessment**

- › Set the 2022 Board effectiveness objectives subsequent to the 2021 Board evaluation process and monitored progress; and
- › Launched the 2022 Board and Committee effectiveness and peer review process.

### **Ongoing Director Education**

- › Ensured that ongoing development and education opportunities were made available to Directors during 2022, such as project site visits and presentations on various topics to the Board.

For details on ongoing director education and site visits made in 2022, see the "Ongoing Director Education" subsection of this Circular.

### **Other Board-related matters**

- › Reviewed the on-boarding and mentoring program for new Directors.

### **CORPORATE GOVERNANCE MATTERS**

- › Discussed the renewal of the Shareholder Rights Plan;
- › Reviewed the Company's Code of Conduct;
- › Reviewed, monitored and oversaw compliance with the Code of Conduct;
- › Reviewed amendments to the Directors' Expense Accounts Policy;
- › Reviewed amendments to the Modern Slavery and Human Trafficking Statement;
- › Reviewed amendments to the Equality, Diversity and Inclusion on the Board of Directors and in Senior Leadership Position Policy;
- › Reviewed amendments to the Governance Framework Policy;
- › Reviewed the Notice of Annual Meeting and 2022 Management Proxy Circular, including meeting date and record date; and
- › Conducted its annual review of Committee Mandates; and
- › Monitored developments in corporate and securities laws and regulations, legal and regulatory requirements and best practices.

# SAFETY, PROJECT OVERSIGHT AND TECHNOLOGY COMMITTEE REPORT

The SPOT Committee assists the Board in discharging its responsibilities with regard to the overall framework for managing projects, technology, security and health, safety and environment, arising from the Company's operations and businesses, and risks associated thereto.

## THE MEMBERS OF THE SPOT COMMITTEE ARE:



**Michael B. Pedersen (Chair)**



**Gary C. Baughman**



**Ruby McGregor-Smith**



**Steven L. Newman**



**Robert Paré**

In 2022, four (4) regular meetings and two (2) special meetings of the SPOT Committee were held.

## Cross Membership

The mandate of the SPOT Committee provides for at least one (1) member to sit on the Audit and Risk Committee and vice versa, in order to understand the operational issues which may have an impact on the financial outcome of a project, and thus mitigate risks. Steven L. Newman and Ruby McGregor-Smith are currently a member of both the Audit and Risk and SPOT Committees.

## 2022 Highlights

During the course of 2022, the SPOT Committee:

### HSE

- › Continued to review the impact of COVID-19 on the Company's workforce by regions and sectors and the Company's response to the pandemic, including with respect to the physical and mental well-being of its employees;
- › Reviewed and oversaw the Company-wide HSE framework and related processes;
- › Reviewed high potential incidents;
- › Oversaw HSE performance by region and sector; and
- › Reviewed the HSE targets for the AIP.

### TECHNOLOGY

- › Reviewed the technology update including the Company's Digital Future Programme;
- › Reviewed management action plans with respect to internal audit findings as well as the Company's IT strategy; and
- › Reviewed key terms of significant IT software supplier contracts.

### SECURITY

- › Oversaw the creation of the Cyber Security Crisis Committee;
- › Reviewed cyber security and data breach-related risks and related mitigation measures and roadmap;
- › Oversaw the preparation and participated in a cyber-attack simulation; and
- › Reviewed the Business Security Report.

### RISK MANAGEMENT

- › Oversaw the key risk indicators (KRIs) associated with the enterprise risks for which the Committee has specific oversight responsibility under its mandate.

### PROJECTS

- › Reviewed project performance by key drivers and project risks control matrix;
- › Reviewed the progress made against the peer review plan as well as the key findings and resulting action plans from peer reviews;
- › Reviewed claims value included in policy escalations by sector and project; and
- › Reviewed major project bids in accordance with the Company's project approval framework.

# HUMAN RESOURCES COMMITTEE REPORT

The HR Committee is responsible for assisting the Board in discharging its responsibilities relating to the attraction, retention and development of an engaged workforce to deliver on the Company's strategic plan and initiatives and overseeing associated risks.

## THE MEMBERS OF THE HR COMMITTEE ARE:



**William L. Young (Chair)**



**Gary C. Baughman**



**Christie J.B. Clark**



**Isabelle Courville <sup>(1)</sup>**



**Michael B. Pedersen**



**Benita M. Warmbold**

(1) Ms. Courville was the Chair of the HR Committee until February 10, 2023. Following her decision not to stand for reelection at the Meeting, it was agreed that Mr. William L. Young would serve as interim Chair of the HR Committee effective February 10, 2023 until a replacement was identified.

In 2022, five (5) regular meetings and one (1) special meeting of the HR Committee were held.

The HR Committee is responsible for the development and review of the Company's executive compensation philosophy and strategy; reviewing and recommending Senior Officers' performance objectives to the Board and assessing performance against such objectives; and supporting President and CEO succession planning by developing succession plans for annual Board review and approval. The HR Committee is also responsible for the review and assessment of the Company's total rewards program, which includes pension plans, and for ensuring that compensation design and practices do not incentivize undue risk-taking.

Additional responsibilities include monitoring the Company's talent management and development programs and its people and culture strategy.

Each of the members of the HR Committee is independent.

These Directors possess a range of skills and experience related to human resources, public company leadership, corporate governance, and risk assessment which enhance the HR Committee's ability to make effective decisions regarding the Company's compensation practices. The following is a brief description of the relevant experience of each HR Committee member:

**William L. Young** is the Chair of the Board of Directors as well as the Chair of the HR Committee. William L. Young has extensive experience in overseeing various human resources and other compensation matters acquired through his career. He is the former chairman of the board of directors of Magna International Inc. (from 2012 to 2022) where he was also chairman of the corporate governance, compensation and nominating committee from 2012 to 2020. He was also a member of the human resources and compensation committee of Intact Financial Corporation from 2019 to 2020. In addition to these roles, Mr. Young chaired an extensive number of private company boards both in North America and Europe where he was responsible for executive compensation matters.

**Gary C. Baughman** has extensive experience in overseeing various human resources and compensation matters acquired through his 35 years of experience as an operational executive in the engineering, construction and diversified services industry. He is currently the COO of Elixsys Inc. and the President of Back Tee Sports, LLC, a global event management company. From 2017 to 2019, he was Chairman and CEO of APTIM Corp and previously worked at M+W Group GmbH, where he first served as COO, Americas in 2015 until he was appointed CEO, Americas in 2017. Prior to that, he served as Executive Vice-President at AECOM from 2012 to 2015 and spent 15 years in various roles at Fluor Corporation. During his career, Mr. Baughman has actively participated in the development and implementation of compensation programs as well as the periodic review and modification of compensation plans. He is a former partner in an organizational development consultancy firm that delivers a platform called The Collaborative Way. Mr. Baughman holds a Bachelor of Science degree in Accounting from Clemson University and obtained his National Association of Corporate Directors (the "NACD") directorship certification in December 2020.

**Christie J.B. Clark** has extensive experience in overseeing various human resources and compensation matters. From 2005 to 2011, he was CEO and Senior Partner of PricewaterhouseCoopers LLP where he had overall responsibility for compensation matters at the firm. Prior to being elected as CEO, Mr. Clark served as National Managing



Partner and was member of the firm's executive committee from 2001 to 2005. He is a director of Air Canada and Loblaw Companies Limited, a former member of the human resources and compensation committee of Hydro One Inc. and Hydro One Limited and a former member of the governance and compensation committee of Choice Properties Real Estate Investment Trust. Mr. Clark graduated from Queen's University with a Bachelor of Commerce degree and from the University of Toronto with a MBA. He also completed the Institute of Corporate Director's course entitled "Human Resources & Compensation Committee Effectiveness".

**Isabelle Courville** has extensive experience in human resources and compensation matters. She served as President of Hydro-Québec Distribution from March 2011 to January 2013 and as President of Hydro-Québec TransÉnergie from 2007 to 2011. Prior to that, she was President of Bell Canada's Enterprise business segment from 2003 to 2006 and President and CEO of Bell Nrdiq Group from 2001 to 2003. Ms. Courville is a member of the human resources committee of the Institute for Governance of Private and Public Organizations (IGOPP). She is the former chair of the management resources and compensation committee of Canadian Pacific Railway Limited (2016-2019), the former chair (2009-2013) and member (2008-2019) of the Laurentian Bank of Canada's human resources and corporate governance committee, the former chair of the human resources and corporate governance committee of Miranda Technologies Inc. (2006-2012) of TVA Group Inc. (2013-2016).

**Michael B. Pedersen** has extensive experience in various human resources and compensation matters acquired during his career. Over his close to 40 years of experience, he has managed more than 200,000 people and occupied various roles in human resource and labor relations. Until his retirement in 2018, he served as Special Advisor to the CEO of The Toronto-Dominion Bank, prior to which, from 2013 to 2017, he was President and CEO of TD Bank US Holding Company's retail and commercial banking business. From 2007 to 2013, he served as Group Head for The Toronto-Dominion Bank's corporate operations and global wealth and insurance businesses. Prior to joining TD Bank Group in 2007, Mr. Pedersen worked at Barclays plc and previously at CIBC where he held senior executive roles including Vice-President Human Resources. Mr. Pedersen is currently the chairperson of the board of the Business Development Bank of Canada (BDC) and a director of CGI Inc. Mr. Pedersen holds a Bachelor of Commerce degree, with a Major in Organizational Behavior, from the University of British Columbia and a Master of Industrial Relations degree from the University of Toronto.

**Benita M. Warmbold** has extensive experience in overseeing various human resources and compensation matters. She served as Senior Managing Director and CFO of the Canada Pension Plan Investment Board (the "CPPIB") from December 2013 to July 2017. Prior to that, she was Senior Vice-President and COO of CPPIB from 2008 to 2013. As a member of the senior management team, she worked through the complete revamp of CPPIB's compensation structure. Before joining CPPIB, she served as Managing Director and CFO for Northwater Capital Management Inc. from 1997 to 2008. She previously held senior positions with Canada Development Investment Corporation and KPMG.

Ms. Warmbold is currently a director of The Bank of Nova Scotia and a former member of its human resources committee. She is also a former member of the human resources and compensation committee of Crestone Peak Resources (now Civitas Resources, Inc.). She is the chair of the Canadian Public Accountability Board and a former chair of its human resources and governance committee. She has been granted the ICD.D designation by the Institute of Corporate Directors.

### Cross membership

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The HR Committee mandate requires at least one (1) member to sit on both the HR Committee and the Audit and Risk Committee in order to monitor and maintain the link between pay and performance and to further ensure the mitigation of compensation-related risks. Christie J.B. Clark and Benita M. Warmbold are currently members of both the Audit and Risk and HR Committees. For a complete copy of the HR Committee mandate, see the Company's website at [www.snc-lavalin.com](http://www.snc-lavalin.com) under "About Us"/"Leadership & Governance"/"Governance".

### Human Resources Achievements

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In 2022, the Company delivered against the following human resources initiatives:

- › Refreshed and implemented global People & Culture strategy for the Company across all business sectors and geographic regions;
- › Facilitated the Company's people and succession planning processes throughout the year, to ensure that the appropriate talent is available;
- › Through the Company's recruitment and attraction strategy delivered net headcount growth across the business globally;
- › Maintained high volumes of early careers intake into our Graduate and Apprenticeship programs to grow our future talent pipelines;
- › Continued to develop regional social media attraction campaigns and assets to improve our engagement with external candidates and attract top talent at scale into the Company;
- › Through the delivery of Learning & Development programs, ensured our leaders, managers and wider employee base are all well equipped to deliver against the Company's strategic plans and its long-term performance and growth agenda;
- › Continued to deploy online learning tools, and development activities to support employees' physical and mental well-being and hybrid working to help manage morale proactively;
- › Delivered our global Vox employee engagement survey which provided evidence of increasing employee engagement levels (overall engagement score of 84% positive in 2022, compared to 83% positive in 2021 and 78% positive in 2019, and ahead of external norms for our sector);
- › Delivered "Different makes a difference", our global ED&I Program, to support the development of a culture where everyone feels they belong, can be their trueselves and can realize their full potential;

- › Continued to enhance the Human Resources Workday and ServiceNow platforms making them a globally available tool as the repository for all people data and people-related transactions;
- › Continued the deployment of #WOW, our technology platform to manage financial and non-financial recognition globally;
- › Conducted a comprehensive compensation benchmarking review for executive committee level roles; and
- › As part of the ongoing Transformation initiative, completed phase one and continued to restructure and transform the Company's Human Resources function into a regional shared service operating model, providing common processes and a standardized service to all of the businesses present in each geography.

### Key Activities Undertaken

During 2022, the HR Committee undertook the following key activities:

#### ANNUAL ACTIVITIES

- › Reviewed and recommended for Board approval:
  - › AIP payouts for 2021 (paid in 2022);
  - › The performance payout multiplier and settlement of the PSU awards granted in 2019 (paid in 2022) as well as awards granted in 2020 and 2021 for payments on a prorated basis to employees that left the Company in 2021 following retirement or termination without cause (also paid in 2022);
  - › Long-term incentive awards granted during 2022 under the 2019 PSUP, the 2019 RSUP and the Stock Option Plan;
  - › The CD&A section of the 2022 Management Proxy Circular;
  - › The President and CEO's non-financial achievements in 2021 and objectives for 2022, including ESG objectives;
  - › The succession plans for the President and CEO, members of the Executive Committee and OLG;
  - › The AIP structure, financial performance metrics, targets and underpin, and the target setting methodology and targets for non-financial metrics for 2023;
  - › The level of the threshold payout in the AIP for the financial metrics;
  - › The setting of ESG targets, including ED&I and environmental sustainability measures, in the 2023 AIP;
  - › The continuation of a scheme to incentivize the close-down of LSTK projects and support the retention of key staff in the Major Projects sector;
  - › The harmonized change of control provisions in the 2019 RSUP, 2019 PSUP, DSUP and 2013 Stock Option Plan;
  - › The introduction of a new pension plan for employees of Candu Energy Inc, a wholly-owned subsidiary of the Company; and
  - › Changes to the HR Committee mandate relating to the appropriate oversight of pension matters.

- › Reviewed:
  - › The Performance Comparator Group for the 2022-2024 PSUP performance period;
  - › The proposal to increase the weighting of stock options in the LTI mix for all executives;
  - › The proposal to introduce a second performance metric in the PSU plan starting with the 2023 awards and an updated market analysis of ESG measures in LTIP arrangements;
  - › The People and Culture Strategy plan for 2021-2025 and progress towards objectives;
  - › Progress against our global ED&I program launched in 2021;
  - › Results of the Vox employee engagement survey;
  - › Results of the executive compensation benchmarking exercise for the members of the Executive Committee;
  - › 2023 salary budgets by country;
  - › Status and projections of the share ownership requirements for Senior Officers and other EVPs not reporting to the President and CEO subject to these requirements;
  - › The Company's retirement plans' investment performance, funding status and overall administration and governance;
  - › The Company's major benefits programs features, administration and governance structure for plans operating in Canada, U.S. and the U.K.;
  - › Presentation of market compensation and governance trends;
  - › Results of the Glass Lewis and ISS reports (proxy advisory firms);
  - › Quarterly Integrity performance reports as an information and mitigation tool;
  - › Quarterly Enterprise Risk Management reports to provide oversight on risks associated with human resources matters; and
  - › Participation of Senior Officers in for-profit company boards as non-executive directors.

#### EVENT-DRIVEN ACTIVITIES

- › Reviewed and recommended for Board approval:
  - › The appointment, compensation and employment terms for Senior Officers hired or promoted in 2022;
  - › The leaving arrangements for the departing Senior Officers in 2022; and
  - › Adjustments to the 2022 AIP paid in 2023 to partially adjust for items related to legacy claims on substantially completed LSTK projects.

## Executive Compensation Consultants

Since 2008, the HR Committee has retained Hugessen Consulting Inc. to provide independent advice on executive compensation and related performance assessment and governance matters. The nature and scope of services provided by Hugessen Consulting Inc. to the HR Committee during 2022 included:

- Review and advice on:
  - President and CEO compensation;
  - Corporate performance as it relates to determining President and CEO and other NEOs' compensation;
  - The CD&A section of the Management Proxy Circular;
  - The calculation of the performance payout multipliers of the PSU awards granted in 2019 as well as awards granted in 2020 and 2021 for payments on a prorated basis to employees that left the Company in 2021 following retirement or termination without cause;
  - The proposal to increase the weight of stock options in the LTI mix for all Senior Officers, the proposal to introduce other possible metrics in the PSU plan starting with the 2023 awards; and
  - Management-prepared materials and recommendations in advance of HR Committee meetings as requested.
- Attendance at HR Committee meetings as requested; and
- Presented North American market compensation trends, governance trends, ESG metrics in compensation plans and shareholder engagement trends.

Hugessen Consulting Inc. does not provide any services to management directly and work conducted by them raises no conflicts of interest. Any services provided by Hugessen Consulting Inc. require HR Committee pre-approval and the Chair of the HR Committee approves all invoices for work performed. The Committee has the authority to hire and replace its independent advisor and reviews its performance periodically.

The table below outlines the fees paid by the Company to Hugessen Consulting Inc. in 2022 and 2021:

Nature of work	2022 Fees	2021 Fees
Executive Compensation Fees – Annual Work Plan <sup>(1)</sup>	\$100,719	\$69,375
Executive Compensation Fees – Mandates outside of Annual Work Plan scope <sup>(2)</sup>	\$18,080	\$79,146
All Other Fees	\$0	\$0
<b>TOTAL</b>	<b>\$ 118,799</b>	<b>\$ 148,521</b>

(1) Increase in 2022 is due to additional advice on various executive compensation matters, including the compensation benchmarking exercise for the President and CEO.

(2) Out of scope fees in 2021 were primarily due to advice on the design of the LTIP and the re-introduction of stock options.

Management of the Company spent \$50,000 on executive compensation-related matters with Willis Towers Watson in 2022 and \$30,531 in 2021, as shown in the table below:

Nature of work	2022 Fees	2021 Fees
Executive Compensation - benchmarking data <sup>(1)</sup>	\$50,000	\$30,531
<b>All other fees:</b>		
Benefits plan management and consulting	\$997,475	\$943,281
Pension Scheme Accounting	\$40,014	\$63,783
Other compensation surveys for various countries	\$22,200	\$17,553
Risk management consulting	\$252,971	\$289,533
<b>TOTAL</b>	<b>\$1,362,660</b>	<b>\$1,344,681</b>

(1) Fees for Executive Committee compensation benchmarking data. Excludes fees related to the review of Director compensation (if applicable). Willis Towers Watson is the Company's benefits brokers and consultants in a number of locations including Canada and the US.

The nature of the work performed by Willis Towers Watson raises no conflict of interest. Its "Professional Excellence" policies and consulting protocols ensure their objectivity.

The HR Committee reviews the information and advice provided by Hugessen Consulting Inc. and the benchmarking data provided by Willis Towers Watson, among other factors, in making its executive compensation decisions and recommendations to the Board. The HR Committee ultimately makes its own recommendations and decisions on compensation matters.

# EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS

## LETTER TO SHAREHOLDERS

Dear Fellow Shareholders:

On behalf of the Human Resources Committee and the Board of Directors, I am pleased to provide an overview of our executive compensation program and activities during 2022 and to highlight the performance metrics we considered in determining the compensation awarded to Mr. Ian L. Edwards, President and CEO and the other NEOs.

We believe in providing clear and comprehensive information to help you fully understand and evaluate our compensation programs and we are committed to engaging with our shareholders, listening to your feedback, and ensuring that our approach to executive compensation remains aligned with your interests.

### Executive Compensation Principles

Our executive compensation programs are designed to align the interests of our executive officers with those of our shareholders.

We provide market-competitive programs that enable SNC-Lavalin to attract and retain talented individuals in an evolving global market.

Compensation is directly linked to the achievement of performance goals designed to foster the creation of sustainable long-term shareholder value.

### 2022 Performance Highlights

The Company's financial performance for 2022 saw strong growth, cash flow performance and continued resiliency in profitability and operational performance in the SNCL Services line of business (as defined in the 2022 MD&A). This resulted in Company performance delivered in line or exceeding our 2022 targets, with the exception of net cash used for operating activities (for which the initial target has been revised during the year) and with the exception of restructuring and transformation costs, as outlined in the table below.

#### Delivered on our 2022 Targets

	2022 Outlook	2022 Actual
SNCL Services organic revenue growth <sup>(1)</sup>	Between 4% and 6%	<b>6.8%</b>
SNCL Services Segment Adjusted EBIT to segment revenue ratio	Between 8% and 10%	<b>8.7%</b>
Segment Adjusted EBITDA to segment net revenue ratio <sup>(1)</sup> - Engineering Services	Between 14% and 16%	<b>14.6%</b>

#### Delivered on our 2022 Targets

	2022 Outlook	2022 Actual
Corporate selling, general and administrative expenses		
From PS&PM	~\$100M	<b>\$99M</b>
From Capital	~\$30M	<b>\$28M</b>
Restructuring and transformation costs	Between \$35M and \$45M	<b>\$83M</b>
Amortization of intangible assets related to business combinations	~\$90M	<b>\$84M</b>
Net cash flows from operating activities	Between \$0-\$100M <sup>(2)</sup>	<b>(\$245M)</b>
Acquisition of property and equipment	Between \$80M and \$100M	<b>\$110M</b>

- (1) Organic revenue growth and Segment Adjusted EBITDA to segment net revenue ratio are non-IFRS ratios. Please refer to section 4 and 13 of the 2022 MD&A available on SEDAR at [www.sedar.com](http://www.sedar.com), which sections are incorporated by reference into this Circular, for details on these non-IFRS ratios.
- (2) The target on net cash flows from operating activities was set to \$0-\$100M originally and was modified by the Company afterward. This table only shows the initial target.

SNCL Services performed exceptionally well, with strong organic revenue growth at 6.8% year-on-year and delivered robust operating performance, with the Segment Adjusted EBIT to revenue ratio, a key performance metric, being 8.7%, in line with our targeted range of 8-10%. Full year Segment Adjusted EBIT of SNCL Services was \$581 million, and backlog finished the year at \$11.8 billion, 5% higher than at the end of 2021, driven primarily by a 24% year-on-year increase in the Engineering Services segment and a 12% year-on-year increase in the Nuclear segment. SNCL Services strong operational performance also resulted in net cash generated from operating activities<sup>(1)</sup> of \$552 million.

In the LSTK Projects segment, the Company made significant progress in de-risking and completing the remaining projects. The two (2) Ontario projects (Trillium and Eglinton) were largely physically complete at the end of 2022, while the REM project continued its strong progress. As a result the remaining LSTK Projects backlog reduced from \$1.2 billion at the beginning of the year to \$686 million at the end of 2022, a 41% reduction. The projects faced continued challenges, driven mainly by lingering impacts of the COVID-19 pandemic, industrial action, supply chain disruptions and inflation causing project productivity losses, delays, and cost increases which resulted in unfavorable cost reforecasts. These risks were considered in the \$300 million risk envelope to complete the projects outlined in March 2022, and at the end of 2022 the \$217 million of accumulated losses were well within this forecast. For the full year 2022, LSTK Projects reported a negative Segment Adjusted EBIT of \$261 million.

Despite the strong cash flow performance in SNCL Services, the cash usage in the LSTK Projects segment, which included the ongoing challenges to recover claims in a timely manner, was the primary driver of the consolidated negative cash flow from operations of \$245 million.

Finally, on an overall basis, the Company reported net income from continuing operations attributable to SNC-Lavalin shareholders of \$17 million in 2022.

<sup>(1)</sup> Net cash generated from operating activities on a line of business/segment basis is a supplementary financial measure. For details on this supplementary financial measure, please refer to section 8 and 13 of the 2022 MD&A, available on SEDAR at [www.sedar.com](http://www.sedar.com), which sections are incorporated by reference into this Circular.

## **Pay for Performance Philosophy**

SNC-Lavalin's pay for performance philosophy rewards executives for their contribution to the achievement of the Company's annual operational and financial objectives and aligns management's interests with shareholder value growth.

### **SHORT-TERM INCENTIVE – AIP**

In 2022, the AIP was split between three elements: financial (70%), personal performance (20%) and ESG targets (10%). The 70% financial element was measured against the Company's financial performance, split equally between Adjusted EBITDA (35%) and Free Cash Flow performance (both adjusted for AIP purposes (35%)).

The Adjusted EBITDA element (35%) was split between an SNCL Services line of business component, (24.5%), and an LSTK Projects component (10.5%).

The strong operating performance within SNCL Services led to Adjusted EBITDA performance that was above target and meant that the NEOs and Executive Committee earned a bonus for this component. However, no bonus was earned for the component linked to the LSTK Projects segment Adjusted EBITDA.

The Free Cash Flow element (35%) of the 2022 AIP target that was determined at the start of the year included both the Free Cash Flow performance for SNCL Services and LSTK projects. The target therefore also included forecasted recovery of claims outstanding on the LSTK projects.

Given that the recovery of these LSTK projects claims was delayed beyond 2022, none of the Free Cash Flow component would have paid out, despite all of the sectors within the SNCL Services line of business outperforming against the Free Cash Flow targets established at the beginning of the year.

The Committee did not consider a zero pay-out for the Free Cash Flow component as being reflective of the very strong operational and cash performance that was delivered in the SNCL Services line of business. In addition to SNCL Services above target cash flow performance, it also met or exceeded all of its market guidance targets, namely organic revenue growth and Segment Adjusted EBIT margin percentage, as well as delivering a strong backlog growth. Additionally, both Ontario LSTK projects achieved the milestone of being largely physically complete by the end of 2022, while remaining well within the \$300 million financial risk envelope communicated at the beginning of the year.

As a result of this, the HR Committee felt it was both appropriate and essential to recognize the strong SNCL Services cash flow performance and broader Services and LSTK operational performance, particularly with regard to retaining the broader senior management population.

The HR Committee therefore exercised its discretion to remove the impact of the delayed LSTK claims recovery from the Free Cash Flow element of the 2022 AIP, given the timing was outside the direct control of management and dependant on partners' and client's willingness to agree to a resolution.

For those AIP participants below the Executive Committee, it was decided to remove in full the negative impact of LSTK Projects claims recovery from the SNC-Lavalin's Free Cash Flow performance, as these participants had no direct involvement or influence over LSTK Projects claims recovery. Given the very strong SNCL Services cash flow generation, this resulted in an above target result for the Free Cash Flow component of the 2022 AIP, and a pay-out of above target for the combined Adjusted EBITDA and Free Cash Flow components (135%).

For the NEOs and Executive Committee, the HR Committee exercised its discretion to only partially remove the impact of the claims recovery by calculating the bonus earned by the Executive Committee (including NEOs) for the Free Cash Flow element in a similar way as the Adjusted EBITDA element, with 24.5% of the financial component based on SNC-Lavalin Free Cash Flow excluding the LSTK Projects segment and 10.5% of the financial component based on the LSTK Projects segment Free Cash Flow. Given the very strong SNCL Services cash flow generation, this resulted in a bonus being earned for the component linked to the SNC-Lavalin Free Cash Flow excluding the LSTK Projects segment, but no bonus being earned for the LSTK Projects component. Overall, the combined Adjusted EBITDA and Free Cash Flow components for the NEOs and Executive Committee resulted in a pay-out of below target (91%).

By determining the results of the short-term incentive in this way, the Committee strongly believes that it has achieved the right balance between rewarding strong performance in the SNCL Services line of business whilst also ensuring no bonus is paid for the LSTK Projects performance.

### **LONG-TERM INCENTIVE – LTIP**

For the PSUs vested on December 31, 2022, the performance factor was zero, as a result of the Company's TSR performance relative to its peer group from 2019 to 2022 being below threshold. PSUs constituted 60% of the LTIP grant that vested in 2022. This resulted in LTIP payouts significantly below target for NEOs, other members of the Executive Committee and all other senior executives in 2022.



## Shareholder Engagement

The HR Committee seeks to align the Company's executive compensation programs with the interests of the Company's shareholders.

At our 2022 Meeting of shareholders, shareholders again showed strong support for our executive compensation programs with 96.5% of the votes cast approving our advisory vote on our approach to executive compensation.

The Committee considers the results of the annual Say on Pay vote, the long-term vision and strategic goals of the Company, input from management, input from its independent compensation consultant, and investor engagement feedback when determining compensation for our executives.

In 2022, the HR Committee made the following revisions to executive compensation:

Investor alignment topics	Activities in 2022
ESG focus and performance	<p>ESG performance continues to be a focus for the Company.</p> <p>The HR Committee restructured the AIP to incentivize management further to improve ESG performance.</p> <p>ESG measures now constitute 10% of the AIP for all participants, split evenly across: Integrity, HSE, ED&amp;I and Sustainability.</p>
Creating sustainable long-term shareholder value	<p>Our LTIP structure aims to incentivize and reward management for the creation of shareholder value growth over the medium to long term. LTIP grants in 2022 for NEOs and Executive Committee members were structured as 55% PSUs with a performance condition linked to relative TSR versus a custom peer group, 35% RSUs and 10% stock options. A detailed summary of our LTIP framework can be found in the "LTIP" subsection of this CD&amp;A.</p> <p>The HR Committee reintroduced stock options as a component of the LTIP in 2022 to promote retention and to further improve alignment with shareholder value creation, as they have value only to the extent the share price increases. The 2022 stock option grants were made in line with the provisions of the shareholder approved Stock Option Plan and were granted from the options available for future grants and therefore did not result in dilution. The reintroduction of stock options does not lead to an increase in overall LTIP grant values for executives.</p> <p>In 2022, the HR Committee also completed a review of the PSU Plan targets, with support from its independent compensation consultant. The purpose of the review was to determine the PSU metrics that most closely correlate to shareholder value creation. The review also highlighted a market trend towards referencing a second metric in the PSUP. Following the review, HR Committee restructured the PSU Plan to include a second metric, focused on long-term Adjusted EBITDA growth over three years. This will apply to grants made in 2023. Adjusted EBITDA growth was selected as the strategic priority that correlates most closely with shareholder value creation. LTIP grants for NEOs in 2023 will be structured as 50% PSUs with two performance measures, split equally between relative TSR vs a custom peer group and Adjusted EBITDA growth, 30% RSUs and 20% stock options.</p>

## Compensation Decisions for Ian L. Edwards— President and CEO

The Board of Directors evaluates the performance of Mr. Edwards through an assessment of achievements relative to strategic and operational measures established by the HR Committee at the beginning of the year.

In 2022, Mr. Edwards provided strong leadership to maintain a focus on client delivery and the pivot to a growth strategy in our Engineering Services sector, while also prioritizing the safety and engagement of our people, progressing the Company's transformation goals, and driving the completion of our LSTK projects.

Operational and individual performance highlights under Mr. Edwards' leadership include:

- Achievement of strong organic revenue growth in SNCL Services line of business and significant progress towards reducing LSTK Projects backlog;
- Executing the Company's digital transformation strategy and priority investment areas, opening up new revenue streams across multiple client engagements;
- Retaining a focus on client needs, via regular discussions with the Company's largest clients;
- Further developing the Company's focus on ESG through the implementation of our 2022 ED&I program, including the achievement of annual progress towards our 2025 gender representation targets;
- Finalization and launch of the Company's "Engineering Net Zero" strategic plan, including associated revenue goals; and
- Continued focus on employee engagement, evidenced by an engagement score of 84% from the VOX employee engagement survey.

The HR Committee made the following decisions for Mr. Edwards' 2023 compensation based on performance, competitive market data, and feedback from its independent compensation consultant:

<b>Base Pay</b>	\$1,400,000 no change from 2021 and 2022 levels.
<b>AIP</b>	Target pay-out increased from 100% of salary to 125% of salary; \$1,750,000 value.
<b>LTIP</b>	Target pay-out 325% of salary; \$4,550,000 value. No change from 2022 level.
<b>Total Target Compensation</b>	Increased from \$7,350,000 to \$7,700,000.

The adjustment to Mr. Edwards' compensation represents a 4.8% increase to his total target compensation for 2023. This is reflective of Mr. Edwards' contributions and experience, in his fourth year as President and CEO. The increase aligns Mr. Edwards' compensation slightly above the market median of our peer group of benchmark companies. The increase is delivered solely in the short-term incentive opportunity to reinforce the focus on pay for performance.

As noted above and indicated in this Circular, the 2023 LTIP grant for Mr. Edwards and other members of the Executive Committee, will be split 50% PSUs, 30% RSUs and 20% stock options.

## Leadership appointments

In March 2022, Joseph M. St. Julian joined the Company as President of the Nuclear sector to succeed Sandy Taylor, who retired.

In December 2022, Andrée-Claude Bérubé was appointed Executive Vice-President and General Counsel replacing Charlene Ripley who left the company on December 31, 2022.

## Conclusion

The following information elaborates on the Board and Company's pay-for-performance philosophy and the compensation programs outlined in this letter.

On behalf of the HR Committee and the Board, we thank you for taking the time to read our disclosure and we invite you to cast your advisory vote on our approach to executive compensation.

Should you have any outstanding concerns, we invite you to contact the Chair of the HR Committee.

Yours truly,



**William Young, P. Eng.**

Chair of the HR Committee

## INTRODUCTION

### THE FOLLOWING SECTION OUTLINES THE COMPENSATION PROGRAMS IN WHICH THE NEOS PARTICIPATE. FOR 2022, THE NEOS ARE:

**Ian L. Edwards** – President and CEO;

**Jeffrey (Jeff) Bell** – EVP and CFO;

**Robert Alger** – President, Major Projects sector;

**Steve Morriss** – President, Engineering Services sector, US, Asia Pacific, Mining & Metallurgy;

**Joseph M. St. Julian** – President, Nuclear sector; and

**Philip Hoare** – President, Engineering Services sector, U.K. & Europe, Middle East, India and Canada.

### Executive Committee

Our NEOs are part of our Executive Committee led by the President and CEO. Our Executive Committee is responsible for setting the strategic direction for the Company, monitoring performance against targets, setting policies and common operating procedures and delivering on commitments made to shareholders.

## ANNUAL OVERSIGHT OF EXECUTIVE COMPENSATION

The HR Committee is responsible for reviewing and recommending to the Board the compensation arrangements of the President and CEO and other Senior Officers, including the NEOs.

The HR Committee, with support from its independent advisor and the Company's management, undertakes the process listed in the next section.

### At the Outset of the Year:

#### ESTABLISH TARGET COMPENSATION LEVELS AND MIX

The Company establishes target compensation levels and mix in order to attract, retain and motivate a high-performing executive team.

The HR Committee recommends to the Board the target compensation level and mix for the President and CEO, considering the executive compensation policy, market practices, and advice from its independent advisor. The HR Committee also reviews the President and CEO's recommendations for target compensation levels and mix for other Senior Officers, considering individual level of responsibility, skills and experience, for recommendation to the Board.

#### ESTABLISH PERFORMANCE OBJECTIVES AND TARGETS

The ultimate objective of the Company is to drive long-term sustainable growth in shareholder value by engaging and motivating our employees to deliver quality projects on time and on budget for our clients around the globe. The HR Committee develops and recommends to the Board annual and multi-year performance measures and goals to incentivize management and align executive compensation with this objective.

We believe that key financial metrics, including Company profit and cash management, drive long-term value creation and measure the financial sustainability of our core operations. Our non-financial goals reflect our strong commitment to:

- › ethical business practices;
- › the health and safety of our employees;
- › improving our sustainability performance (through the way we conduct our business and advise our clients); and
- › create and maintain an inclusive culture where everyone feels that they belong and can reach their full potential.

Our LTIP incorporates TSR targets, relative to a peer group, thereby strengthening the alignment of our executive compensation with shareholder return. Starting in 2023, we will also introduce Adjusted EBITDA growth, as a second measure in the LTIP which we believe is a further key driver of long-term value creation.

Performance objectives and targets under the AIP are set on an annual basis in conjunction with our annual budget-setting process. Both financial and non-financial performance measures are proposed by management, endorsed by the HR Committee and approved by the Board. In addition, prior to being submitted for endorsement by the HR Committee, the Integrity and Sustainability performance measures are also reviewed by the GES Committee, while the HSE measures are reviewed by the SPOT Committee. The proposed performance objectives are assessed, amongst other factors, considering historical performance achievements as well as market and stakeholder expectations.

## During the Year and Following Year-End:

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### ASSESS THE EXECUTIVE COMPENSATION FRAMEWORK AND PROGRAMS

The HR Committee continually reviews the Company's executive compensation framework and programs against the Company's compensation philosophy and strategy, evolving best practices, market trends and shareholder expectations. Adjustments to compensation programs are considered and implemented, as appropriate, on an ongoing basis.

### ASSESS PERFORMANCE AGAINST OBJECTIVES

The President and CEO shares and reviews performance results with the HR Committee, and discusses how the Company and Senior Officers are tracking against the performance targets and objectives established at the beginning of the year. Adjustments to performance goals are considered, on an as-needed basis, in light of any acquisitions and/or divestitures or other types of transactions by the Company during the year. In 2022, the Board did not make any adjustments to performance goals.

At the end of the year, the HR Committee reviews performance against pre-set financial and non-financial considering input from management and its independent advisor.

Additionally, the President and CEO shares with the HR Committee individual performance ratings for each member of the Executive Committee.

### RECOMMEND PAY OUTCOMES FOR BOARD APPROVAL

All incentive plan payouts are proposed by the HR Committee to the Board for approval. The Board, in its sole discretion and considering recommendations from the HR Committee, may exercise discretion to adjust incentive plan payouts in order to achieve the appropriate outcomes in light of unanticipated internal or external developments. When approving the 2022 AIP payouts in 2023, the Board exercised discretion related to the LSTK claims recovery component of the financial results.

## OUR COMPENSATION PHILOSOPHY

Our compensation objectives and philosophy are to attract, retain and motivate a high performing leadership team to deliver against key financial and strategic objectives and reward them for the creation of long-term sustainable value for our shareholders. Our executive compensation framework supports this overarching philosophy by:

- › Linking compensation outcomes with Company (including sector and business unit) performance over multiple time horizons and individual performance results;
- › Motivating our leadership to achieve and exceed the Company's financial, operational and strategic objectives by providing above- target awards for above-target performance over the short- and long-term; and
- › Promoting an ownership mentality for our leadership through equity-based awards and share ownership guidelines and thus a long-term view of Company strategy and performance.

## Risk Management Measures

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The HR Committee ensures that the executive compensation framework encourages behaviour that drives sustainable long-term shareholder value while discouraging excessive risk-taking. Consistent with prudent risk management, our executive compensation design incorporates a balance of short-term and long-term incentive programs and a mix of performance metrics (both financial and non-financial). A significant portion of TDC is awarded in the form of long-term equity-based compensation.

Additionally, we believe that, among other factors, the policies and guidelines summarized in the table below (and described in greater detail throughout this CD&A) help to discourage inappropriate risk-taking:

#### What we do

Maintain a compensation mix in which a significant portion of the compensation is performance based.

Require incentives for all NEOs and Executive Committee members to be subject to clawback provisions.

Require Senior Officers and other EVPs not reporting to the President and CEO to comply with Executive Share Ownership Guidelines. The President and CEO is also subject to a minimum share ownership requirement for one (1) year following retirement.

Hold an annual Say on Pay vote to facilitate engagement between shareholders and the Company.

Engage independent executive compensation consultants to provide advice on market best practices and compensation levels.

Limit incentive awards under the AIP and PSUP, including the possibility of a zero pay-out.

Limit bonus payouts in circumstances where the Company profit falls below a threshold level of performance to further reinforce linkage between financial performance and bonus payout.

Abide by the provisions of the Company's Disclosure and Insider Trading Policy requiring Directors and Senior Officers to trade only during established window periods after receiving pre-clearance from our legal department.

Maintain double-trigger change of control provisions for Senior Officers.

Maintain an anti-monetization and anti-hedging policy for all insiders of the Company that prohibits hedging Company equity exposure and trading in derivatives of the Company.

#### What we don't do

Provide guaranteed, multi-year cash bonuses.

Provide guaranteed increases in compensation in executive employment agreements.

Count unexercised stock options or PSUs towards achievement of the share ownership guidelines.

Offer compensation changes to Senior Officers without appropriate Board approval.

Allow the repricing or backdating of equity awards.

Gross up Senior Officers' compensation, perks, or benefits for tax purposes unless the Senior Officers are tax equalized by virtue of our mobility guidelines available to all employees on assignments.

#### Executive Compensation Comparator Group

The HR Committee undertakes an executive compensation benchmarking exercise every two (2) years. In 2020, the HR Committee reviewed the benchmark peer group that is referenced for this analysis and adopted some revisions to the peer group to ensure that this group of peers accurately reflects the key markets and organizations where SNC-Lavalin competes for senior talent and to provide competitive market context to support pay level and pay mix decision-making. The peer group contains a global group of companies with an equal weighting of Canadian, U.S. and U.K. headquartered organizations, which are reflective of SNC-Lavalin's current size and main markets. The peer group was unchanged since 2020.



Company	Headquarters	Market Capitalization <sup>(1)(2)</sup>	Total Enterprise Value <sup>(1)(2)</sup>	Last 12 Months Total Revenues <sup>(1)(3)</sup>	Primary Industry <sup>(4)</sup>
<b>AECOM</b>	U.S.	\$15,324	\$17,800	\$17,110	Engineering and Construction
<b>Aecon Group Inc.</b>	Canada	\$556	\$1,071	\$4,518	Engineering and Construction
<b>Babcock International Group Inc.</b>	U.K.	\$2,294	\$4,034	\$6,467	Aerospace and Defense
<b>Balfour Beatty plc</b>	U.K.	\$3,188	\$2,333	\$11,536	Engineering and Construction
<b>CAE Inc.</b>	Canada	\$8,325	\$11,598	\$3,730	Aerospace and Defense
<b>Capita plc</b>	U.K.	\$657	\$1,849	\$4,952	Data Processing and Outsourced Services
<b>CGI Group Inc.</b>	Canada	\$27,795	\$30,805	\$12,867	IT Consulting and Other Services
<b>EMCOR Group Inc.</b>	U.S.	\$9,185	\$9,588	\$14,010	Engineering and Construction
<b>Finning International Inc.</b>	Canada	\$5,105	\$7,272	\$8,575	Trading Companies and Distributors
<b>Fluor Corporation</b>	U.S.	\$6,409	\$4,885	\$17,164	Engineering and Construction
<b>Jacobs Engineering Group Inc.</b>	U.S.	\$19,783	\$24,600	\$19,419	Research & Consulting Services
<b>John Wood Group plc</b>	U.K.	\$1,217	\$3,463	\$7,552	Oil and Gas Equipment and Services
<b>KBR, Inc.</b>	U.S.	\$9,427	\$11,389	\$9,701	Research & Consulting Services
<b>Serco Group plc</b>	U.K.	\$2,904	\$3,859	\$7,131	Environmental and Facilities Services
<b>Smiths Group plc</b>	U.K.	\$9,095	\$9,307	\$4,125	Industrial Conglomerates
<b>Stantec Inc.</b>	Canada	\$7,188	\$9,088	\$5,349	Engineering and Construction
<b>Tetra Tech, Inc.</b>	U.S.	\$10,010	\$10,372	\$4,560	Environmental and Facilities Services
<b>WSP Global Inc.</b>	Canada	\$19,550	\$23,536	\$11,263	Engineering and Construction
<b>Percentile 75</b>		\$9,860	\$11,550	\$12,530	
<b>Median</b>		\$7,760	\$9,200	\$8,060	
<b>Percentile 25</b>		\$2,980	\$3,900	\$5,050	
<b>Average</b>		\$8,778	\$10,381	\$9,446	
<b>SNC-Lavalin Group Inc.<sup>(5)</sup></b>	Canada	\$4,189	\$6,326	\$7,594	Engineering and Construction
<b>Percentile Rank</b>		P32	P39	P47	

(1) Source: Bloomberg and Company filings. Data in \$M CAD, converted to CAD using the relevant Bank of Canada spot currency exchange rates as at December 31, 2022.

(2) As at December 31, 2022.

(3) Based on information that was publicly available on December 31, 2022.

(4) As per the Global Industry Classification Standards (GICS) sub-industry classification used by Bloomberg.

(5) Market capitalization and total enterprise value are based on a market close share price of \$23.86 as at December 31, 2022.

The Company also uses a Performance Comparator Group to assess the Company's relative TSR under the PSUP. This Performance Comparator Group is described in the "PSUP Design" subsection of this CD&A.

### Target Positioning

For all of our Senior Officers, the executive compensation framework targets TDC, which includes base salary and target short-term and long-term incentive awards (at grant date fair value), at median compared to the Executive Compensation Comparator Group, giving equal weighting to each of the companies and adjusting for currency exchange, with above median pay realized through incentive payouts for above target performance and below median pay realized for below target performance.

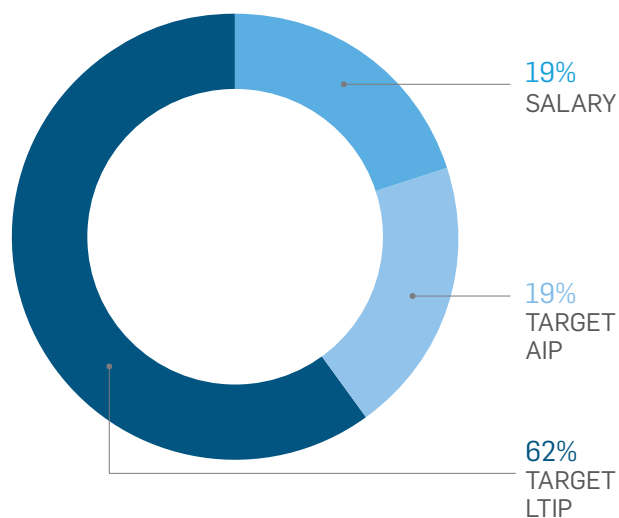
Pension, benefits and perquisites are targeted at a level that is competitive with local companies of similar size.

## EXECUTIVE COMPENSATION DESIGN AND MIX

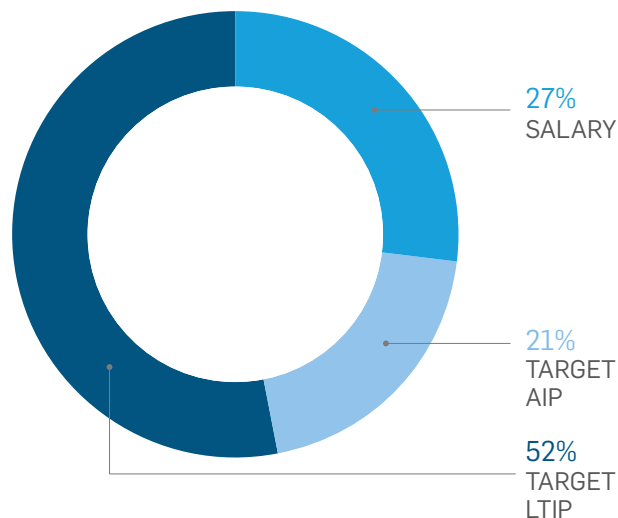
A significant portion of our NEOs' compensation is variable and linked to performance against:

1) our short-term financial and non-financial objectives under our AIP; and 2) TSR as well as share price performance under our LTIP. The following charts illustrate our President and CEO's 2022 target TDC mix as well as that of the other NEOs (on average).

**President and CEO Target TDC Mix<sup>(1)(2)</sup>**



**Average NEO Target TDC Mix<sup>(2)</sup>**



(1) Reflects the target TDC mix of Mr. Edwards effective January 1, 2022.

(2) NEOs are offered annually the option to elect to convert in whole or in part their bonus under the AIP into E-DSUs. Regardless of their election, the full amount of their bonus is included under "Target AIP" in this graph.

## COMPONENTS OF COMPENSATION

Our NEOs receive compensation that is both fixed and variable and triggered by Company and individual performance. There are six (6) elements incorporated in our executive compensation program: i) base salary; ii) AIP; iii) LTIP (PSUP, RSUP, Stock Options, E-DSUP); iv) ESOP; v) benefits and perquisites; and vi) pension.

Component	Risk	Objectives	Time Frame	Description
<b>Components of TDC</b>				
<b>Base Salary</b>	Fixed	<b>Provides competitive level of fixed compensation</b>	Set annually	<ul style="list-style-type: none"> <li>Primary fixed component of TDC</li> <li>Individual NEO salaries reflect level of responsibility, skills and experience, as well as individual performance. Typically set in reference to the median of their Executive Compensation Comparator Group</li> </ul>
<b>AIP</b>	Variable	<b>Rewards individual contributions to and achievement of Company objectives</b>	1 year	<ul style="list-style-type: none"> <li>Cash bonus</li> <li>Payout based on combination of Board-approved financial and non-financial objectives, the latter including individual performance</li> </ul>
<b>PSUP</b>	Variable	<b>Promotes retention, rewards performance and creates incentive to enhance shareholder value</b>	3 years	<ul style="list-style-type: none"> <li>Annual grants</li> <li>Cliff vesting (0-200% of units granted) on the third December 31<sup>st</sup> following the grant date based on Company relative TSR performance vs the Performance Comparator Group and on the five-day average closing price of the Common Shares immediately preceding the vesting date of December 31<sup>st</sup></li> </ul>
<b>RSUP</b>	Variable	<b>Promotes retention and rewards contribution to long-term value creation</b>	3 years	<ul style="list-style-type: none"> <li>Annual grants</li> <li>Cliff vesting on the third anniversary of the grant based on the five-day average closing price of the Common Shares immediately preceding the vesting date</li> </ul>
<b>Stock Options</b>	Variable	<b>Promotes retention and creates incentive to enhance shareholder value</b>	6 years	<ul style="list-style-type: none"> <li>Annual grants</li> <li>Vesting over 3 years, at a rate of one third each year, starting on the second anniversary date of the grant</li> <li>Expiration 6 years after the date of the grant</li> <li>The exercise price is no less than the five-day average closing price of the Common Shares immediately preceding the grant date</li> </ul>
<b>E-DSUP</b>	Variable	<b>Aligns the interests of management with those of shareholders and rewards contribution to long-term value creation</b>	5 years when granted (vesting)	<ul style="list-style-type: none"> <li>Grants are made on an ad hoc basis under special circumstances. These awards typically vest at a rate of 20% at the end of each calendar year following the date of grant, or referencing a vesting schedule as determined by the Board</li> <li>Separately, Senior Officers and other EVPs not reporting to the President and CEO subject to share ownership requirements have the option to elect to convert all or part of their bonus under the AIP into E-DSUs to assist them in meeting their requirements. E-DSUs received pursuant to an election to convert a bonus under the AIP into E-DSUs are immediately vested</li> <li>Payout of vested units made one (1) year following the termination of employment</li> </ul>
<b>ESOP</b>	Variable	<b>Encourages share ownership and aligns participant interests with shareholder interests</b>	3 years	<ul style="list-style-type: none"> <li>Voluntary share purchase plan</li> <li>Employee contributions of up to 10% of base salary in a given year with a 35% Company-matching contribution over the subsequent two-year period</li> <li>Senior Officers and other EVPs not reporting to the President and CEO subject to share ownership requirements may contribute up to 20% without the Company-matching contribution on the incremental 10%</li> </ul>
<b>Benefits and Perquisites</b>	Fixed	<b>Provides an effective and attractive executive compensation program</b>	1 year	<ul style="list-style-type: none"> <li>Flexible group life, health and disability insurance program and perquisite allowance</li> </ul>
<b>Pension</b>	Fixed		1 year	<ul style="list-style-type: none"> <li>DCPP – a registered retirement plan (Canadian NEOs)</li> <li>SERP – a non-registered supplemental executive retirement plan (Canadian NEOs)</li> <li>401(k) – (U.S. based NEOs)</li> <li>Mercer Master Trust – U.K. Trust based Plan (for the U.K. based NEO)</li> </ul>

## COMPONENTS OF TOTAL DIRECT COMPENSATION

### Base Salary

We determine NEOs' base salaries by reference to the median of their Executive Compensation Comparator Group, with each NEO's base salary taking into account the level of responsibility, skills and experience of the NEO as well as individual performance. Base salaries for the President and CEO's direct reports are recommended by the President and CEO and are reviewed by the HR Committee for final Board approval in the first quarter of each calendar year, in conjunction with a review of total compensation. The President and CEO's base salary is recommended by the HR Committee for Board approval at the same time.

The following table outlines our NEOs' 2022 base salaries:

Name	Annual Base Salary at Year-End		
	2021	2022	Change from 2021
<b>Ian L. Edwards<sup>(1)</sup></b>	\$1,400,000	\$1,400,000	0.0%
<b>Jeff Bell<sup>(2)</sup></b>	\$734,000	\$844,000	15.0%
<b>Robert Alger<sup>(3)</sup></b>	\$829,505	\$866,833	4.5%
<b>Steve Morriss<sup>(3)</sup></b>	\$813,240	\$849,836	4.5%
<b>Joseph M. St. Julian<sup>(4)</sup></b>	N/A	\$813,240	N/A
<b>Philip Hoare<sup>(5)</sup></b>	\$721,380	\$775,484	7.5%

(1) Effective January 1, 2021, Mr. Edwards' base salary was set to \$1,400,000 and was unchanged for 2022.

(2) Mr. Bell's base salary was increased by 15.0% following a market review in 2022 to account for his position vs the market in the context of his experience and continued strong performance in his role.

(3) Messrs. Alger, Morriss and St. Julian's base salaries are paid in USD. For the purposes of this disclosure, amounts were converted to CAD using the December 31, 2022 spot currency exchange rate of 1 USD = 1.3554 CAD.

(4) Mr. St. Julian joined the Company on March 21, 2022.

(5) Mr. Hoare's base salary is paid in GBP. For the purposes of this disclosure, amounts were converted into CAD using the December 31, 2022 spot currency exchange rate of 1 GBP = 1.6395 CAD.

### AIP

Our NEOs are eligible to participate in the AIP which rewards the achievement of various objectives by an annual cash bonus.

#### PLAN DESIGN

For our NEOs, the AIP is linked to a combination of financial and non-financial objectives at the Company and individual levels and is structured as follows:



## TARGET AWARD LEVELS

Under the AIP, each NEO has a target award (expressed as a percentage of base salary) with no payout for performance at or below the threshold level, and maximum payout of 200% of target for performance at or above maximum objectives. The threshold, target, and maximum awards for our NEOs are as follows for 2022:

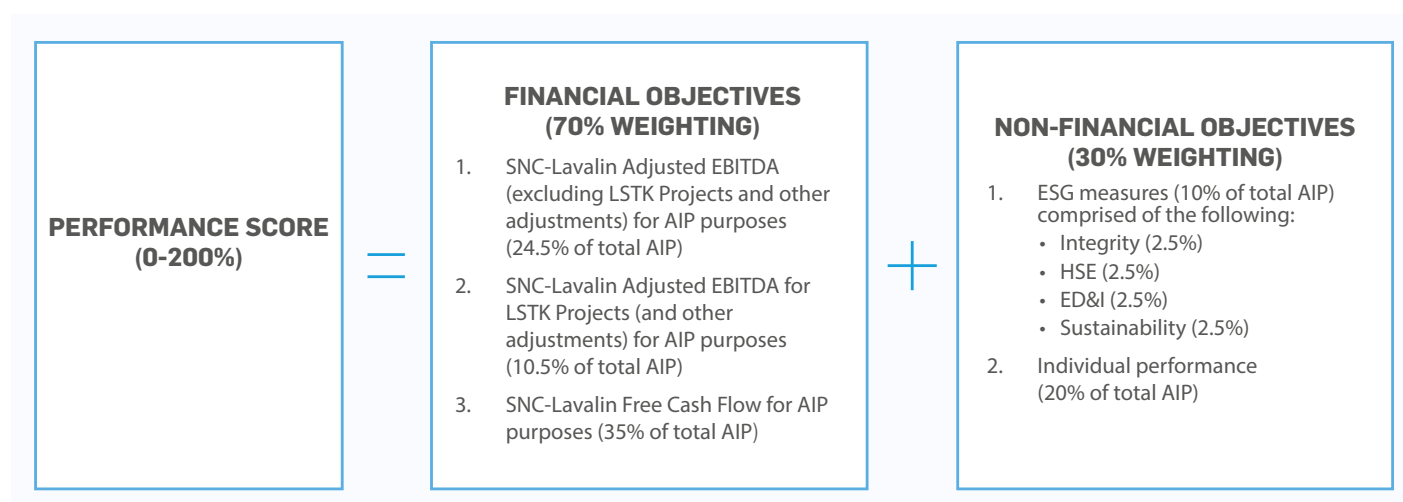
Name	Threshold (% of salary)	Target (% of salary)	Maximum (% of salary)
Ian L. Edwards	0%	100%	200%
Jeff Bell	0%	75%	150%
Robert Alger	0%	75%	150%
Steve Morriss	0%	75%	150%
Joseph M. St. Julian	0%	75%	150%
Philip Hoare	0%	75%	150%

## PERFORMANCE MEASUREMENT

The plan structure for 2022 was changed in the following manner:

- › The SNC-Lavalin Adjusted EBITDA for AIP purposes was split to consider the impact of LSTK Projects. The Adjusted EBITDA excluding LSTK Projects and other adjustments represented 24.5% of the total AIP and the Adjusted EBITDA from LSTK Projects and other adjustments represented 10.5% of the total AIP;
- › The Free Cash Flow for AIP purposes weight was maintained at 35% of the total AIP;
- › The non-financial ESG component of the AIP introduced ED&I and Sustainability objectives with a weight of 2.5% each of the total AIP;
- › The weightings of the non-financial ESG components of HSE and Integrity objectives were decreased from 5.00% each of the total AIP to 2.5% each of the total AIP;
- › The feedback provided from the Monitor metric was removed based on the majority of the program recommendations being fully implemented; and
- › The requirement for all members of the Executive Committee and OLG to publish a personal Safety Commitment was eliminated.

The performance score under the AIP is calculated as follows:

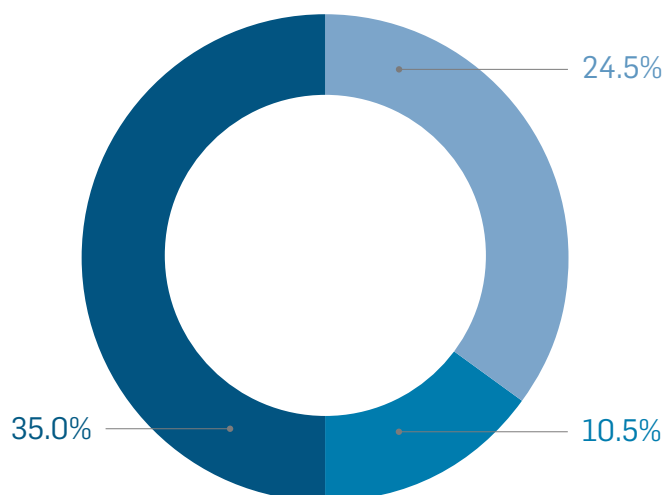




## 2022 FINANCIAL PERFORMANCE OBJECTIVES AND ACHIEVEMENT (70% WEIGHTING OF TOTAL AIP)

In 2022, the financial measures were defined as follows:

- **24.5% of total AIP**  
SNC-Lavalin Adjusted EBITDA (excluding LSTK Projects and other adjustments) for AIP purposes
- **10.5% of total AIP**  
SNC-Lavalin Adjusted EBITDA for LSTK Projects (and other adjustments) for AIP purposes
- **35.0% of total AIP**  
SNC-Lavalin Free Cash Flow for AIP purposes



The strong performance of the SNCL Services business led to the SNC-Lavalin Adjusted EBITDA (excluding LSTK Projects and other adjustments) for AIP Purposes component of AIP achieving a pay-out of 126% of target.

The SNC-Lavalin Adjusted EBITDA for LSTK Projects (and other adjustments) for AIP Purposes was below the level of threshold. This led to a zero pay-out for this component.

The SNC-Lavalin Free Cash Flow for AIP Purposes component of AIP achieved a pay-out of 94% of target. This was impacted due to Board discretion to segment the Free Cash Flow component in the same way as the Adjusted EBITDA component, with bonus earned for the SNCL Services Free Cash Flow and a zero pay-out for LSTK Free Cash Flow performance.

Performance Measure (% of total AIP) <sup>(1)</sup>	Threshold (0% payout)	Target (100% payout)	Maximum (200% payout)	Actual Achievement	Actual Score <sup>(2)</sup>
SNC-Lavalin Adjusted EBITDA (excluding LSTK Projects and other adjustments) for AIP Purposes (000s) (24.5%)	\$654,964	\$708,070	\$761,175	\$722,056	1.2634
SNC-Lavalin Adjusted EBITDA for LSTK Projects (and other adjustments) for AIP Purposes (000s) (10.5%)	\$(150,818)	\$(50,818)	\$0	\$(264,073)	0
SNC-Lavalin Free Cash Flow for AIP Purposes (000s) (35.0%)	\$(122,805)	\$(47,805)	\$27,195	\$(52,455)	0.9380

(1) The terms "SNC-Lavalin Adjusted EBITDA (excluding LSTK Projects and other adjustments) for AIP purposes", "SNC-Lavalin Adjusted EBITDA for LSTK Projects (and other adjustments) for AIP Purposes" and "SNC-Lavalin Free Cash Flow for AIP purposes" are non-IFRS financial measures, which do not have any standardized meaning under IFRS. Therefore, they may not be comparable to similar measures presented by other issuers. Further quantitative details on these measures for 2022 can be found below.

(2) Scores are interpolated on a linear basis between threshold, target, and maximum performance levels.

Performance Measure	Actual achievement (in 000s)
SNC-Lavalin Adjusted EBITDA <sup>(1)</sup> for the year ended December 31, 2022	\$453,043
Less: SNC-Lavalin Adjusted EBITDA for LSTK Projects (and other adjustments) for AIP Purposes for the year ended December 31, 2022	\$(264,073)
Plus: Other adjustments for AIP Purposes	\$4,940
SNC-Lavalin Adjusted EBITDA (excluding LSTK Projects and other adjustments) for AIP Purposes <sup>(1)</sup> for the year ended December 31, 2022.	\$722,056

(1) A non-IFRS measure disclosed in page 111 and sections 13.1 and 13.4.2 of the 2022 MD&A available on SEDAR at [www.sedar.com](http://www.sedar.com) which page and sections are incorporated by reference into this Circular.

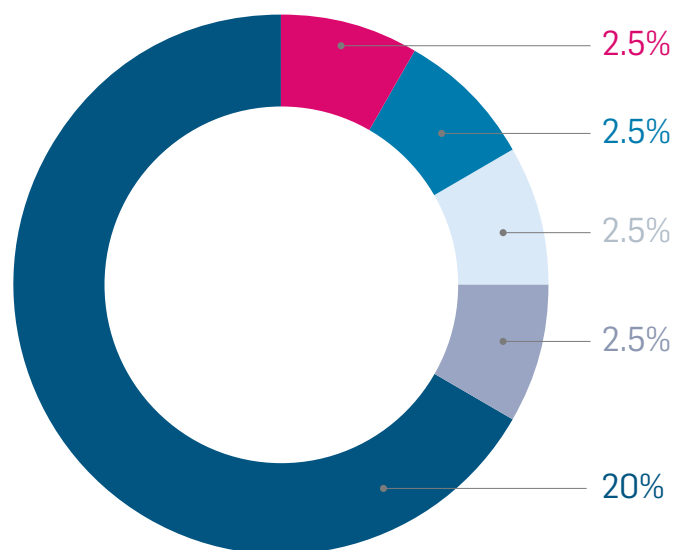
Performance Measure	Actual achievement (in 000s)
SNC-Lavalin Segment Adjusted EBITDA <sup>(1)</sup> for LSTK Projects for the year December 31, 2022	\$(238,771)
Other adjustments for AIP purposes	\$(25,302)
SNC-Lavalin Adjusted EBITDA for LSTK Projects (and other adjustments) for AIP Purposes for the year ended December 31, 2022	\$(264,073)

(1) A non-IFRS measure disclosed in page 151 of the 2022 MD&A available on SEDAR at [www.sedar.com](http://www.sedar.com) which page is incorporated by reference into this Circular.

SNC-Lavalin Free Cash Flow for AIP purposes of \$(52.5) million was derived from the Company's Free Cash Flow of \$(363.7) million, a non-IFRS measure (disclosed in page 133 and section 13.2 of the 2022 MD&A available on SEDAR at [www.sedar.com](http://www.sedar.com) which page and section are incorporated by reference into this Circular), adjusted by \$311.2 million to exclude items such as certain adjustments related to LSTK Projects.

## 2022 NON-FINANCIAL PERFORMANCE OBJECTIVES AND ACHIEVEMENT (30% WEIGHTING OF TOTAL AIP)

In 2022, our non-financial performance measures included Integrity, HSE, ED&I, Sustainability, as well as individual performance.



- INTEGRITY 2.5%
- HSE 2.5%
- ED&I 2.5%
- SUSTAINABILITY 2.5%
- INDIVIDUAL PERFORMANCE 20%

Performance Measure (Weighting)	Objectives	Achievements
<b>Integrity</b> (2.5% of total AIP)	<ul style="list-style-type: none"> <li>Monitor the effectiveness of the Integrity Program based on the following implemented measures: <ul style="list-style-type: none"> <li>Positive integrity culture development based on integrity pulse survey results measured against results from previous years</li> <li>Communication of ESG related topics on a quarterly basis from top and middle management</li> </ul> </li> <li>At the individual level, 50% of the AIP score for ESG non-financial performance is reduced in the case of a written warning/sanction, and/or mandatory training modules not completed within allocated time</li> <li>The AIP score for ESG non-financial performance is reduced by 50% in the case of a major breach or serious allegation for the relevant Business Unit/Sector/ Corporate Function Including members of the Executive Committee</li> </ul>	<ul style="list-style-type: none"> <li>Integrity program is operating effectively and is seen as best in class for industry segment</li> <li>Overall, objectives were met for the majority of the NEOs. The AIP was reduced where the communications cascade objective was not met in full</li> </ul>
<b>HSE</b> (2.5% of total AIP)	<ul style="list-style-type: none"> <li>The HSE objectives were evaluated considering the following measures: <ul style="list-style-type: none"> <li>Total recordable incident frequency (TRIF)<sup>(1)</sup>: 0.09 (based on previous three (3) years average)</li> <li>Lost time incident frequency (LTIF)<sup>(1)</sup>: 0.02 (based on previous three (3) years average)</li> <li>Leading indicators for members of the Executive Committee: two (2) leadership engagement safety visits, participation in two (2) safety enabling activities per year and a 95% closure rate on findings from significant incidents and high potential events</li> </ul> </li> <li>50% of the AIP score for ESG non-financial performance is reduced in the case of a fatality</li> </ul>	<ul style="list-style-type: none"> <li>Overall, at the Company level, the TRIF and LTIF objectives are not met</li> <li>Overall leading indicators were met for the majority of the NEOs and where not met the AIP was reduced</li> </ul>
<b>ED&amp;I</b> (2.5% of total AIP)	<ul style="list-style-type: none"> <li>Performance on the ED&amp;I objectives was evaluated considering the following measures: <ul style="list-style-type: none"> <li>Gender representation measured by the incremental annual improvements to achieve a specific target by the end of 2025</li> <li>Cultural development measured by the ED&amp;I Index of the employee engagement survey measured against results from previous years</li> </ul> </li> <li>Measured at Company level with additional consideration for regional improvement targets</li> </ul>	<ul style="list-style-type: none"> <li>Overall, at the Company level, both cultural development and gender representation performance factors were above target</li> </ul>
<b>Sustainability</b> (2.5% of total AIP)	<ul style="list-style-type: none"> <li>Performance on the Sustainability objective was evaluated considering the following measure: <ul style="list-style-type: none"> <li>Have a formal sustainability action plan in place outlining how sustainability is a key part of the business strategy for each Sector and Corporate Function</li> </ul> </li> <li>Maximum performance reached if formal sustainability action plan and tracking mechanism in place by the end of the year</li> </ul>	<ul style="list-style-type: none"> <li>Overall performance factor is above or at target</li> </ul>
<b>Individual Performance Rating</b> (20% of total AIP)	<ul style="list-style-type: none"> <li>Each NEO had specific individual performance objectives</li> </ul>	<ul style="list-style-type: none"> <li>For details on individual executive achievements against these objectives, see the "President and CEO Compensation and Review" and "Other NEO Compensation and Review" subsections of this CD&amp;A</li> </ul>

(1) Measured at the SNC-Lavalin level for each NEO in 2022.

On the non-financial side, the Company continues to lead with its standard-setting programs and has delivered strong overall performance for Integrity, HSE, ED&I, and Sustainability.

## 2022 AIP PAYOUTS

Based on the financial and non-financial performance results described above, the NEOs were awarded the following AIP payouts with respect to the 2022 performance year:

Name	Actual AIP payout	Actual AIP as a % of Target
Ian L. Edwards	\$1,625,794	116%
Jeff Bell	\$711,955	115%
Robert Alger <sup>(1)</sup>	\$657,745	106%
Steve Morriss <sup>(1)</sup>	\$659,445	108%
Joseph M. St. Julian <sup>(1)(2)</sup>	\$499,306	109%
Philip Hoare <sup>(3)</sup>	\$662,717	118%

(1) Messrs. Alger, Morriss and St. Julian's actual AIP payouts are paid in USD. For the purposes of this disclosure, amounts were converted back to CAD using a monthly average exchange rate of 1 USD = 1.3019 CAD.

(2) Mr. St. Julian joined the Company on March 21, 2022. Therefore, the AIP bonus for the 2022 performance year has been prorated to reflect the number of days worked during the year.

(3) Mr. Hoare's actual AIP payout is paid in GBP. For the purposes of this disclosure, amounts were converted back to CAD using a monthly average exchange rate of 1 GBP = 1.6076 CAD.

## UNDISCLOSED TARGETS

The four NEOs who lead sectors within the Company have a proportion of their non-financial ESG component of the AIP, namely the Integrity and the Sustainability components, which are determined with reference to the performance of the sector they lead. The Company does not disclose further details on the performance targets for these components as they contain strategically confidential information. The remainder of the AIP is determined with reference to corporate level targets and personal goals, the details of which are disclosed in this Circular.

The sector level performance goals for the Integrity and Sustainability components of the AIP, which are not fully disclosed herein, contain threshold contain threshold, target, and stretch performance targets, which the Company believes are challenging and encourage NEOs to exceed expectations which as a result have a positive impact on the Company's overall performance.

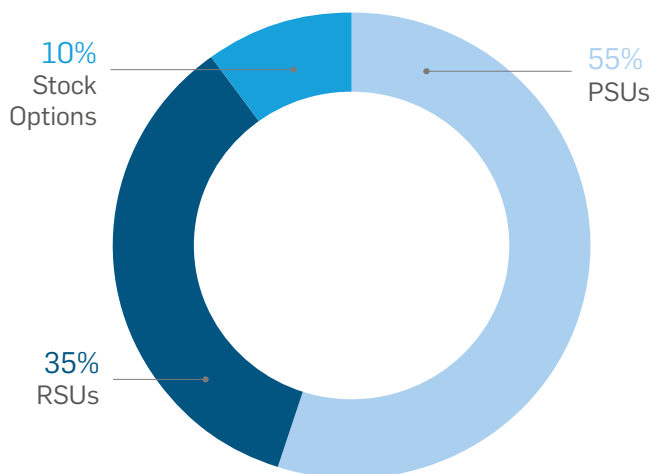
The percentage of total compensation related to undisclosed performance goals for the 2022 financial year is 1% for the four NEOs who lead sectors. The performance goals are fully disclosed for Messrs. Edwards and Bell.

## LTIP

In addition to the AIP, our NEOs are eligible for annual long-term incentive grants with a mix of PSUs (55% of annual LTIP grant), RSUs (35% of annual LTIP grant) and in 2022, Stock Options (10% of annual LTIP grant) as presented in the graph below. There is a greater weighting put on PSUs in the LTIP mix to bring additional focus on long-term performance and align with shareholders' interests.

Starting in 2023, 20% of the LTIP grant will be granted to NEOs in the form of Stock Options, and the weighting in PSUs and RSUs will be reduced accordingly (50% in PSUs and 30% in RSUs).

Our NEOs and other executive-level employees receive their annual grant of LTIP, calculated as a percentage of base salary in accordance with their terms of employment, once a year and just after the year-end results are published. Off-cycle LTIP grants may be made exceptionally at other times of the year in connection with promotions or recruitment of executives. As an incentive to join the Company, Mr. St. Julian was granted an additional RSU award in March 2022. Such award is described in more detail in the "2022 RSU Grant" subsection of this CD&A.



## PSUP

### PSUP DESIGN

Under the PSUP adopted in 2019, the interests of our eligible employees and executives are aligned with those of our shareholders by tying the vesting of PSUs to the ranking of our TSR relative to the Performance Comparator Group, as described below, over a three-year period. TSR measures the appreciation of the Company's Common Shares as well as dividends paid during the performance period assuming dividend reinvestment. The payout is capped at target (100%) if our absolute TSR is negative over the performance period, to further drive performance even in the context of declining markets.

The 2022 PSU grant has a performance period from January 1, 2022 to December 31, 2024 and units vest at the end of the third calendar year. At vesting, the number of units granted will be adjusted by the performance payout multiplier (0% to 200% of the units granted), based on performance according to the following schedule:

Relative TSR Rank vs Performance Comparator Group	Performance Payout Multiplier <sup>(1)(2)</sup>
Below 25 <sup>th</sup> Percentile	0%
25 <sup>th</sup> Percentile	25%
Median	100%
At or above the 75 <sup>th</sup> Percentile	200%

(1) The performance payout multiplier is interpolated between the quartiles on a linear basis and is capped at 100% if our absolute TSR is negative over the performance period.

(2) Under the 2019 PSUP, the performance payout multiplier is capped at 100% for participants terminated without cause when the payouts are triggered by a termination in the first two (2) years of the three-year performance period.

At the end of the three-year period, the actual number of vested units, adjusted for performance, is settled in cash or, if elected by the Senior Officer or other EVP not reporting to the President and CEO, subject to share ownership requirements, in Common Shares purchased on the open market, net of all applicable taxes.

The Performance Comparator Group has been updated for grants made in 2021 and onwards to more accurately reflect the market that SNC-Lavalin competes for capital with on a go-forward basis, particularly given the change of strategic focus to a professional services business. The new Performance Comparator Group also aligns with our transformation and priorities moving forward, including an alignment of industries, markets/geographies and comparably sized companies. Our LTIP grants will continue to incentivize improvements to SNC-Lavalin's share price and TSR over a three-year period.



Below are the companies that form the Performance Comparator Group:

Company	Headquarters	Market Capitalization <sup>(1)(2)</sup>	Total Enterprise Value <sup>(1)(2)</sup>	Last 12 Months Total Revenues <sup>(1)(3)</sup>	Primary Industry <sup>(4)</sup>
<b>AECOM</b>	U.S.	\$15,324	\$17,800	\$17,110	Engineering and Construction
<b>Aecon Group Inc.</b>	Canada	\$556	\$1,071	\$4,518	Engineering and Construction
<b>Arcadis</b>	Netherlands	\$4,546	\$4,932	\$4,884	Research & Consulting Services
<b>Balfour Beatty plc</b>	U.K.	\$3,188	\$2,333	\$11,536	Engineering and Construction
<b>EMCOR Group Inc.</b>	U.S.	\$9,185	\$9,588	\$14,010	Engineering and Construction
<b>Ferrovial, S.A.</b>	Spain	\$24,380	\$35,929	\$10,158	Engineering and Construction
<b>Fluor Corporation</b>	U.S.	\$6,409	\$4,885	\$17,164	Engineering and Construction
<b>Jacobs Engineering Group Inc.</b>	U.S.	\$19,783	\$24,600	\$19,419	Research & Consulting Services
<b>John Wood Group plc</b>	U.K.	\$1,217	\$3,463	\$7,552	Oil and Gas Equipment and Services
<b>KBR, Inc.</b>	U.S.	\$9,427	\$11,389	\$9,701	Research & Consulting Services
<b>Stantec Inc.</b>	Canada	\$7,188	\$9,088	\$5,349	Engineering and Construction
<b>Tetra Tech, Inc.</b>	U.S.	\$10,010	\$10,372	\$4,560	Environmental & Facilities Services
<b>Tutor Perini</b>	U.S.	\$506	\$1,400	\$5,102	Engineering and Construction
<b>WorleyParsons Limited</b>	Australia	\$7,128	\$8,633	\$8,758	Oil and Gas Equipment and Services
<b>WSP Global Inc.</b>	Canada	\$19,550	\$23,536	\$11,263	Engineering and Construction
<b>Percentile 75</b>		\$12,670	\$14,590	\$12,770	
<b>Median</b>		\$7,190	\$9,090	\$9,700	
<b>Percentile 25</b>		\$3,870	\$4,170	\$5,230	
<b>Average</b>		\$9,226	\$11,268	\$10,072	
<b>SNC-Lavalin Group Inc.<sup>(5)</sup></b>	Canada	\$4,189	\$6,326	\$7,594	Engineering and Construction

(1) Source: Bloomberg and Company filings. Data in \$M CAD. Converted to CAD using the relevant Bank of Canada spot currency exchange rates as at December 31, 2022.

(2) As at December 31, 2022.

(3) Based on information that was publicly available on December 31, 2022.

(4) As per the Global Industry Classification Standards (GICS) sub-industry classification used by Bloomberg.

(5) Market capitalization and total enterprise value are based on a market close share price of \$23.86 as at December 31, 2022.

In 2023, 50% of the PSU performance will continue to be measured on relative TSR whereas the other 50% will be measured using a second metric focused on adjusted EBITDA growth.

## 2022 PSU GRANTS

Under this plan, participants are awarded a number of units based on a target percentage of the participant's base salary on the date of grant. The following PSU grants were made to NEOs in 2022:

Name	2022 PSU Awards			
	Target LTI as a % of Base Salary	Portion of LTI granted in PSUs	Grant Date Fair Value	Number of Units Awarded <sup>(1)</sup>
Ian L. Edwards <sup>(2)</sup>	325%	55%	\$1,592,500	80,338
Jeff Bell	240%	55%	\$1,114,080	35,766
Robert Alger <sup>(3)</sup>	180%	55%	\$811,945	26,066
Steve Morriss <sup>(3)</sup>	180%	55%	\$796,024	25,555
Joseph M. St. Julian <sup>(4)</sup>	180%	55%	\$743,569	24,581
Philip Hoare <sup>(5)</sup>	180%	55%	\$780,747	25,065

(1) For the purpose of determining the number of PSUs granted, each PSU is attributed a notional value equivalent to the average closing price of Common Shares for the five (5) business days immediately preceding the date of grant. For all NEOs except Mr. St. Julian, the average share price was \$31.15 on the date of grant (March 14, 2022). For Mr. St. Julian, the average share price was \$30.25 on the date of grant (March 28, 2022).

(2) Effective January 1, 2022, upon Board approval and following the results of a benchmark study in February 2022, Mr. Edwards' LTI target was increased from 300% to 325% of base salary.

(3) Messrs. Alger and Morriss' PSU awards, valued at USD 633,145 and USD 620,730 respectively, have been converted to CAD using the spot currency exchange rate, on the date of grant (March 14, 2022), of 1 USD = 1.2824 CAD.

(4) Mr. St. Julian's PSU award valued at USD 594,000 has been converted to CAD using the spot currency exchange rate, on the date of grant (March 28, 2022), of 1 USD = 1.2518 CAD.

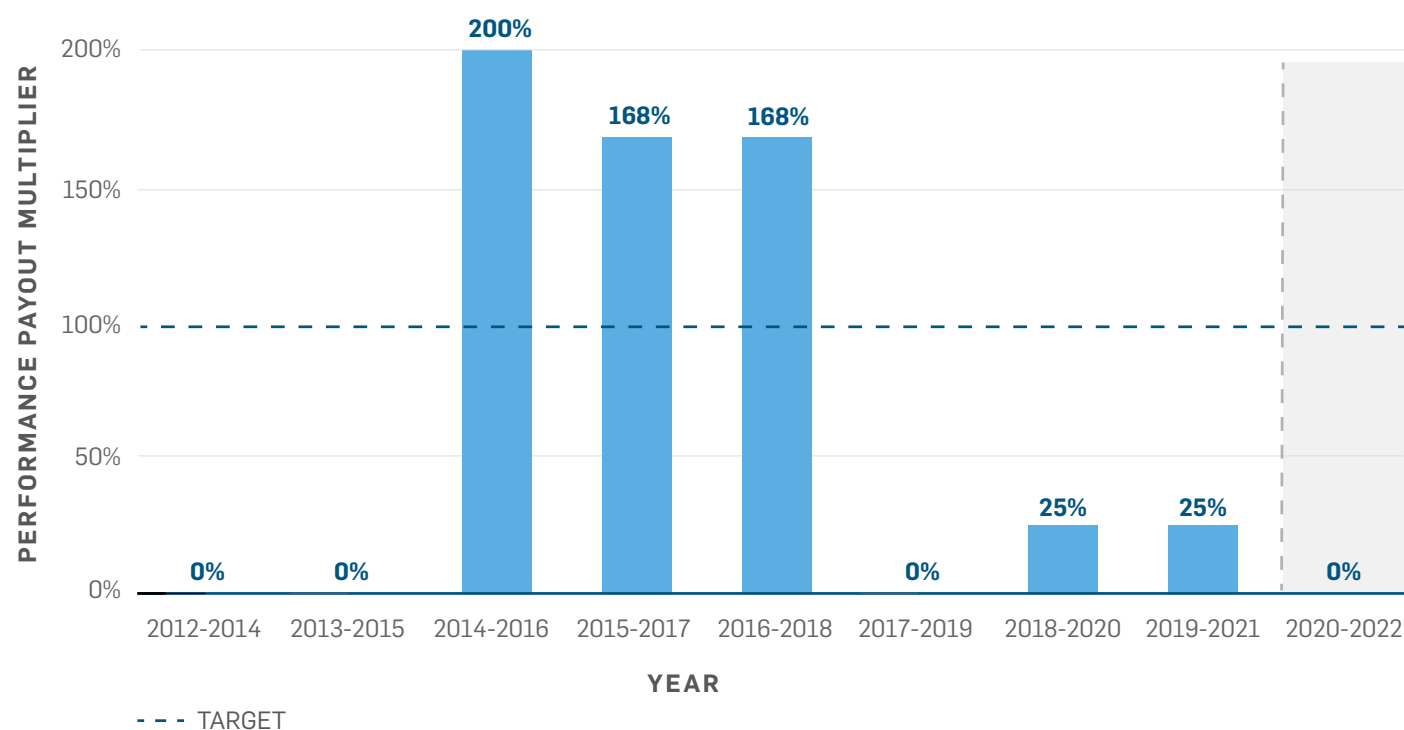
(5) Mr. Hoare's PSU award, valued at GBP 468,270, has been converted to CAD using the spot currency exchange rate, on the date of grant (March 14, 2022), of 1 GBP = 1.6673 CAD.

## 2020 PSU VESTING AND SETTLEMENT

PSU awards made by the Company in 2020 vested on December 31, 2022. The performance payout multiplier for the 2020 grant (performance period from January 1, 2020 to December 31, 2022) was determined according to the methodology described in this CD&A.

During this performance period, the Company achieved a TSR of -19.6%, which placed the Company's TSR at the 17<sup>th</sup> percentile within its Performance Comparator Group. As a result, PSUs granted in 2020 vested with a performance payout multiplier of 0%.

The following graph shows historical payout of the PSUs starting with the 2012 awards. PSU awards granted in 2012 and 2013 resulted in no payout<sup>(1)</sup> and PSU awards granted from 2014 to 2020 vested with performance payout multipliers between 0% and 200%, as illustrated in the following graph<sup>(2)</sup>.



(1) PSUs awarded in 2012 and 2013 were granted under the legacy 2009 PSUP and were measured entirely on EPS growth. The thresholds were not met for the respective 3-year performance periods.

(2) PSUs awarded from 2014 to 2016 were granted under the legacy 2014 PSUP and PSUs awarded in 2017 and 2018 were granted under the legacy 2017 PSUP. Their relative TSR were compared to those of the Performance Comparator Group applicable to each award.

## RSUP

### RSUP DESIGN

The RSUP aligns the interests of participants with those of shareholders and rewards the creation of shareholder value by tying payout of units to the value of our Common Shares. It further promotes employee and executive retention through time-based vesting. RSUs vest on the third anniversary of the date of grant and are settled in cash or, if elected by the Senior Officer or other EVP not reporting to the President and CEO subject to share ownership requirements, in Common Shares purchased on the open market, net of all applicable taxes.

### 2022 RSU GRANTS

Under this plan, participants are awarded a number of units based on a target percentage of the participant's base salary on the date of grant. The following RSU grants were made to NEOs in 2022:

2022 RSU Awards				
Name	Target LTI as a % of Base Salary	Portion of LTI granted in RSUs	Grant Date Fair Value	Number of Units Awarded <sup>(1)</sup>
Ian L. Edwards <sup>(2)</sup>	325%	35%	\$1,592,500	51,124
Jeff Bell	240%	35%	\$708,960	22,760
Robert Alger <sup>(3)</sup>	180%	35%	\$516,692	16,588
Steve Morriss <sup>(3)</sup>	180%	35%	\$506,561	16,262
Joseph M. St. Julian <sup>(4)</sup>	180%	35%	\$473,180	15,643
Philip Hoare <sup>(5)</sup>	180%	35%	\$496,839	15,950

(1) For the purposes of determining the number of RSUs granted, each RSU is attributed a notional value equivalent to the average closing price of Common Shares for the five (5) business days immediately preceding the date of grant. For all NEOs except Mr. St. Julian, the average share price was \$31.15 on the date of grant (March 14, 2022). For Mr. St. Julian, the average share price was \$30.25 on the date of grant (March 28, 2022).

(2) Effective January 1, 2022, upon Board approval and following the results of a benchmark study in February 2022, Mr. Edwards' LTI target was increased from 300% to 325% of base salary.

(3) Messrs. Alger and Morriss' RSU awards, valued at USD 402,910 and USD 395,010 respectively, have been converted to CAD using the spot currency exchange rate, on the date of grant (March 14, 2022), of 1 USD = 1.2824 CAD.

(4) Mr. St. Julian's RSU award valued at USD 378,000 has been converted to CAD using the spot currency exchange rate, on the date of grant (March 28, 2022), of 1 USD = 1.2518 CAD.

(5) Mr. Hoare's RSU award, valued at GBP 297,990, has been converted to CAD using the spot currency exchange rate, on the date of grant (March 14, 2022), of 1 GBP = 1.6673 CAD.

### ADDITIONAL RSU GRANT TO MR. ST. JULIAN

In addition to the grants indicated in the "2022 RSU Grants" subsection of this CD&A, Mr. St. Julian received 20,692 RSUs representing a total value of USD 500,000 as an incentive to join the Company. The vesting schedule is as follows:

- 10,346 RSUs representing a grant value of USD 250,000 which become fully vested on March 28, 2023; and
- 10,346 RSUs representing a grant value of USD 250,000 which become fully vested on March 28, 2024.

Mr. St. Julian's awards have been converted to CAD using the spot currency exchange rate, on the date of grant (March 28, 2022), of 1 USD = 1.2518 CAD.

## STOCK OPTIONS

### STOCK OPTION PLAN DESIGN

Stock options were re-introduced in our LTIP for our senior executives starting in 2022 and granted under our previously approved 2013 Stock Option Plan. Stock Options align the interests of our participants with those of our shareholders and create an incentive to enhance shareholder value. Stock options vest over 3 years, at a rate of one third each year, starting on the second anniversary date of the grant, and have a 6-year term. Options only have a realizable value if the share price of the Company is above the exercise price between the date when they become exercisable and the expiration date. For details on our 2013 Stock Option Plan, see Schedule C of this Circular.

### 2022 STOCK OPTION GRANTS

Under the Stock Option Plan, participants are awarded a number of options based on a target percentage of the participant's base salary on the date of grant. The following option grants were made to NEOs in 2022:

2022 Stock Options Awards							
Name	Target LTI as a % of Base Salary	Portion of LTI granted in Stock Options	Grant Date Fair Value	Number of Options Awarded <sup>(1)</sup>	Date of grant	Exercise Price (\$/Security)	Expiration Date
Ian L. Edwards <sup>(2)</sup>	325%	10%	\$455,000	46,147	March 14, 2022	\$31.15	March 14, 2028
Jeff Bell	240%	10%	\$202,560	20,544	March 14, 2022	\$31.15	March 14, 2028
Robert Alger <sup>(3)</sup>	180%	10%	\$147,626	14,973	March 14, 2022	\$31.15	March 14, 2028
Steve Morriss <sup>(3)</sup>	180%	10%	\$144,732	14,679	March 14, 2022	\$31.15	March 14, 2028
Joseph M. St. Julian <sup>(4)</sup>	180%	10%	\$135,194	14,127	March 28, 2022	\$30.25	March 28, 2028
Philip Hoare <sup>(5)</sup>	180%	10%	\$141,954	14,397	March 14, 2022	\$31.15	March 14, 2028

(1) The Black-Scholes valuation model was used for the purposes of determining the number of options granted, with a notional value equivalent to the average closing price of Common Shares for the five (5) business days immediately preceding the date of grant. For all NEOs except Mr. St. Julian, the average share price was \$31.15 on the date of grant (March 14, 2022). For Mr. St. Julian, the average share price was \$30.25 on the date of grant (March 28, 2022). The exercise price is set at this value.

(2) Effective January 1, 2022, upon Board approval and following the results of a benchmark study in February 2022, Mr. Edwards' LTI target was increased from 300% to 325% of base salary.

(3) Messrs. Alger and Morriss' stock option awards, valued at USD 115,117 and USD 112,860 respectively, have been converted to CAD using the spot currency exchange rate, on the date of grant (March 14, 2022), of 1 USD = 1.2824 CAD.

(4) Mr. St. Julian's stock option award valued at USD 108,000 has been converted to CAD using the spot currency exchange rate, on the date of grant (March 28, 2022), of 1 USD = 1.2518 CAD.

(5) Mr. Hoare's stock option award, valued at GBP 85,140, has been converted to CAD using the spot currency exchange rate, on the date of grant (March 14, 2022), of 1 GBP = 1.6673 CAD.



## **E-DSUP**

### **E-DSUP DESIGN**

Effective 2014, annual recurring grants of E-DSUs have been discontinued; however, the E-DSUP remains in place to allow for discretionary grants under exceptional circumstances.

Similar to the RSUP, the E-DSUP aligns the interests of participants with those of shareholders and rewards the creation of shareholder value by tying payout of units to the value of our Common Shares. It additionally promotes executive retention through time-based vesting. E-DSUs generally vest 20% at the end of each calendar year for a five-year period and are paid out in cash one (1) year following termination of employment. The rules of the E-DSUP were modified in 2019 to allow Board discretion to determine alternative vesting schedules for ad hoc grants.

Senior Officers and other EVPs not reporting to the President and CEO subject to share ownership requirements have the option to annually elect to convert their bonus under the AIP, in whole or in part, into E-DSUs. This conversion option is offered to facilitate achievement of share ownership requirements within the prescribed time limits. E-DSUs received by NEOs pursuant to their election to convert their bonus under the AIP into E-DSUs, whether in whole or in part, are fully vested at the time of grant, are not forfeitable and there are no Company-matching grants related to them. Mr. Edwards elected to make the conversion in 2020 for the 2020 performance year and he received his elected E-DSUs in March 2021.

## **OTHER COMPONENTS OF COMPENSATION**

### **ESOP**

The ESOP is a voluntary share purchase plan that encourages the equity participation of our employees, emphasizing the Company's belief that share ownership by employees contributes to the Company's success. This plan is available to the vast majority of Canadian employees as well as to employees in a number of business units outside of Canada. It provides for a matching contribution by the Company of 35% on employee contributions of up to 10% of base salary in a given year (paid in two (2) instalments over the subsequent two-year period), provided that during this time the participant remains an employee of the Company and does not sell the underlying Common Shares.

In order to encourage and facilitate the purchase of Common Shares through an automatic plan, the ESOP also allows Senior Officers and other EVPs not reporting directly to the President and CEO subject to share ownership requirements to contribute up to 20% of their base salary in the ESOP. However, contributions in excess of 10% of base salary do not attract the Company-matching contribution.

Approximately 5,000 employees of the Company participated in the ESOP and through this plan held Common Shares representing approximately 3% of all Common Shares issued and outstanding as December 31, 2022.

### **Benefits and Perquisites**

To provide an attractive total rewards package, the Company provides executives with select benefits and perquisites. These benefits and perquisites are designed to be competitive with those offered to executives at comparable organizations and in the markets where they are based.

Perquisites are reviewed periodically to ensure they are market aligned. Our executive benefits program includes elements such as life, medical, dental and disability insurance. Perquisites are provided to our executives, including the NEOs, in the form of a taxable cash allowance.

### **Pension**

Our NEOs located in Canada, Messrs. Edwards and Bell, participate in the DCP, which is available to the vast majority of our Canadian employees. Annually, the Company contributes a percentage of the participating NEO's annual base salary to the DCP, subject to the maximum amounts allowed under the Income Tax Act (Canada) for registered plans. The DCP offers target-date funds in line with the expected retirement date of the participant, each of which has three (3) different risk profiles (conservative, moderate, aggressive), as well as à-la-carte investment funds. Each NEO chooses the funds in which the contributions will be invested.

To provide an attractive and competitive compensation plan and to supplement income after retirement, our Senior Officers located in Canada participate in our SERP. Contributions representing 20% of the annual base salary in excess of the maximum allowed under the Income Tax Act (Canada) for registered plans are credited to a notional account under this plan (which is guaranteed through a letter of credit with a major financial institution). Mr. Edwards participates in the notional plan. The contributions attributed to the notional account accrue interest as if they were invested in long-term Government of Canada bonds or the moderate target-date fund offered to participants of the DCP with a maturity date closest to the average age of the active members with notional accounts (but not exceeding age 65), whichever would have provided a higher rate of return during the year. The notional account is payable upon retirement or termination of employment, either in a lump sum or in monthly instalments paid over a period of five (5) or ten (10) years, at the participant's discretion.

Since 2015, new participants, including Mr. Bell, participate in a non-registered SERP where 20% of the annual base salary in excess of the maximum allowed under the Income Tax Act (Canada) is paid, net of income taxes, to a non-registered plan offering target-date and à-la-carte funds similar to the DCP.

Messrs. Alger, Morriss and St. Julian participate in the Company's 401(k) savings plan. This plan is available to the majority of U.S. paid employees offering a 1:1 employer contribution match up to a maximum of 3% of plan eligible salary and then a 1:2 employer contribution match on the next 2% of plan eligible salary. Members select their investment strategy, either target-date funds or self-select, from a number of funds chosen by the Trustee of the Plan.

Mr. Hoare participates in the U.K. Mercer Master Trust. This trust-based plan is available to the majority of U.K. employees offering a 1:2 employer contribution match to a maximum of 5%: 10% of salary. Members select their investment strategy, either lifecycle or self-select, from a number of funds chosen by the Trustee of the Plan. The Company acknowledges that affected employees may wish to limit their pension contributions to manage how they meet their income tax liabilities and Lifetime Allowance cap, so Mr. Hoare has elected to limit Company pension contributions with the remainder paid as an additional salary payment.

The pension component is reviewed periodically to ensure it is appropriate.

## PRESIDENT AND CEO COMPENSATION AND REVIEW

As per the terms of his Employment Agreement as President and CEO effective October 31, 2019 and following the review of the results of the compensation benchmarking exercise conducted by the HR Committee's compensation consultant for this role, the Board has approved the following annual compensation package for Mr. Edwards, effective January 1, 2023:

- > A base salary of \$1,400,000;
- > A target AIP of 125% of base salary; and
- > A target LTIP of 325% of base salary (PSUs, RSUs and Stock Options).

Mr. Edwards' base salary and LTI targets were unchanged at \$1,400,000 and 325% of base salary respectively, while his AIP target was adjusted from 100% to 125%.

### AIP Payout

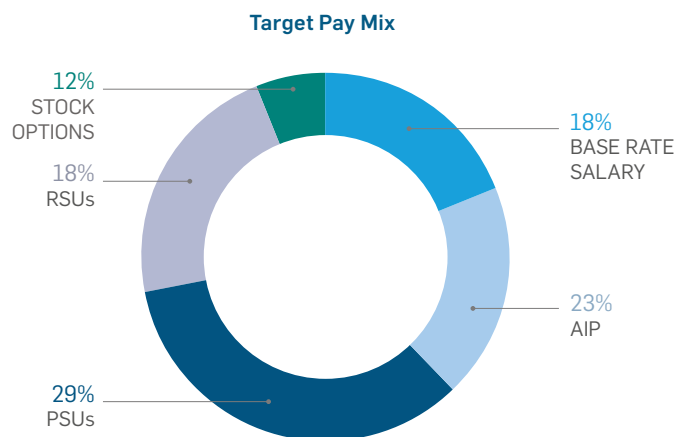
In light of his performance during 2022 against his individual performance objectives listed in the Letter to Shareholders from the HR Committee, the President and CEO was entitled to a bonus under the 2022 AIP of \$1,625,794 which represents 116% of target.

### 2022 LTIP Grants

Mr. Edwards' annual LTIP grant was 325% of base salary (i.e. \$4,550,000), 55% of which was granted in the form of PSUs, 35% in the form of RSUs and 10% in the form of Stock Options.

### Summary of President and CEO Compensation

Compensation Component	Target Compensation (effective January 1, 2023)
<b>Base Salary</b>	<b>\$1,400,000</b>
<b>AIP (125% of base salary)</b>	
Financial Component (70%)	\$ 1,225,000
Non-Financial Component (30%)	\$ 525,000
<b>TOTAL</b>	<b>\$1,750,000</b>
<b>LTI (325% of base salary)</b>	
PSUs (50%)	\$2,275,000
RSUs (30%)	\$1,365,000
Stock Options (20%)	\$910,000
<b>TOTAL</b>	<b>\$4,550,000</b>
<b>Annual TDC</b>	<b>\$7,700,000</b>



## President and CEO Realized and Realizable Compensation: 2020-2022

The following table compares the value of target TDC (i.e. recurring compensation excluding special awards) awarded to the President and CEO with the value of realized and realizable TDC (i.e. what was actually received or "realized" plus the market value of outstanding awards, or what was "realizable") as at December 31, 2022.

Specifically, target TDC includes base salary, target AIP, and grant date fair value of annual recurring long-term incentives. Realized compensation includes base salary, the actual paid bonus under the AIP as well as the value at vesting of annual recurring share-based awards. Realizable compensation includes the market value of share-based awards that are still outstanding.

Year	Target Total Direct Compensation Awarded (\$000s)	Realized/Realizable Total Direct Compensation as at Dec. 31, 2022 (\$000s)	Period	Value of \$100 invested annually in compensation and in Common Shares	
				CEO <sup>(1)(2)</sup>	Shareholders <sup>(3)</sup>
2020	\$6,199	\$3,087	Jan. 1, 2020 – Dec. 31, 2022	\$50	\$80
2021	\$6,987	\$4,457	Jan. 1, 2021 – Dec. 31, 2022	\$64	\$110
2022	\$7,350	\$4,246	Jan. 1, 2022 – Dec. 31, 2022	\$58	\$77
Aggregate	\$20,536	\$11,790	Jan. 1, 2020 – Dec. 31, 2022	\$57	\$80

(1) Represents the actual aggregate value earned or outstanding for each \$100 awarded to the President and CEO in target TDC during the fiscal year indicated.

(2) Outstanding units under the LTIP are valued using the closing share price of \$23.86 as at December 31, 2022. A performance payout multiplier of 0% is assumed for PSUs granted in 2020, 2021 and 2022, based on their value as at December 31, 2022. Mr. Edwards has elected to settle his PSUs granted in 2020 in the form of common shares of the Company. Such conversion will be cancelled and he will not receive any shares related to his election due to the performance payout multiplier of 0%.

(3) Represents the cumulative value of a \$100 investment in Common Shares made on the first trading day of the period indicated, assuming reinvestment of dividends.

## OTHER NEO COMPENSATION AND REVIEW

### Individual AIP Objectives and Achievements

The following table provides an overview of the individual achievements of each of the other NEOs during 2022:

NEO	Key Achievements in 2022
<b>Jeff Bell</b>	<ul style="list-style-type: none"> <li>› Delivered SNCL Services revenue growth and operating financial metrics in line with Pivot to Growth strategy</li> <li>› Led financing activities with renewed \$2 billion credit facility, which for the first time has ESG performance metrics linked credit, and the successful issuance of \$300 million of debentures</li> <li>› Drove finance transformation initiatives and structured a revised finance operating model</li> </ul>
<b>Robert Alger</b>	<ul style="list-style-type: none"> <li>› Significantly reduced the backlog of LSTK Projects segment</li> <li>› Settled and closed out a number of legacy projects</li> <li>› Developed a significant pipeline of opportunities to pursue with the Company's major projects delivery platform</li> </ul>
<b>Steve Morriss</b>	<ul style="list-style-type: none"> <li>› Delivered strong results in the Engineering Services - United States, Asia-Pacific and Mining &amp; Metallurgy business, contributing to the SNCL Services results for 2022</li> <li>› Contributed to the strong \$4.7 billion backlog as at December 31, 2022 for the Engineering Services segment</li> <li>› Managed the post-divestment activities of the Oil &amp; Gas business, including the settlement, with the purchaser, of purchase price adjustments on the consideration receivable</li> </ul>
<b>Joseph M. St. Julian</b>	<ul style="list-style-type: none"> <li>› Delivered strong margin and bookings in the Nuclear segment, with increased backlog amounting to \$937M as at December 31, 2022</li> <li>› Successfully drove the efforts that will subsequently lead to the first phase contract for Canada's first Small Modular Reactor (SMR) program</li> <li>› Successfully led the Nuclear segment being selected by Nuclearelectrica S.A. (SNN), operator of the Cernavoda Nuclear Generating Station in Romania, to conduct design and engineering services for the Unit 1 CANDU® reactor at the facility, as the first step to a future life extension project to support energy security and the country's Net Zero goals</li> </ul>
<b>Philip Hoare</b>	<ul style="list-style-type: none"> <li>› Delivered strong results for Engineering Services - U.K. &amp; Europe, Middle East, India and Canada, contributing to the SNCL Services results for 2022</li> <li>› Contributed to the strong \$4.7 billion backlog as at December 31, 2022 for the Engineering Services segment</li> <li>› Continued to drive the Company's approach to Engineering Net Zero, generating global sales of our Decarbonomics™ carbon assessment tool for buildings, expanding our Carbon Insights approach providing tools and training to our people to embed carbon reduction in all of the Company's projects and launching our Carbon Academy</li> <li>› Maintained the Company's concentration on digital evolution, driving the evolution and digitization of our core services alongside the development of new digitally enabled services directly to our clients</li> </ul>

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### Aggregate NEO Realized and Realizable Compensation: 2020-2022

The following table compares the value of target TDC (i.e. recurring compensation excluding special awards) awarded to the other NEOs with the value of realized/realizable TDC (i.e. what was actually received or "realized" plus the market value of outstanding awards, or what was "realizable") as at December 31, 2022.

The table includes Messrs. Bell, Alger, Morriss, St. Julian and Hoare for 2022; Messrs. Bell, Alger, Morriss, Hoare for 2021; and Messrs. Bell, Alger and Hoare for 2020.

Year	Target Total Direct Compensation Awarded (\$000s)	Realized/Realizable Total Direct Compensation as at Dec. 31, 2022 (\$000s)	Period	Value of \$100 invested annually in compensation and in Common Shares	
				Other NEOs <sup>(1)(2)</sup>	Shareholders <sup>(3)</sup>
2020 <sup>(4)(5)</sup>	\$5,533	\$3,548	Jan. 1, 2020 – Dec. 31, 2022	\$64	\$80
2021 <sup>(4)(5)</sup>	\$11,128	\$7,564	Jan. 1, 2021 – Dec. 31, 2022	\$68	\$110
2022 <sup>(4)(5)</sup>	\$14,444	\$9,125	Jan. 1, 2022 – Dec. 31, 2022	\$63	\$77
Aggregate	\$31,105	\$20,237	Jan. 1, 2020– Dec. 31, 2022	\$65	\$80

(1) Represents the actual aggregate value earned or outstanding for each \$100 awarded to NEOs in target TDC during the fiscal year indicated.

(2) Outstanding units under the LTIP are valued using the Common Share price of \$23.86 as at December 31, 2022. A performance payout multiplier of 0% is assumed for PSUs granted in 2020, 2021 and 2022, based on their value as at December 31, 2022.

(3) Represents the cumulative value of a \$100 investment in Common Shares made on the first trading day of the period indicated, assuming reinvestment of dividends.

(4) Messrs. Alger, Morriss and St. Julian's base salaries and other cash compensation are paid in USD and converted to CAD using monthly average currency exchange rate of 1 USD = 1.3409 CAD in 2020, 1 USD = 1.2537 CAD in 2021 and 1 USD = 1.3019 CAD in 2022.

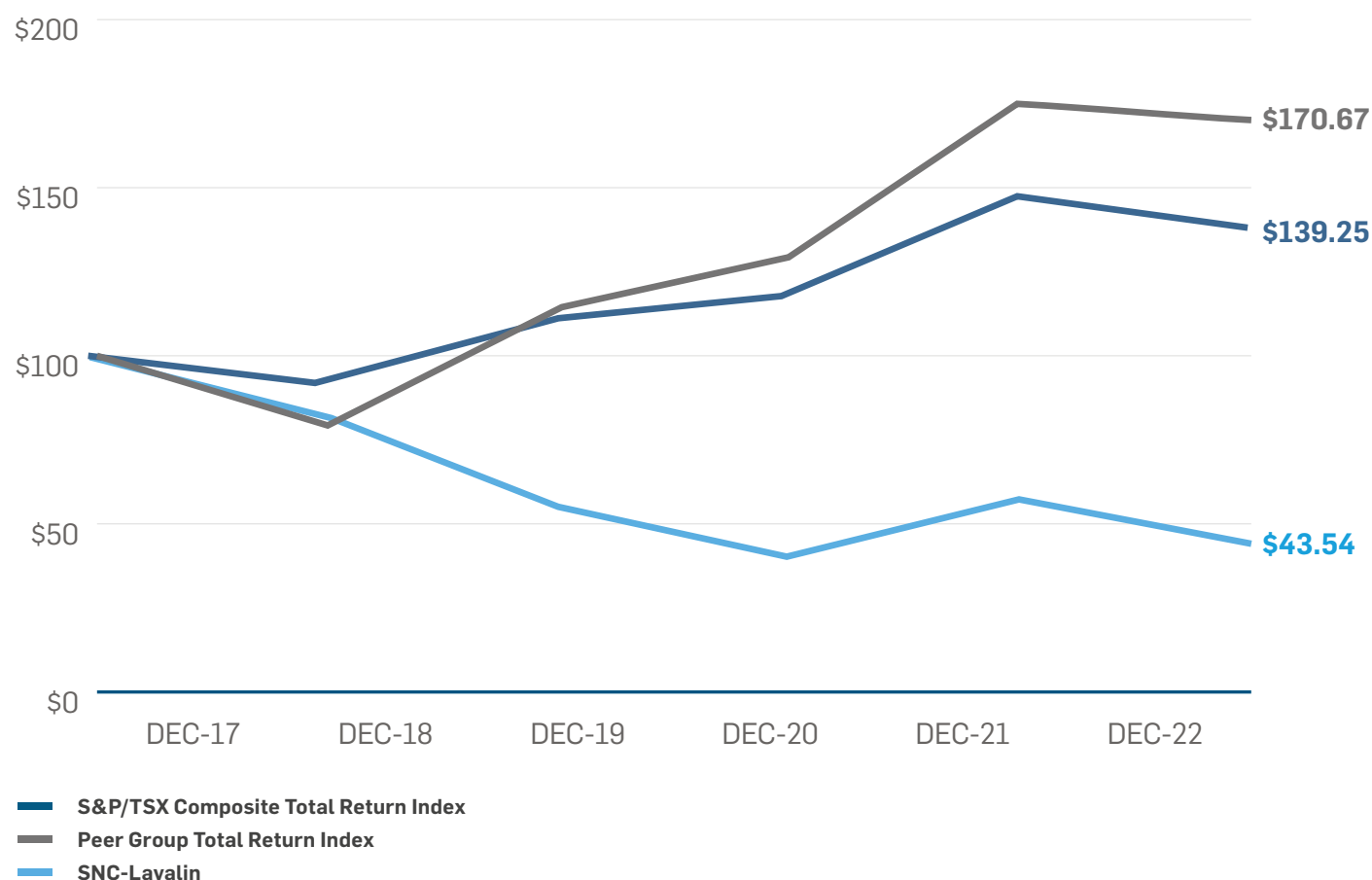
(5) Mr. Hoare's base salary and other cash compensation are paid in GBP and converted to CAD using monthly average currency exchange rate of 1 GBP = 1.7201 CAD in 2020, 1 GBP = 1.7243 CAD in 2021 and 1 GBP = 1.6076 CAD in 2022.



## PERFORMANCE GRAPH

The graph depicts the cumulative return of a \$100 investment on December 31, 2017, in the Common Shares, in the S&P/TSX Composite Total Return Index, and in an index composed of a peer group of E&C companies, which includes AECOM, Balfour Beatty plc, Fluor Corporation, Jacobs Engineering Group Inc., John Wood Group plc and WorleyParsons Limited. The peer group is a subgroup of the Performance Comparator Group presented in the "PSUP Design" subsection of this CD&A. For calculation purposes, a weighted-average based on market capitalization of each company in the peer group was used.

**Five-year cumulative total return on \$100 invested (assuming dividends are reinvested)**



Financial Years	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22
SNC-Lavalin	\$100.00	\$82.24	\$54.15	\$39.43	\$56.23	\$43.54
Peer Group Total Return Index	\$100.00	\$79.48	\$111.91	\$126.96	\$173.19	\$170.67
S&P/TSX Composite Total Return Index	\$100.00	\$91.11	\$111.96	\$118.23	\$147.89	\$139.25

The Company believes in providing a significant portion of NEO compensation in the form of long-term incentives, which mirror the trend in share price movement and serve to align the interests of management with those of our shareholders. As illustrated in the "President and CEO Realized and Realizable Compensation: 2020-2022" and "Aggregate NEO Realized and Realizable Compensation: 2020-2022" subsections of this CD&A, the value of realized and realizable compensation is below the equivalent shareholders' returns over the three-year performance period (2020-2022) as well as over the one-year and two-year performance periods (2022 and 2021-2022).

SNC-Lavalin's 5-year total shareholder return has underperformed the S&P/TSX composite Total Returns Index. This is due to SNC-Lavalin's performance lagging the S&P/TSX composite index during the first 3-year period, while for the 2-year period ending December 2022, SNC-Lavalin's performance has broadly mirrored the performance of the index.

During the period, SNC-Lavalin's performance has been largely aligned with executive compensation as the Company provides a significant portion of NEO compensation in the form of long-term incentives, which mirror the trend in share price movement and serve to align the interests of management with those of our shareholders. PSUs granted to executives that vested in 2019, 2020, 2021 and 2022 all paid out significantly below target, with a pay-out of zero for two of those years. The AIP pay-out for NEOs was also below target for the early part of the performance period. In 2018, three (3) of our NEOs, including the former CEO and CFO, relinquished their AIP payouts due to the financial results of the Company. The alignment between share price performance and executive compensation is also illustrated in the "President and CEO Realized and Realizable Compensation: 2020-2022" and "Aggregate NEO Realized and Realizable Compensation: 2020-2022" subsections of this CD&A, which show that the value of realized and realizable compensation is below the equivalent shareholders' returns over the three-year performance period (2020-2022) as well as over the 1-year and 2-year performance periods (2022 and 2021-2022).

## COST OF MANAGEMENT RATIO

The following table shows the total aggregate compensation awarded to the NEOs for the last three (3) years, expressed as a percentage of net income attributable to SNC-Lavalin shareholders. The total aggregate compensation is the sum of the annual total compensation values as reported in the Summary Compensation Table included in the Management Proxy Circulars for the 2020, 2021 and 2022 years.

Year	Total NEO Compensation (\$M) <sup>(1)</sup>	Net Income (loss) Attributable to SNC-Lavalin Shareholders (\$M) <sup>(2)</sup>	Cost of Management Ratio
2022	24.2 <sup>(3)</sup>	9.8	246.94%
2021	20.1	666.6	3.02%
2020	23.7	(965.4)	N/A <sup>(4)</sup>

(1) NEO compensation is the sum of base salary, non-equity incentives, share-based awards plus the value of any pension benefit and other compensation, as reported in the respective Summary Compensation Tables. NEOs vary as follows from year to year:

- 2020 – Messrs. Edwards, Bell, Girard, Muir, Taylor and Hoare;
- 2021 – Messrs. Edwards, Bell, Alger, Morriss and Hoare; and
- 2022 – Messrs. Edwards, Bell, Alger, Morriss, St. Julian and Hoare.

(2) As published in the Company's annual financial statements.

(3) Includes the listing of a sixth additional NEO in 2022, which increases the total NEO compensation and cost of management ratio.

(4) Not applicable since there was a net loss attributable to SNC-Lavalin shareholders during the year.

## SUMMARY COMPENSATION TABLE

The following table sets forth, for the fiscal years ended December 31, 2022, December 31, 2021 and December 31, 2020, the compensation paid by the Company to the NEOs for services rendered in all capacities.

Name and principal position	Year	Salary (\$)	Share-based Awards <sup>(1)</sup> (\$)	Option Based Awards <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value <sup>(4)</sup> (\$)	All Other Compensation <sup>(5)</sup> (\$)	Total Compensation (\$)
					Annual Incentive Plans <sup>(3)</sup>	Long-Term Incentive Plans			
<b>Ian L. Edwards</b> President and CEO	2022	1,400,000	4,095,000	455,000	1,625,794	0	280,000	120,526	7,976,320
	2021	1,386,884	4,200,000	0	1,650,041	0	277,377	115,325	7,629,627
	2020	1,029,568	5,615,000	0	1,070,789	0	216,462	90,179	8,021,998
<b>Jeff Bell</b> EVP and CFO	2022	821,577	1,823,040	202,560	711,955	0	93,128	69,828	3,722,088
	2021	731,200	1,761,600	0	663,284	0	83,851	58,553	3,298,488
	2020	603,541	2,088,000	0	319,772	0	72,243	83,483	3,167,039
<b>Robert Alger<sup>(6)</sup></b> President, Major Projects sector	2022	809,710	1,328,637	147,626	1,057,745	0	15,102	65,311	3,424,131
	2021	764,371	1,375,568	0	1,034,965	0	14,543	99,779	3,289,226
	2020	285,766	0	0	104,483	0	1,447	16,023	407,719
<b>Steve Morriss<sup>(6)</sup></b> President, Engineering Services sector, US, Asia Pacific, Mining & Metallurgy	2022	809,531	1,302,585	144,732	659,445	0	15,102	54,474	2,985,869
	2021	708,823	1,598,336	0	554,800	0	14,543	46,784	2,923,286
	2020	–	–	0	–	–	–	–	–
<b>Joseph M. St. Julian<sup>(7)</sup></b> President, Nuclear sector	2022	600,877	1,842,649	135,194	499,306	0	15,102	41,171	3,134,299
	2021	–	–	–	–	–	–	–	–
	2020	–	–	–	–	–	–	–	–
<b>Philip Hoare<sup>(8)</sup></b> President, Engineering Services sector, U.K. & Europe, Middle East, India and Canada	2022	811,556	1,277,586	141,954	662,717	0	6,430	34,878	2,935,121
	2021	820,815	1,377,050	0	703,839	0	5,173	60,711	2,967,588
	2020	592,809	1,164,197	0	479,227	0	62,247	62,439	2,360,919

(1) Share-based awards include RSUs, PSUs, and E-DSUs as described in detail under the "LTIP" subsection of this CD&A. The value of RSU and PSU awards is disclosed at the grant date, as described in the relevant subsections of this CD&A. It is calculated by multiplying the number of units by the average closing price of Common Shares for the five (5) business days immediately preceding the date of grant. A performance payout multiplier of 100% is assumed for the PSUs. For accounting purposes, the fair value of RSUs and PSUs is calculated by multiplying the number of units by the closing price of Common Shares on the date of grant.

In 2021, Mr. Morriss was awarded an additional RSU grant of USD 200,000 as an incentive to join the Company, equivalent to CAD 249,740, as described in the "LTIP" subsection of this CD&A.

In 2022, Mr. St. Julian was awarded an additional RSU grant of USD 500,000 as an incentive to join the Company, equivalent to CAD 625,900, as described in the "LTIP" subsection of this CD&A.

(2) Option-based awards are described in detail under the "LTIP" subsection of this CD&A and Schedule C of this Circular. At the time of grant, the value of stock options awarded to each NEO was based on a percentage of base salary. The number of stock options awarded was determined using the Black-Scholes valuation model which is a standard methodology. The accounting value for financial reporting purposes is calculated with different assumptions. The main assumptions that were used in determining such value are described in the following table.

Assumptions	Value	Value
Date of grant	March 14, 2022 (364,384 options granted to 124 executives)	March 28, 2022 (14,127 options granted to Joseph M. St. Julian)
Dividend yield ratio	0.25%	0.26%
Stock price volatility	37.01%	37.10%
Expected option life	4.5 years	4.5 years
Risk-free interest rate	1.94%	2.46%
Exercise price	\$31.15	\$30.25
Compensation fair value	\$9.86	\$9.57
Accounting fair value	\$10.31	\$10.08

- (3) Bonus amounts earned in the respective year and paid in the subsequent year under the AIP.

Mr. Edwards elected to make the conversion of his AIP payout into E-DSUs in 2020 for performance year 2020. He received his elected E-DSUs in March 2021.

Mr. Alger received a cash signing bonus of \$1,200,000 paid in three (3) installments: CAD 400,000 in 2021, CAD 400,000 in 2022 and CAD 400,000 in 2023.

- (4) Messrs. Edwards and Bell: Includes the Company's contributions to Mr. Edwards' notional account under the SERP and contributions to his DCPD account, as well as the Company's net contribution to Mr. Bell's non-registered account and contribution to his DCPD account. Such contributions are described in detail under the "Pension" subsection of this CD&A. Contributions are made by reference to salaries paid within the given year.

Messrs. Alger, Morriss and St. Julian: Includes Company contributions into the 401(k) savings plan for Messrs. Alger, Morriss and St. Julian. A portion of Company contribution for Mr. Alger contributions was deducted during 2020 and paid to the plan in 2021.

Mr. Hoare: Includes Company contributions into the U.K. Mercer Master Trust.

- (5) Includes the estimated value of the premiums paid by the Company for the benefits program offered to NEOs, in excess of that generally available to salaried employees. It also includes perquisites in the form of taxable cash allowance, prorated for the portion of year worked, when applicable, and the value of parking provided to NEOs, when applicable. This column also includes employer contributions to the ESOP and reimbursement of professional fees, when applicable.

Mr. Edwards receives an annual perquisite allowance of CAD 50,000. He received a CAD 2,803 reimbursement in 2021 and CAD 2,714 in 2022 to cover the costs of relocation and immigration professional services related to his permanent relocation in Canada.

Mr. Bell receives an annual perquisite allowance of CAD 35,000. He received a CAD 39,554 reimbursement in 2020 related to his relocation to Canada. The reimbursement included the costs of shipment of household goods, air transportation and tax preparation services. He received CAD 2,228 to cover tax professional services in 2021.

Mr. Alger receives an annual perquisite allowance of USD 35,000. He received a USD 1,180 reimbursement in 2020, reimbursements of USD 3,037 and CAD 43,021 in 2021 and a reimbursement of CAD 1,395 in 2022 related to his work performed on assignment in Canada. The reimbursement included the costs of relocation, immigration and tax professional services and gross-ups of assignment-related benefits.

Mr. Morriss receives an annual perquisite allowance of USD 35,000. He received a CAD 2,525 reimbursement in 2022 to cover the cost of tax professional services related to his work performed on assignment in Canada.

Mr. St. Julian receives an annual perquisite allowance of USD 35,000. He received a CAD 2,659 reimbursement in 2022 to cover the cost of tax professional services related to his work performed on assignment in Canada.

Mr. Hoare receives an annual car allowance of GBP 13,200. Mr. Hoare received gross up for tax to compensate for the cost of travel and subsistence of GBP 15,189, GBP 14,562 and CAD 2,010 respectively in 2020, 2021 and 2022.

- (6) Messrs. Alger and Morriss' base salaries and other cash compensation are paid in USD and converted to CAD using a monthly average exchange rate of 1 USD = 1.3019 for the year 2022, 1 USD = 1.2537 CAD for the year 2021 and 1 USD = 1.3409 CAD for the year 2020, where applicable. Their share-based awards were converted using the exchange rate on the date of grant of 1 USD = 1.2824 CAD (March 14, 2022) and 1 USD = 1.2487 CAD (March 18, 2021).
- (7) Mr. St. Julian's base salary and other cash compensation are paid in USD and converted to CAD using a monthly average exchange rate of 1 USD = 1.3019 CAD for the year 2022. Mr. St. Julian's share-based awards were converted to CAD using the exchange rate on the date of grant of 1 USD = 1.2518 CAD (March 28, 2022).
- (8) Mr. Hoare's base salary and other cash compensation are paid in GBP and converted to CAD using a monthly average exchange rate of 1 GBP = 1.6076 CAD for the year 2022, 1 GBP = 1.7243 CAD for the year 2021 and 1 GBP = 1.7201 CAD for the year 2020. Mr. Hoare's Share-based Awards were converted to CAD using the exchange rate on the date of grant of 1 GBP = 1.6673 CAD (March 14, 2022), 1 GBP = 1.7387 CAD (March 18, 2021) and 1 GBP = 1.7966 CAD (March 9, 2020).

## RISK MANAGEMENT

The following section provides an overview on our policies and guidelines related to risk management.

### Clawback

Effective May 7, 2009, the Company adopted a clawback policy covering performance-based incentive compensation (i.e. AIP and LTIP). Under this policy, the Board may, in its sole discretion and to the extent that it determines it is in the Company's best interest to do so, require the reimbursement of all or a portion of any performance-based incentive compensation if:

- › This compensation was based on the achievement of certain financial results that were subsequently the subject of, or affected by, a restatement of all or a portion of the Company's financial statements;
- › The executive officer engaged in gross negligence, intentional misconduct or fraud that caused or partially caused the need for the restatement; and
- › The amount of performance-based incentive compensation that would have been awarded to, or the profit realized by the executive officer would have been lower had the financial results been properly reported.

Additionally, the President and CEO's Employment Agreement provides that the Company may cancel outstanding incentive awards and/ or demand repayment for compensation that has already been paid in the event where:

- › A material restatement of the Company's financial results resulted in awards or payments which would not have been paid based on such restated financial statements for the relevant period; or
- › The President and CEO has engaged in willful misconduct or gross negligence that either has resulted in, or could reasonably be expected to result in, negative economic or reputational consequences for the Company.

### Anti-Hedging and Anti-Monetization

The Board has adopted a policy prohibiting hedging and trading in derivatives applicable to the Company's insiders, which include our NEOs and Directors. Hedging includes prepaid variable forward contracts, equity swaps, collars, or units of exchange funds designed to hedge or offset a decrease in the market value of equity securities.

### Executive Share Ownership Guidelines

For more than a decade, the Company has had share ownership requirements in place as we believe that share ownership by Senior Officers is fundamentally important and contributes to our success by aligning the goals of our executives with those of our shareholders. To this end, the Company requires that Senior Officers and other EVPs not reporting directly to the President and CEO acquire within five (5) years of appointment, and hold for the duration of their employment, shares having a minimum total value as shown in the table on the next page. In addition to maintaining his share ownership requirement during his employment, the President and CEO must continue to meet this requirement for one-year post employment with the Company. Compliance with these requirements is reviewed annually by the HR Committee.

Executive Share Ownership Guidelines can be met with the following shares or units:

- › Shares privately held at the higher of the acquisition price or market price;
- › Shares acquired through the ESOP at the higher of the acquisition or market price;
- › Vested share units not redeemed under the E-DSUP on a pre-tax basis at the higher of the price when issued or market price;
- › Unvested E-DSUs as long as they are not subject to performance conditions on a pre-tax basis at the higher of the price when issued or market price; and
- › Unvested RSUs on a pre-tax basis, at the market price.

PSUs and stock options do not count towards achievement of the share ownership guidelines.

A minimum of 50% of the share ownership requirement must be met through actual share ownership, and not solely with unvested share units.

Under the 2019 PSUP, Senior Officers will be deemed to have elected to receive 100% of the PSUs payout in the form of shares until they have achieved the required level of share ownership, if they have not met the requirements at the time of payout.

Under the 2013 Stock Option Plan, Senior Officers will be subject to a requirement to hold (and prohibited to sell) underlying shares equivalent to at least 25% of the after-tax gain resulting from an exercise, if they have not met the requirements at the time of such exercise.

The following table shows the results of the NEOs' share ownership requirements:

Name	Required Ownership (multiple of base salary)	Ownership Requirement	Common Shares		Deferred Share Units (E-DSUs)	Unvested Restricted Share Units (RSUs)	Total Common Shares, Unvested RSUs and E-DSUs	Value at Dec. 31, 2022 <sup>(1)</sup>	Actual Ownership/ Requirement	Compliance test <sup>(2)</sup>	Meets Requirements
			Privately held	ESOP							
Ian L. Edwards <sup>(3)</sup>	5x	\$7,000,000	13,822	27,243	116,597	158,928	316,590	\$8,964,406	128%	74%	Met (deadline: October 31, 2024)
Jeff Bell	3x	\$2,532,000	10,234	4,177	0	81,687	96,098	\$2,324,933	92%	15%	In process (deadline: February 11, 2025)
Robert Alger <sup>(4)</sup>	3x	USD 1,918,620	0	0	0	36,079	36,079	USD 635,122	33%	0%	In process (deadline: August 24, 2025)
Steve Morriss <sup>(4)</sup>	3x	USD 1,881,000	0	0	0	44,218	44,218	USD 778,398	41%	0%	In process (deadline: January 25, 2026)
Joseph M. St. Julian <sup>(4)</sup>	3x	USD 1,800,000	0	1,128	0	36,335	37,463	USD 659,586	37%	1%	In process (deadline: March 21, 2027)
Philip Hoare <sup>(5)</sup>	3x	GBP 1,419,000	0	1,439	0	50,199	51,638	GBP 753,084	53%	2%	In process (deadline: May 1, 2024)

(1) The value as at December 31, 2022 based on the rules described above. To evaluate the market value, the closing share price of \$23.86 as at December 31, 2022 was used.

(2) 50% of ownership requirement must be met through actual share ownership, and not solely with unvested share units.

(3) Following his appointment to the role of President, Infrastructure sector, Mr. Edwards' required ownership level increased from 2x base salary to 3x base salary. Mr. Edwards is still required to achieve a level of 2x base salary within the original 5-year time frame which began on his hire date. The incremental 1x base salary ownership requirement must be achieved within five (5) years from the date of his appointment to the role of President, Infrastructure sector. In addition, Mr. Edwards is required to achieve a level of 5x base salary within five (5) years of his appointment to the role of President and CEO on October 31, 2019.

(4) Messrs. Alger, Morriss and St. Julian's ownership requirements are stated in USD. For the purposes of this disclosure, amounts were converted to CAD using the December 31, 2022 spot currency exchange rate of 1 USD = 1.3554 CAD.

(5) Mr. Hoare's ownership requirements are stated in GBP. For the purposes of this disclosure, amounts were converted to CAD using the December 31, 2022 spot currency exchange rate of 1 GBP = 1.6395 CAD.



## PRESIDENT AND CEO'S ACCUMULATED COMMON SHARES AND SHARE UNITS OR EQUIVALENT EQUITY HOLDINGS

The following table provides an overview of the President and CEO's accumulated holdings as at December 31, 2022:

	Common Shares		Share Units			Option Units	Total
	Privately held	ESOP	PSUs not already vested <sup>(1)</sup>	RSUs not already vested	Vested Deferred Share Units (E-DSUs)	Unexercised Stock Options <sup>(2)</sup>	
Number	13,822	27,243	169,605	158,928	116,597	46,147	532,342
Value as at Dec. 31, 2022 <sup>(3)</sup>	\$329,793	\$650,008	\$4,046,775	\$3,792,022	\$2,782,004	\$0	\$11,600,602

(1) A performance payout multiplier of 100% is assumed.

(2) The value is calculated based on the difference between the closing share price of \$23.86 as at December 31, 2022 and the option exercise price of \$31.15 for options granted in March 2022.

(3) The value as at December 31, 2022 was based on a closing share price of \$23.86.

## INCENTIVE PLAN AWARDS

### Outstanding Option-Based and Share-Based Awards

The following table sets forth information with respect to the NEOs concerning Stock Options, PSUs, RSUs and E-DSUs held as at December 31, 2022:

Name	Date of Grant	Option-Based Awards				Share-Based Awards		
		Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options <sup>(1)</sup> (\$)	Number of PSUs, E-DSUs and RSUs That Have Not Vested	Market or Payout Value of Share-Based Awards That Have Not Vested <sup>(2)</sup> (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed <sup>(2)</sup> (\$)
Ian L. Edwards	March 14, 2022	46,147	31.15	March 14, 2028	0	328,533	7,838,797	2,782,004
Jeff Bell	March 14, 2022	20,544	31.15	March 14, 2028	0	154,895	3,695,795	-
Robert Alger	March 14, 2022	14,973	31.15	March 14, 2028	0	91,382	2,180,375	-
Steve Morriss	March 14, 2022	14,679	31.15	March 14, 2028	0	98,437	2,348,707	-
Joseph M. St. Julian	March 28, 2022	14,127	30.25	March 28, 2028	0	60,916	1,453,456	-
Philip Hoare	March 14, 2022	14,397	31.15	March 14, 2028	0	104,532	2,494,134	-

(1) This amount is calculated based on the difference between the closing share price of \$23.86 on December 31, 2022 and the option exercise price, multiplied by the number of unexercised options. All options are unvested as at December 31, 2022.

(2) This amount is calculated based on the closing share price of \$23.86 on December 31, 2022.

## Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information with respect to the NEOs regarding the value of incentive plan awards vested or earned during the year ended December 31, 2022:

Name	Option-Based Awards - Value Vested During the Year <sup>(1)</sup> (\$)	Share-Based Awards - Value Vested During the Year <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation - Value Vested During the Year <sup>(3)</sup> (\$)
Ian L. Edwards	0	1,059,597	1,625,794
Jeff Bell	0	438,737	711,955
Robert Alger <sup>(4)</sup>	0	0	657,745
Steve Morriss <sup>(4)</sup>	0	0	659,445
Joseph M. St. Julian <sup>(4)</sup>	0	0	499,306
Philip Hoare <sup>(5)</sup>	0	169,835	662,717

(1) None of the outstanding stock options granted in March 2022 vested in 2022.

(2) Based on a share price of \$28.24 for RSUs attributed to all NEOs that vested on March 4, 2022 (average closing price of Common Shares for the five (5) business days immediately preceding the vesting date); based on a performance payout multiplier of 0% for PSUs attributed to all NEOs that vested on December 31, 2022; based on a share price of \$23.86 for E-DSUs that vested on December 31, 2022 (closing price) for Mr. Edwards.

Mr. Edwards has elected to settle his 21,479 RSUs granted in 2019 in the form of Common Shares. The RSUs were settled in Common Shares in March 2022. The equivalent value is included in this table. He also elected to settle his 72,437 PSUs granted in 2020 in Common Shares. Due to the performance payout multiplier of 0%, such conversion has been cancelled.

Mr. Bell has elected to settle the 17,691 RSUs granted in May 2020 and vesting in May 2022 into Common Shares. His RSUs were converted to Common Shares in May 2022. He also elected to settle his 50,949 PSUs granted in 2020 in Common Shares. Due to the performance payout multiplier of 0%, such conversion has been cancelled.

(3) Bonus earned in the year under the AIP.

(4) Messrs. Alger, Morriss and St. Julian's AIP Payouts of 505,219, 506,525 and 383,521 respectively are paid in USD and converted to CAD for the purposes of this disclosure using a monthly average exchange rate of 1 USD = 1.3019 CAD.

(5) Mr. Hoare's AIP Payout of 412,240 is paid in GBP and converted to CAD for the purposes of this disclosure using a monthly average exchange rate of 1 GBP = 1.6076 CAD.

The following table presents information concerning securities authorized for issuance under the Company's equity compensation plans as at December 31, 2022:

Equity Compensation Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Stock Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Stock Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Approved by shareholders	339,239	\$31.11	2,448,624
Not approved by shareholders	-	-	-
<b>TOTAL</b>	<b>339,239</b>	<b>\$31.11</b>	<b>2,448,624</b>

## Stock Options Exercised During the Year Ended December 31, 2022

No stock options were exercised by NEOs during the year ended December 31, 2022. All stock options granted under our 2013 Stock Option Plan prior to 2022 expired before or on May 13, 2019. All stock options granted under our 2013 Stock Option Plan in 2022 are unvested as at December 31, 2022.

## PENSION PLAN BENEFITS

The following table sets forth information with respect to the amounts accumulated under the DCPP and SERP accounts, 401(k) and U.K. Mercer Master Trust:

Name	Accumulated Value at Start of Year (\$)	Compensatory Change <sup>(1)</sup> (\$)	Accumulated Value at Year End <sup>(2)</sup>
(a)	(b)	(c)	(d)
Ian L. Edwards	1,520,966	280,000	1,813,007
Jeff Bell	189,422	93,128	259,842
Robert Alger	54,908	15,102	95,984
Steve Morriss	49,753	15,102	93,607
Joseph M. St. Julian	–	15,102	41,809
Philip Hoare	1,166,951	6,430	1,039,076

- (1) Includes the Company's contributions to Mr. Edwards' notional account under the SERP and contributions to his DCPP account, and the Company's contribution to Mr. Bell's DCPP account and net contribution to his non-registered account under the SERP. Contributions are made by reference to salaries paid within the given year.
- Includes the Company contributions into the 401(k) savings plan for Messrs. Alger, Morriss and St. Julian. The Company contributions of USD 11,600 are converted to CAD using a monthly average exchange rate of 1 USD = 1.3019 CAD.
- Includes the Company contributions into the U.K. Mercer Master Trust for Mr. Hoare. The Company contribution of GBP 4,000 is converted to CAD using a monthly average exchange rate of 1 GBP = 1.6076 CAD. From December 2020, Mr. Hoare has elected to cap his Company pension contributions at

GBP 4,000 per year, starting in April 2021. The remainder of the Company pension contributions are paid as a cash allowance which is included in Mr. Hoare's salary in the "Summary Compensation Table" subsection of this CD&A.

- (2) The accumulated values at the end of year for Messrs. Alger, Morriss and St. Julian are held in USD and converted to CAD using the exchange rates of 1 USD = 1.2637 CAD (December 31, 2021) and 1 USD = 1.3554 CAD (December 31, 2022) The accumulated values at the end of year for Mr. Hoare is held in GBP and converted to CAD using the exchange rates of 1 GBP = 1.7107 CAD (December 31, 2021) and 1 GBP = 1.6395 CAD (December 31, 2022).

## EMPLOYMENT AGREEMENTS

The Company has entered into Employment Agreements with all of the NEOs effective on the dates noted below:

Name	Commentary
Ian L. Edwards – October 31, 2019	Agreement lastly amended upon promotion to the role of President and CEO on October 31, 2019
Jeff Bell – February 11, 2020	New agreement on hire; the terms of his Executive Employment Agreement were not changed when he was officially appointed in his role of EVP and CFO on April 14, 2020
Robert Alger – August 24, 2020	New agreement on appointment
Steve Morriss – January 11, 2021	New agreement on appointment
Joseph M. St. Julian – March 21, 2022	New agreement on appointment
Philip Hoare – May 1, 2019	New agreement on promotion to the role of President, Engineering, Project, Design & Project Management

These Employment Agreements cover the various aspects of their duties and cover subjects, such as compensation components, termination of employment, non-solicitation, and confidentiality.

## RETIREMENT AND TERMINATION COMPENSATION

Termination of employment provisions are in place for each of the NEOs under their respective Employment Agreements. No incremental amounts would be provided to NEOs in the event of termination for cause or a resignation if the NEO does not meet the definition of retirement under the relevant plans. In the case of a resignation:

- any vested stock option can be exercised during a period of 30 days following the date of termination, at the end of which period such stock options will expire. Unvested stock options will expire on the date of termination; and
- any vested E-DSUs at the time of the termination shall be paid in accordance with the E-DSUP.

### Termination Not For Cause

In the event of termination initiated by the Company for reasons other than for cause, the following conditions will apply:

Type of Allowance		Ian L. Edwards	Jeff Bell	Robert Alger	Steve Morris	Joseph M. St. Julian	Philip Hoare
<b>Severance</b>	Twice the sum of the annual base salary plus the annual target bonus under the AIP.	✓					
	One and a half times the sum of the annual base salary plus the annual target bonus under the AIP.		✓				
	The sum of the annual base salary plus the annual target bonus under the AIP.				✓	✓	
	Half the sum of the annual base salary plus the annual target bonus under the AIP.			✓			✓
<b>Benefits and Perquisites</b>	Lump sum payment equivalent to pension benefits that would have continued to accrue for for a two year period.	✓					
	Lump sum payment equivalent to pension benefits that would have continued to accrue for a 18-month period.		✓				
	Lump sum payment equivalent to pension benefits that would have continued to accrue for a 6-month period.						✓
	Lump sum payment representing the value of perquisites for a two-year period.	✓					
	Lump sum payment representing the value of perquisites for a 18-month period.		✓				
	Lump sum payment representing the value of perquisites for a 6-month period.						✓

Type of Allowance		Ian L. Edwards	Jeff Bell	Robert Alger	Steve Morris	Joseph M. St. Julian	Philip Hoare
<b>Awards granted including any unvested share-based or option-based awards</b>	Will continue to vest, become exercisable, be paid or settled (as applicable) as if the NEO had remained in employment for 24 months following termination.	✓					
	Will continue to vest, become exercisable, be paid or settled (as applicable) as if the NEO had remained in employment for 18 months following termination.		✓				
	RSUs and PSUs will vest on a prorated basis at the date of termination and be paid or settled (as applicable) following termination. Vested stock options can be exercised during a period of 30 days following the date of termination, at the end of which period such options will expire. Unvested stock options will expire on the date of termination.			✓	✓	✓	✓
	Notwithstanding the terms of the 2019 RSU Plan Text, the RSUs described in subsection "Additional RSU Grant to Mr. St. Julian" of this CD&A will vest and be settled as if Mr. St. Julian had remained in employment until the end of the vesting schedule.					✓	

The following table sets out the incremental amounts which would have been payable had a not-for-cause termination occurred on December 31, 2022:

Involuntary Termination	Ian L. Edwards	Jeff Bell	Robert Alger <sup>(1)</sup>	Steve Morris <sup>(1)</sup>	Joseph M. St. Julian <sup>(1)</sup>	Philip Hoare <sup>(2)</sup>
Severance	\$5,600,000	\$2,215,500	\$758,478	\$1,487,213	\$1,423,170	\$678,548
Benefits and Perquisites	\$660,000	\$305,700	\$0	\$0	\$0	\$49,595
ESOP	\$76,046	\$31,622	\$0	\$0	\$0	\$0
Value of RSUs not already vested <sup>(3)</sup>	\$3,710,779	\$1,821,735	\$382,547	\$500,845	\$588,388	\$708,427
Value of PSUs not already vested <sup>(3)(4)</sup>	\$4,046,775	\$1,603,487	\$672,208	\$659,037	\$195,342	\$664,740
Value of E-DSUs not already vested <sup>(3)</sup>	\$0	—	—	—	—	—
Value of stock options not already vested <sup>(5)</sup>	\$0	N/A	N/A	N/A	N/A	N/A
<b>TOTAL</b>	<b>\$14,093,600</b>	<b>\$5,978,044</b>	<b>\$1,813,233</b>	<b>\$2,647,095</b>	<b>\$2,206,900</b>	<b>\$2,101,310</b>

(1) Messrs. Alger, Morris and St. Julian's severance would be paid in USD. For the purposes of this disclosure, amounts were converted to CAD using the December 31, 2022 spot rate of 1 USD = 1.3554 CAD.

(2) Mr. Hoare severance would be paid in GBP. For the purposes of this disclosure, amounts were converted to CAD using the December 31, 2022 spot rate of 1 GBP = 1.6395 CAD.

(3) Amounts are calculated based on the closing share price of \$23.86 on December 31, 2022.

(4) Assuming that the PSUs would vest at 100% (i.e. at target).

(5) The value is calculated based on the difference between the closing share price of \$23.86 as at December 31, 2022 and the stock option exercise price of \$31.15 or \$30.25 for options granted in March 2022.

## Change of Control

The Company has double-trigger change in control agreements for the NEOs. A change of control, as per the definition approved by the Board, occurs when:

- › A person or a number of persons acting jointly or in concert holds or exercises control over, directly or indirectly, 50% or more of the shares of a class of voting shares of the Company;
- › A person or a number of persons acting jointly or in concert successfully completes a take-over bid or an exchange bid for 50% or more of the shares of a class of voting shares of the Company;
- › The Company undergoes a liquidation or dissolution or sells all or substantially all of its assets; or
- › Those persons acting as Directors of the Company cease at any time to constitute the majority of the Directors of the Company, except where such situation arises following an uncontested election of directors.

In the event of involuntary termination of employment or resignation for good reason<sup>(1)</sup> following a change in control, the following conditions will apply:

<b>Severance</b>	Two (2) times the sum of the annual base salary plus the annual target bonus under the AIP.
<b>Benefits and Perquisites</b>	Two (2) times the annual contribution under DCP and SERP plus two (2) times the annual allowance for perquisites for NEOs located in Canada.  Two (2) times the annual contribution under the 401(k) savings plan plus two (2) times the annual allowance for perquisites for NEOs located in the U.S.  Two (2) times the annual contribution under the Mercer Master Trust plus two (2) times the annual car allowance for NEOs located in the U.K.
<b>ESOP</b>	Future contributions required to be made under the terms of the ESOP, but not yet made, but not yet made, are accelerated in order for all outstanding matching contributions to be paid by the Company.
<b>RSUP, PSUP, E-DSUP and Stock Options</b>	All granted RSUs, PSUs and E-DSUs fully vest and are redeemable for cash within 30 days of the termination of employment. For the purposes of the PSUP, the maximum performance payout multiplier (200%) is used.  Unexercised vested stock options remain exercisable for a period of 24 calendar months from the date of termination or resignation, until the end of the option period at which point the stock option expires. Unvested stock options become exercisable and remain exercisable for a period of 24 calendar months from the date the termination or resignation, until the end of the option period at which point the stock option expires.

(1) Resignation for good reason is defined as a resignation prompted by a significant change in employment conditions as a result of:

- A significant change or reduction in the scope or scale of the business led by such NEO;
- A significant change in duties or responsibilities;
- A NEO no longer serving at the highest level of the Company's executive leadership;
- A significant reduction of base salary or other compensation or benefits; or
- A major relocation of the business or a requirement to relocate from the NEO's home city.

A substitution clause was introduced in all LTI plans in 2022, clarifying treatment of RSUs, PSUs, E-DSUs and Stock Options if the units or options are not honoured, assumed or converted into or substituted by an alternative award of a successor entity following a change of control. In these circumstances all granted RSUs, PSUs and E-DSUs would vest on a prorated basis, as at the date of the change of control and PSU payouts will be calculated on actual performance, as at the date of the change of control. If no substitution takes place, any unvested stock options will become exercisable immediately prior to the change of control, and any unexercised stock options will expire upon the change of control. Shareholder approval was not required to introduce this change to the Stock Option Plan, in accordance with the terms of the Stock Options and the TSX Company Manual.



The following table sets out the incremental amounts which would have been payable had a not-for-cause termination or resignation for good reason (as defined above), following a change of control, occurred on December 31, 2022:

Change in Control	Ian L. Edwards	Jeff Bell	Robert Alger <sup>(1)</sup>	Steve Morriss <sup>(1)</sup>	Joseph M. St. Julian <sup>(1)</sup>	Philip Hoare <sup>(2)</sup>
Severance	\$5,600,000	\$2,954,000	\$3,033,914	\$2,974,425	\$2,846,340	\$2,714,192
Benefits and Perquisites	\$660,000	\$407,600	\$126,323	\$126,323	\$126,323	\$198,380
ESOP	\$76,046	\$31,622	\$0	\$0	\$9,463	\$11,799
Value of RSUs not already vested <sup>(3)</sup>	\$3,792,022	\$1,949,052	\$860,845	\$1,055,041	\$866,953	\$1,197,748
Value of PSUs not already vested <sup>(3)</sup>	\$8,093,551	\$3,493,486	\$2,639,059	\$2,587,331	\$1,173,005	\$2,592,771
Value of E-DSUs not already vested <sup>(3)</sup>	\$0	—	—	—	—	—
Value of stock options	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL<sup>(4)</sup></b>	<b>\$18,221,619</b>	<b>\$8,835,760</b>	<b>\$6,660,141</b>	<b>\$6,743,120</b>	<b>\$5,022,084</b>	<b>\$6,714,890</b>

(1) Messrs. Alger, Morriss and St. Julian's severance would be paid in USD. For the purposes of this disclosure, amounts were converted to CAD using the December 31, 2022 spot rate of 1 USD = 1.3554 CAD.

(2) Mr. Hoare's severance would be paid in GBP. For the purposes of this disclosure, amounts were converted to CAD using the December 31, 2022 spot rate of 1 GBP = 1.6395 CAD.

(3) Amounts are calculated based on the closing share price of \$23.86 on December 31, 2022.

(4) Mr. Edwards would be entitled to an outplacement counselling services reimbursement up to a maximum of \$50,000 in the case of termination following a change of control. This amount is excluded from the total.

## Retirement

In the event of retirement (as defined in the Company's policies), all unvested granted E-DSUs fully vest. All granted RSUs vest on a prorated basis and are redeemable for cash in accordance with the provisions of the plans. All granted PSUs vest on a prorated basis and are subject to the performance conditions until the end of the calendar year of retirement. Stock options continue to vest and become exercisable as if the optionee were still employed by the Company. The following table sets out the incremental amounts which would have been payable under the plans had retirement occurred on December 31, 2022.

Name	Value of Non-vested PSUs <sup>(1)(2)</sup>	Value of Non-vested E-DSUs <sup>(2)</sup>	Value of Non-vested RSUs <sup>(2)</sup>	Value of unvested stock options <sup>(3)</sup>	Total Incremental Payment
Ian L. Edwards	\$2,058,331	—	\$2,251,740	\$0	\$4,310,071
Jeff Bell	\$879,814	—	\$1,207,841	\$0	\$2,087,655
Robert Alger	\$672,208	—	\$382,547	\$0	\$1,054,755
Steve Morriss	\$659,037	—	\$500,845	\$0	\$1,159,882
Joseph M. St. Julian	\$195,342	—	\$588,388	\$0	\$783,730
Philip Hoare	\$664,740	—	\$708,427	\$0	\$1,373,167

(1) Assuming that the PSUs would vest with a Performance Payout Multiplier of 100%.

(2) Amounts are calculated based on the closing share price of \$23.86 on December 31, 2022.

(3) The value is calculated based on the difference between the closing share price of \$23.86 as at December 31, 2022 and the stock options exercise price of \$31.15 or \$30.25 for stock options granted in March 2022.

## SUCCESSION PLANNING

On behalf of the Board, the HR Committee oversees succession planning and talent management for the Company and develops a succession plan for the President and CEO position. The President and CEO succession planning process involves working with the President and CEO to review internal and external candidates. A succession planning process and business continuity policies were put in place in 2014 by the HR Committee and by management to ensure continuous preparedness in the event of an emergency succession.

During the year, the HR Committee reviewed the outcomes of the 2022 succession and talent review. This process is used to identify talent within the Company and put in place a succession pipeline, including succession plans for the President and CEO's direct reports, the OLG, and other key executives. The HR Committee also reviewed the development programs available for executives and management. The HR Committee recommends the President and CEO succession plan to the Board on an annual basis and reports to the Board at least once a year on succession plans for other Senior Officers.

## APPROVAL OF THE REPORT ON EXECUTIVE COMPENSATION

It is the responsibility and duty of the HR Committee to determine and recommend for Board approval, in accordance with the executive compensation framework, the principles for establishing specific compensation levels for the NEOs and other Senior Officers. In carrying out these duties, the HR Committee reviews the compensation plans, programs and policies, reviews objectives for the President and CEO and the other Senior Officers, monitors their performance and compensation and makes appropriate recommendations to the Board.

The HR Committee has reviewed and recommended to the Board for approval, the compensation of our NEOs as described in the CD&A of this Circular. The HR Committee was appointed by the Board and is composed of Directors who meet the legislative and regulatory standards governing independence, and none of whom has any indebtedness towards the Company.

# STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors believes that sound corporate governance practices are essential to the positive working and success of the Company. The Company strives to act proactively by progressively adopting forward-looking governance principles, creating corresponding structures and implementing procedures designed to enable the Board to carry out its duties in accordance with best governance principles and to allow the Board to evaluate and improve its own performance. These principles, structures and procedures include, among others, a Code of Conduct that applies to the employees, officers and Directors of the Company and its subsidiaries.

As reflected throughout this Circular, the Company's governance practices comply with the current CSA and TSX disclosure requirements, and the Company is committed to adjusting its governance practices on an ongoing basis so as to remain at the fore front of best governance practices as they evolve.

## BOARD ROLE AND MANDATE

The Board is responsible for overseeing the management of the Company's business and affairs. In addition to the strategy and enterprise risk oversight responsibilities described below, the Board's mandate lists the principal areas of responsibility of the Board relevant to its oversight role. The Board's mandate is found in Schedule B to this Circular and is also available on the Company's website at [www.sncclavalin.com](http://www.sncclavalin.com) under "About Us"/"Leadership & Governance"/"Governance".

## Strategy Oversight

Strategy oversight and monitoring is one of the Board's primary roles. Management, led by our President and CEO, develops, implements and tracks the Company's three-year strategic plan, and the Board actively participates in supervising its development, implementation and tracking, and provides guidance.

Each year, the Board reviews and approves the Company's five-year plan and budget. The plan takes into account, among other things, the opportunities and risks of the Company's business. The Board also reviews on a regular basis, the strategy of the Company with respect to, among other things, people and culture, technology, risks, ESG, capital allocation, key focus areas and growth.

## Enterprise Risk Oversight

Risk oversight is also one of the Board's primary roles. In general terms, the objective of the Board's oversight of the Company's risk management activities is to ensure, through reasonable measures, that the top risks of the Company's business and affairs are identified and assessed and that the implementation of measures to respond to such risks are monitored.

<b>Reviewing the Company's Risk Philosophy</b>	This is done through active discussion between management and the Board at the Company's annual strategic planning session where a mutual understanding of the Company's overall risk profile is reviewed and discussed. The Company's position around risk-taking capacity, risk appetite, thresholds, tolerance levels and desire to optimize opportunities is also assessed through the Board's yearly review of the Company's Risk Management Policy, Risk Appetite Statement and Risk Policy Statement.
<b>Overseeing the Design, Implementation and Governance of the Enterprise Risk Management Framework</b>	This oversight is a full Board responsibility and is completed by reviewing management reporting on existing and developing risk management activities and on the effectiveness of the systems in identifying, assessing and managing the Company's most significant risk exposures.
<b>Reviewing the Top Risks</b>	The Board's understanding of the risk exposure faced by the Company in both its present operations and strategic planning initiatives is integral to its risk oversight role. This understanding is partly acquired through the Board's participation in the annual strategic planning session. This review allows management and the Board to, among others, focus on whether developments in the business environment have resulted in changes in the material assumptions and inherent risks underlying the Company's strategy and the potential effects such changes may have on the Company's strategic plan.
<b>Staying Informed of the Top Risks Faced by the Company and Management's Response to these Risks</b>	As risks are constantly evolving, the Board obtains ongoing updates by management on risks affecting the Company. This is done formally by integrating information on ongoing risks into the Board and Committees meeting agendas, including those over which they have specific oversight responsibilities as per their respective mandates.

## 2022 Highlights

Following an extensive review of the Company's Risk Management Framework, the focus was on the implementation of a renewed Risk Management Framework. The resulting enhancements to the enterprise risk management process, including Risk Sponsor accountability for Executive Committee and Board reporting, provide management and the Board greater visibility of the Company's top risks in the Executive, Board and Board Committee agendas, resulting in regular, timely and robust reviews of risks.

The key elements and enhancements implemented in 2022 included the following:

- › Implementation of Key Risk Indicator ("KRI") monitoring and reporting for each of the Company's top risks;
- › Development and rollout of new centralized system for collaborative management of risk data and real-time visibility of risk information by risk sponsors and owners;
- › Board approval and issuance of the Risk Management Policy and updated Risk Appetite Statement; and
- › Board approval and issuance of a new Risk Policy Statement.

These efforts have resulted in greater transparency around the Company's risk exposure and trends, and improved clarity and maturity at all levels of the Company around the Company's risk appetite and expected risk management behaviors.

## Risk Oversight Governance

While the Company considers that risk oversight, like oversight of the Company's strategy, is a responsibility of the full Board, each of the Committees is tasked with overseeing specific risks in those areas of responsibility related to their respective mandate (and as described in the table below) and to report

thereon to the full Board after each Committee Meeting. This approach allows the Board to gain valuable insights and Committee support providing more focused attention on risks inherent to the scope of each Committee and an overall view of the Company's risk management framework.

Board of Directors	Audit and Risk Committee	HR Committee	GES Committee	SPOT Committee
<b>Strategic Risks</b> <ul style="list-style-type: none"> <li>› Geopolitical and Market Conditions</li> <li>› Market Strategy</li> <li>› Clients and account management</li> <li>› Competitors and Disruptors</li> <li>› Mergers and Acquisitions</li> <li>› Strategic Initiatives</li> <li>› Brand and Reputation Management</li> </ul> <b>Operational Risk</b> <ul style="list-style-type: none"> <li>› Enterprise Knowledge</li> <li>› Business Transformation</li> <li>› Business Resilience</li> </ul>	<b>Financial Risks</b> <ul style="list-style-type: none"> <li>› Financial Performance</li> <li>› Financial Controls</li> <li>› Capital Structure</li> <li>› Capital Assets and Investments</li> <li>› Guarantees</li> <li>› Taxation</li> <li>› Insurance</li> </ul>	<b>Human Resources Risks</b> <ul style="list-style-type: none"> <li>› Talent Management</li> <li>› Organizational Culture</li> </ul>	<b>Compliance and ESG Risks</b> <ul style="list-style-type: none"> <li>› Corporate Governance</li> <li>› Ethics and Compliance</li> <li>› Regulatory</li> <li>› Litigations</li> <li>› Stakeholder Relations</li> <li>› Sustainability</li> </ul>	<b>Operational Risks</b> <ul style="list-style-type: none"> <li>› HSE</li> <li>› Operational Excellence and Quality</li> <li>› Physical Asset Security</li> <li>› Cyber Security</li> <li>› Data Management</li> <li>› IT Systems</li> <li>› Technical Capability</li> </ul> <b>Project Risks</b> <ul style="list-style-type: none"> <li>› Managing Projects (work winning, project delivery and project services)</li> </ul>

## Risk Evaluation

<b>Assessing the Company's risks:</b>	On a quarterly basis, KRIs associated with each of the Company's top risks are compiled and reviewed with the risk owners, risk sponsors and key executive personnel to secure an understanding of changes in context and exposure profile for each of the top risks. The insight provided allows for meaningful informed discussions in support of any required mitigative strategies or corrective actions.
<b>Addressing Risks:</b>	The assessment of the inherent impact and probability of occurrence of each risk serves as a baseline for measuring the effectiveness of controls and/or specific efforts undertaken as risk treatment measures. The assessment of the residual risk exposure, considering these different measures, provides valuable insight for establishing priorities, identifying specific issues, and making sure the risk management process is effectively being managed.
<b>Enhancing the Company's Risk culture:</b>	The Guiding Principles, Risk Appetite Statements, KRIs and associated tolerances provide the basis for consideration of risk in every aspect of the Company's business, in all regions where we operate. They serve to proactively engage the Company's personnel in effective review, reporting and timely escalation of risk exposures to support management decision-making at all levels, ensuring this meets senior management and Board oversight expectations.

## BOARD AND COMMITTEE STRUCTURE, ORGANIZATION AND COMPOSITION

### Structure

Under its mandate, the Board may establish and seek the advice of and delegate responsibilities to Committees of the Board. As of December 31, 2022, the following four (4) standing Committees were in place:

- › Audit and Risk Committee
- › GES Committee
- › HR Committee
- › SPOT Committee

For more information on the structure of the Committees, please refer to the section "Board Committee Reports" of this Circular.

### Organization

- › Four (4) regularly scheduled Board meetings and a two-day strategic planning session (where the budget for the ensuing year is reviewed) are held each year;
- › Each standing Committee has at least four (4) regularly scheduled meetings per year;
- › Special meetings of the Board and standing Committees are held when deemed necessary; and
- › Non-standing Board Committees are also created from time to time to provide a more in-depth review of issues of particular strategic importance.

The Board and each of the standing Committees have a one-year work plan of items for discussion. These work plans are reviewed and adapted at least annually to ensure that all of the matters reserved to the Board and the Committees as well as other key issues, are discussed at the appropriate time.

The Corporate Secretary also maintains a running list of action items that is provided to the Board and its Committees at each quarterly meeting.

The Chair of the Board sets Board agendas with the President and CEO and works together with the Corporate Secretary to make sure that the information communicated to the Board and the Committees is accurate, timely and clear and that there is an appropriate balance between presentation and discussion time during meetings. In addition, Directors are provided with Board and Committee materials electronically in advance of each meeting through a secured web portal ("**Board Portal**"). Electronic versions of all corporate governance documentation such as Board and Committee mandates are also available through this Board Portal.

## Composition

As of March 20, 2023, the Board of Directors is composed of eleven (11) members for which ten (10) Directors will be standing for election at the Meeting. Ms. Isabelle Courville will not stand for re-election at the Meeting. The Board has therefore set the number of Directors at ten (10) for election at the Meeting. As for Committee membership, it is set at no less than three (3) and no more than seven (7) Independent Directors.

The GES Committee is responsible for making annual recommendations to the Board with respect to the size and composition of the Board and its Committees. The GES Committee engages in a regular review of the Director Selection Criteria to identify the ideal size and skillsets that should be represented on a board of directors of a major global professional services and project management organization such as the Company and to maintain and, if necessary, add critical competencies that may be required. For details regarding the Director Selection Criteria, see the "Board Annual Review and Succession Process" subsection of this Circular.

To the extent possible, taking into account regulatory and internal requirements with respect to the personal expertise of the members of specific Committees (e.g. the financial literacy required of the Audit and Risk Committee members and the human resources and executive compensation experience and knowledge required of the HR Committee members) and other considerations such as a Board requirement that one (1) member of the Audit and Risk Committee also be a member of the HR Committee (and vice versa), there is a regular rotation of Directors on Committees.

## INDEPENDENCE

The Board's policy with respect to the independence of its members is that a majority of Directors must be independent, as determined by the Board including in light of Canadian securities legislation and regulations. Furthermore, the Board has established that members of a standing Committee must be Directors who are independent. This requirement forms part of the mandate of each standing Committee.

As a Canadian corporation listed on the TSX, SNC-Lavalin is subject to various guidelines, requirements and disclosure rules governing the independence of the members of its Board and Committees, including the governance guidelines and audit committee rules adopted by the CSA.

The Board has adopted independence criteria for its members and that of its Committees which mirror the independence criteria of subsection 1.2(1) of Regulation 58-101 respecting Disclosure of Corporate Governance Practices (the "**Regulation 58-101**") and sections 1.4 and 1.5 of Regulation 52-110 .

In order to ensure the independence of its Directors, the Board, through its GES Committee, requests that each Director complete a comprehensive questionnaire each year. In addition to providing information on their educational history, occupation and directorships, each Director must answer a series of questions on their independence in order to confirm that they meet the independence criteria established by the CSA.

These questions are based on the independence criteria of subsection 1.2(1) of Regulation 58-101 and section 1.4 of Regulation 52-110. The Board also asks each Director to disclose any other material facts that the Board should consider for the purpose of its determination of a Director's independence. Furthermore, Audit and Risk Committee members are asked to answer a series of questions based on the independence criteria of section 1.5 of Regulation 52-110 which applies to the Audit and Risk Committee members only.

To ensure ongoing Director independence, the same questionnaire provides for disclosure by each Director of any potential conflict of interest that could affect their status. Furthermore, our Directors must certify, on an annual basis, that they comply with our Code of Conduct, including the obligation to disclose any actual or potential conflict of interest.

Once each Director has completed their questionnaire, the GES Committee performs a review of Directors' interests in which potential conflicts and other matters relevant to their independence are considered and reports to the Board thereon. The results obtained through the questionnaires help the GES Committee, and ultimately the Board, in confirming Directors independence.

For a Director to be considered independent, the GES Committee analyzes all of the relationships each Director has with SNC-Lavalin in order to determine that Director does not have any direct or indirect material relationship with SNC-Lavalin.

Further to the last review performed by the GES Committee, it was determined that, with the exception of Ian L. Edwards, our President and CEO, all of our Director nominees are independent, including William L. Young, the Chair of the Board, whose role is separate from that of the President and CEO.



Name	Director		Status of Director Nominees		Reason for Non-Independent Status
	Current	Nominee	Independent	Not Independent	
G.C. Baughman	✓	✓	✓		
M.-A. Bell	✓	✓	✓		
C.J.B. Clark	✓	✓	✓		
I.L. Edwards	✓	✓		✓	President and CEO
R. McGregor-Smith	✓	✓	✓		
S.L. Newman	✓	✓	✓		
R. Paré	✓	✓	✓		
M.B. Pedersen	✓	✓	✓		
B.M. Warmbold	✓	✓	✓		
W.L. Young	✓	✓	✓		

It is important to note that:

- › In 2021, the GES Committee retained the services of Willis Towers Watson to assess whether the “Independent Director Term and Retirement Guidelines” were aligned with market practices and more particularly those of the Director Comparator Group. Pursuant to this review, the GES recommended to the Board the adoption of revised guidelines according to which a Director will not be eligible for re-election at the annual meeting of shareholders following the 12<sup>th</sup> anniversary (previously, following the 15<sup>th</sup> anniversary) of their initial election to the Board (for details, see the “Board Annual Review and Succession Process / Director Tenure, Term and Retirement” subsection of this Circular);
- › As of March 20, 2023, the average tenure of our Director nominees is 3.3 years (for details, see the “Board Annual Review and Succession Process / Director Tenure, Term and Retirement” subsection of this Circular); and
- › The Company does not have a controlling shareholder (for details, see the “Information on Certain Shareholders of the Company” subsection of this Circular).

## IN CAMERA SESSIONS

The mandates of the Board and each of the standing Committees require that, at each of the regularly scheduled meetings of the Board and standing Committees during a particular year, the non-executive Directors hold *in camera* sessions (sessions at which members of management are not present). Directors are also obliged to hold such *in camera* sessions when executive compensation issues are discussed.

In 2022, a total of 35 Board and standing Committee meetings were held. An *in camera* session was held at each of the Board meetings and regularly scheduled Committee meetings. For a summary of Board and Committee meetings held in 2022, see the “Director Attendance” subsection of this Circular.

## POSITION DESCRIPTIONS

Our Board has adopted a description of the role of our Chair of the Board and that of our President and CEO. It has also adopted general terms with respect to the responsibilities of the Chairs of each of the standing Committees, which are set out in the mandate of each Committee. The position descriptions of the Chair of the Board and of the President and CEO are posted on our website at [www.snc-lavalin.com](http://www.snc-lavalin.com) under “About Us”/“Leadership & Governance”/“Governance”.

A brief summary of these roles and responsibilities is also provided below.

### Chair of the Board

Our Chair of the Board is an independent Director designated by the Board and is responsible for the management, development and effective performance of the Board and for providing leadership to the Board for all aspects of its work. He takes all reasonable measures to ensure that the Board (i) has structures and procedures in place to enable it to function independently of management, (ii) carries out its responsibilities effectively and (iii) clearly understands and respects the boundaries between Board and management responsibilities. Our Chair of the Board acts in an advisory capacity to the President and CEO and to other officers in all matters concerning the interests and management of the Company and, in consultation with the President and CEO, plays a role in the Company's external relationships.

### Committee Chairs

The general terms with respect to the responsibilities of the Chair of each standing Committee are set out in the mandate of each Committee. These responsibilities include presiding at Committee meetings and overseeing the way in which each Committee carries out its mandate. Committee Chairs are required, following a meeting of their Committee, to report to the Board on the Committee's activities at its next regularly scheduled meeting.

### President and CEO

Our President and CEO is responsible for the management of the Company's business and affairs. His key responsibilities involve articulating the vision of the Company, focusing on creating value for shareholders and developing and implementing a plan that is consistent with the Company's vision and its long-term strategy. He is supported by the Senior Officers and is appointed by the Board.

Our President and CEO is accountable to the Board and Committees and his performance and compensation are reviewed and approved by the Board. The Board has also established levels of authority delegated to the President and CEO and management.

## DIRECTOR ATTENDANCE

### Summary of Board and standing Committee Meetings Held in 2022

	Regular	Special	Total
<b>Board</b>	4	3	7
<b>Audit and Risk Committee</b>	4	3	7
<b>GES Committee</b>	4	5	9
<b>HR Committee</b>	5	1	6
<b>SPOT Committee</b>	4	2	6
<b>TOTAL</b>	<b>21</b>	<b>14</b>	<b>35</b>

Under the Company's policies and guidelines, all Directors must have a total combined attendance rate of 75% or more for Board and Committee meetings to stand for re-election unless exceptional circumstances arise such as illness, death in the family or other similar circumstances.

Non-attendance at Board and Committee meetings is rare, usually when an unexpected commitment arises, a special meeting is convened on short notice or when there is a prior conflict with a meeting which had been scheduled and could not be rearranged.

Given that Directors are provided with Board and Committee materials in advance of the meetings, Directors who are unable to attend are encouraged to provide comments and feedback to either the Chair of the Board, the Chair of the Committee or the Corporate Secretary, all of whom ensure these comments and views are raised at the meeting. Directors unable to attend a meeting are briefed afterwards by management, as required.

**RECORD OF ATTENDANCE BY DIRECTORS AT REGULAR AND SPECIAL BOARD  
AND COMMITTEE MEETINGS FOR THE 12 MONTHS ENDED DECEMBER 31, 2022**

Directors	Regular Board & Committee Meetings Attended		Total Regular Meetings		Special Board & Committee Meetings Attended		Total Special Meetings		Overall Attendance	
	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)
<b>G. Baughman<sup>(1)</sup></b>	4 of 4 Board 5 of 5 HR 4 of 4 SPOT	100 100 100	13 of 13	100	3 of 3 Board 1 of 1 HR 2 of 2 SPOT	100	6 of 6	100	19 of 19	100
<b>M.-A. Bell<sup>(2)</sup></b>	4 of 4 Board 4 of 4 Audit 4 of 4 GES	100 100 100	12 of 12	100	3 of 3 Board 3 of 3 Audit 5 of 5 GES	100 100 100	11 of 11	100	23 of 23	100
<b>C. Clark<sup>(3)</sup></b>	4 of 4 Board 4 of 4 Audit 5 of 5 HR	100 100 100	13 of 13	100	3 of 3 Board 3 of 3 Audit 1 of 1 HR	100 100 100	7 of 7	100	20 of 20	100
<b>I. Courville<sup>(4)</sup></b>	4 of 4 Board 4 of 4 GES 5 of 5 HR	100 100 100	13 of 13	100	3 of 3 Board 5 of 5 GES 1 of 1 HR	100 100 100	9 of 9	100	22 of 22	100
<b>I. L. Edwards<sup>(5)</sup></b>	4 of 4 Board	100	4 of 4	100	3 of 3 Board	100	3 of 3	100	7 of 7	100
<b>R. McGregor-Smith<sup>(6)</sup></b>	3 of 3 Board 2 of 2 Audit 2 of 2 SPOT	100 100 100	7 of 7	100	1 of 1 Board 1 of 2 SPOT	100 50	2 of 3	67	9 of 10	90
<b>S.L. Newman<sup>(7)</sup></b>	4 of 4 Board 4 of 4 Audit 4 of 4 GES 4 of 4 SPOT	100 100 100 100	16 of 16	100	3 of 3 Board 3 of 3 Audit 5 of 5 GES 2 of 2 SPOT	100 100 100 100	13 of 13	100	29 of 29	100
<b>R. Paré<sup>(8)</sup></b>	3 of 3 Board 2 of 2 GES 2 of 2 SPOT	100 100 100	7 of 7	100	0 of 1 Board 2 of 2 SPOT	0 100	2 of 3	67	9 of 10	90
<b>M. Pedersen<sup>(9)</sup></b>	4 of 4 Board 5 of 5 HR 4 of 4 SPOT	100 100 100	13 of 13	100	3 of 3 Board 1 of 1 HR 2 of 2 SPOT	100 100 100	6 of 6	100	19 of 19	100
<b>Z. Smati<sup>(10)</sup></b>	2 of 2 Board 2 of 2 GES 2 of 2 SPOT	100 100 100	6 of 6	100	2 of 2 Board 3 of 5 GES	100 60	5 of 7	71	11 of 13	85
<b>B. Warmbold<sup>(11)</sup></b>	4 of 4 Board 4 of 4 Audit 5 of 5 HR	100 100 100	13 of 13	100	3 of 3 Board 3 of 3 Audit 1 of 1 HR	100 100 100	7 of 7	100	20 of 20	100
<b>W. Young<sup>(12)</sup></b>	4 of 4 Board	100	4 of 4	100	3 of 3 Board	100	3 of 3	100	7 of 7	100
<b>TOTAL</b>	44 of 44 Board 18 of 18 Audit 16 of 16 GES 25 of 25 HR 18 of 18 SPOT	100 100 100 100 100	121 of 121	100	30 of 31 Board 12 of 12 Audit 18 of 20 GES 5 of 5 HR 9 of 10 SPOT	97 100 90 100 90	74 of 78	95	195 of 199	98

- (1) In addition to his Committee memberships, Mr. Baughman attended one (1) regular Audit and Risk, two (2) special Audit and Risk and one (1) special GES Committee meetings as a non-voting participant.
- (2) In addition to her Committee memberships, Ms. Bell attended one (1) regular HR, one (1) regular SPOT and one (1) special HR Committee meetings as a non-voting participant.
- (3) In addition to his Committee memberships, Mr. Clark attended one (1) special GES Committee meeting as a non-voting participant.
- (4) In addition to her Committee memberships, Ms. Courville attended one (1) regular Audit and Risk, two (2) special Audit and Risk and one (1) special HR Committee meetings as a non-voting participant.
- (5) Mr. Edwards, as President and CEO, is not a member of any Committee but attends Committee meetings at the invitation of the Committees. In 2022, he attended all Committee meetings as a non-voting participant.
- (6) Ms. McGregor-Smith was elected to the Board on May 5, 2022 and became a member of the Audit and Risk and SPOT Committees on May 5, 2022. In addition to her Committee memberships, Ms. McGregor-Smith attended one (1) regular HR and two (2) regular GES Committee meetings as a non-voting participant.
- (7) In addition to his Committee memberships, Mr. Newman attended one (1) special HR Committee meeting as a non-voting participant.
- (8) Mr. Paré was elected to the Board on May 5, 2022 and became a member of GES and SPOT Committees on May 5, 2022. In addition to his Committee memberships, Mr. Paré attended two (2) regular HR and three (3) regular Audit and Risk Committee meetings as a non-voting participant.
- (9) In addition to his Committee memberships, Mr. Pedersen attended one (1) regular Audit and Risk, two (2) special Audit and Risk and one (1) special GES Committee meetings as a non-voting participant.
- (10) Mr. Smati ceased to be a Director and a member of the GES and SPOT Committees on May 5, 2022. In addition to his Committee memberships, Mr. Smati attended two (2) special Audit and Risk Committee meetings as a non-voting participant.
- (11) In addition to her committee memberships, Ms. Warmbold attended one (1) special GES Committee meeting as a non-voting participant.
- (12) As Chair of the Board, Mr. Young attended all regular and special Committee meetings as an ex-officio member.

## DIRECTOR AVAILABILITY

The mandate of the GES Committee requires that its members consider candidates who have the capability and willingness to travel, to attend and to have adequate availability to contribute to Board functions. The number of publicly traded corporations for which nominees act as directors is one of the general criteria considered with respect to availability. To further clarify Director availability, the Board, upon recommendation of the GES Committee, has set the following Director availability guidelines for its Directors:

### DIRECTOR AVAILABILITY GUIDELINES

- ▷ Directors may not sit on the board of more than four (4) other publicly traded companies, unless otherwise approved by the Board.
- ▷ Directors who are also CEOs in office may not sit on the board of more than one (1) publicly traded company other than their company's and SNC-Lavalin's, unless otherwise approved by the Board.

The GES Committee carried out its customary review for 2022 and was satisfied that our current and Director nominees were able to commit the requisite time for the proper performance of their duties. As of March 20, 2023, all of our Director nominees complied with the above Director availability guidelines, except as disclosed below.

Ms. McGregor-Smith is the CEO of the SPAC, Investcorp Europe Acquisition Corp I and sits on the board of more than one (1) publicly traded company, besides the Company. The Board and the GES Committee have reviewed Ms. McGregor-Smith's current professional commitments and record of attendance and concluded that she has adequate availability to fulfill her duties as a Director. In their analysis, the Board and GES Committee have specifically considered, amongst other things, the particularities of her commitment as CEO of a SPAC, which is limited in time and not significant when compared to levels of commitment of CEOs for other types of public companies. Ms. McGregor-Smith confirmed to the GES Committee and the Board's satisfaction that her time limited involvement as CEO of Investcorp Europe Acquisition Corp I, does not interfere with her duties as a Director of the Company.

## INTERLOCKING OUTSIDE BOARDS

The Company has established an additional guideline that no more than two (2) of its Directors may serve on the same outside board of a public or non-public corporation together. The only Board interlock is between Mary-Ann Bell and Isabelle Courville<sup>(1)</sup>, who are both directors of the Institute for Governance of Private and Public Organizations (IGOPP), a not-for-profit corporation. This Board interlock occurred following Ms. Bell's election to the Board of Directors on May 7, 2020.

(1) Ms. Isabelle Courville will not stand for re-election at the Meeting.

## BOARD ANNUAL REVIEW AND SUCCESSION PROCESS

Boards are strongest and most effective when key qualifications and core competencies are represented thereon. The objective of the Board annual review and succession process is to ensure that this is the case and that, collectively, Directors have the knowledge and skills necessary to enhance the long-term performance of the Company.

### Annual Process for Directors Currently in Office

The process listed below sets out the steps followed annually in determining whether the Directors currently in office continue to hold the qualifications necessary to qualify as nominees for election.

#### DETERMINATION OF QUALIFICATIONS OF INCUMBENT DIRECTORS AS NOMINEES

- › Assess Directors' tenure against our Independent Director Term and Retirement Guidelines (for details, see the "Director Tenure, Term and Retirement" subsection below);
- › Review Directors' performance through an annual peer review (for details, see the "Director Performance Assessment" subsection below);
- › Perform annual credentials review of Directors;
- › Review our Director Selection Criteria to identify the required and/ or missing qualifications determined to be essential to ensure appropriate strategic direction, supervision and oversight (for details, see the "Director Selection Criteria" subsection below);
- › Assess independence of each Director and address concerns, if any;
- › Assess continuing qualifications under the CBCA; and
- › Assess qualifications of Directors under applicable securities and corporate laws.

Once this determination has been made, the GES Committee recommends, and the Board approves, the list of individuals to be recommended for election by the shareholders.

### Board Succession Planning Process

The Board succession planning process, more fully described below, takes into account the challenges and opportunities facing the Company and aims to maintain an appropriate balance of qualifications on the Board. It also assists the Board with a smooth transition when a Director leaves the Board or when new qualifications need to be added. Succession planning allows a reasonable level of turnover of Directors and keeps the Board at an appropriate size – i.e. large enough to allow Directors to fulfill their mandate on each Committee while remaining at a size that allows for open, and informal discussion and debate.

The GES Committee is responsible for identifying the need for future appointments well in advance of the expiry of current Director's terms of office. When a term is coming to an end, a position becomes vacant or a decision is taken to increase the number of Directors on the Board, the Committee develops a skills profile for the position(s) which includes, amongst others, the Director Selection Criteria (as described in the table below).

Consideration is given to the present membership of the Board and the qualifications which should be added or strengthened over time to maintain a Board which will meet the evolving needs and strategic direction of the Company.

### Director Recruitment Process

In identifying and evaluating individual candidates, a general profile is applied taking the following qualifications into consideration:

#### Individual Qualifications Required for All Director Nominees

- |  |
|--|
| Integrity, honesty and the ability to generate public confidence and maintain the goodwill and confidence of the Company's shareholders; |
| Business background and diversified experience;  |
| Independence of mind;  |
| Capability and willingness to travel, to attend and to have adequate availability to contribute; and                                     |
| Any other eligibility criteria deemed applicable by the GES Committee.   |

As reflected in the GES Committee mandate, in its efforts to select new Directors, the GES Committee will also abide by the provisions of the Company's Equality, Diversity and Inclusion on the Board of Directors and in Senior Leadership Positions Policy (the "**Diversity Policy**"), which requires considering women, Aboriginal peoples, persons with disabilities and members of visible minorities as Board nominees. The GES Committee is responsible for recommending qualified persons for Board nominations. As mentioned in the Diversity Policy, the GES Committee has developed a set of criteria for Board membership that strives to attain a diversity of backgrounds and skills for the Board and, through its Board member search practices, seeks out qualified Board candidates, including Indigenous peoples, persons with disabilities and members of visible minorities as outlined in the CBCA and defined in the Employment Equity Act (Canada) (collectively, "**Designated Groups**").

For details on our process for nominating new Directors, see the "Board Succession Planning Process" subsection of this Circular. The Company has set a 30% target women on Board following the Meeting, if all Directors nominees are elected, the target will be met with a 30% women on our Board Directors. For more information on the Company's ED&I targets, please refer to section "Equality, Diversity & Inclusion (ED&I)" of this Circular.

The Chair of the Board and the GES Committee work together to identify and review qualified candidates. They are assisted by external executive search firms who cover both the Canadian and international markets and provide lists of potential candidates. Current Directors, including the President and CEO, are also encouraged to identify potential candidates known to them through personal or professional contacts who correspond to the candidate profile.

The Chair of the GES Committee, following discussions with the Chair of the Board, reviews the list of potential candidates presented from these sources, ensures diversity within this list, and develops a preliminary list of names to provide to the Committee for further discussion. The GES Committee then reviews this list, ranks the candidates and develops a short list of candidates which the Committee has determined have the required qualifications that best suit the Board's and Company's needs.

Candidates from this short list are then interviewed by the Chair of the Board, the President and CEO and members of the GES Committee to ensure, among other things, the candidate's availability, that they have a clear understanding of the requirements of being a member of the Board and that they are prepared to make the necessary commitments of time, energy and expertise if appointed.

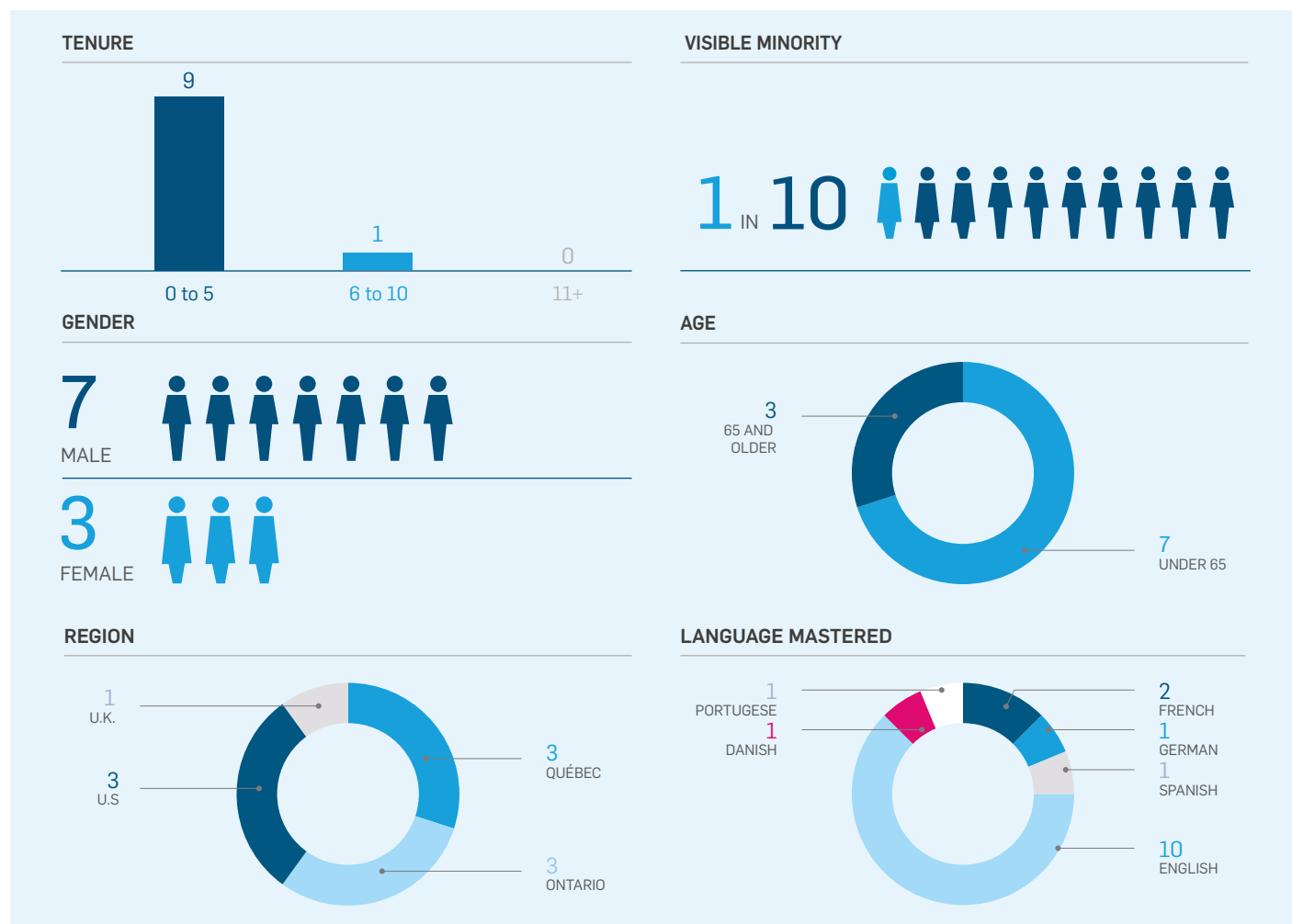
Following the initial interviews, a verification of the independence criteria and a thorough background and security check are performed on the selected candidate(s). If the results of this verification are satisfactory to the Chair of the Board and the Chair of the GES Committee, they will come back to the GES Committee with their recommendation which is reviewed and discussed by the Committee members. If the GES Committee approves the recommendation, the candidate(s) are then presented to the Board for final approval. Following this approval, the selected candidate(s) are invited to join the Board either as appointees, if they join the Board prior to the annual meeting of shareholders, or as nominees for election at the annual meeting of shareholders.

Note that the Caisse has the right to recommend to SNC-Lavalin one (1) nominee for election or appointment as a Director, and that SNC-Lavalin has agreed that it will consult with the Caisse prior to the appointment of any new Chair of the Board. For details, see the "Information on Certain Shareholders of the Company" subsection of this Circular.



## Director Nominees Qualification Criteria

The GES Committee's mandate provides for the establishment and update of Directors Qualification Criteria, which is a list of industry-specific experience, business expertise and individual qualifications of Directors, so as to identify any eventual gaps on the Board. The general profile as well as the level of experience by skill and competency of each of our Director nominees are set forth in the following tables.



## LEVEL OF EXPERIENCE BY SKILL/COMPETENCY

1: LOW 2: MEDIUM 3: HIGH

	ENGINEERING INDUSTRY KNOWLEDGE	STRATEGIC PLANNING	RISK MANAGEMENT <sup>(1)</sup>	PROJECT MANAGEMENT	OPERATIONS	EXTENSIVE KNOWLEDGE/ EXPERIENCE U.S. AND U.K. MARKETS	GOVERNMENT/ REGULATORY AFFAIRS <sup>(2)</sup>	ACCOUNTING/ FINANCE	HR/ COMPENSATION <sup>(3)</sup>	TECHNOLOGY/IT <sup>(4)</sup>	CAPITAL MARKETS	MERGERS & ACQUISITIONS DIVESTITURES, RESTRUCTURING	PUBLIC COMPANY LEADERSHIP
G.C. Baughman	3	3	3	2	3	2	2	2	3	2	2	3	2
C.J.B. Clark	1	3	3	2	1	1	2	3	3	2	3	3	3
M.-A. Bell	2	3	3	2	3	1	2	2	3	2	2	2	3
R. McGregor-Smith	2	3	3	2	3	2	3	3	2	2	3	2	3
S.L. Newman	2	3	2	2	3	2	1	2	3	1	2	3	3
R. Paré	1	2	2	1	1	1	2	2	2	1	3	3	2
M.B. Pedersen	1	3	3	2	2	3	3	2	3	2	2	3	3
B.M. Warmbold	1	3	3	2	3	2	1	3	2	2	3	3	2
W.L. Young	2	3	2	2	2	3	2	3	2	2	3	3	3

(1) Understanding of internal controls, risk assessments and reporting.

(2) Understanding of government and public policy at various levels (Federal, Provincial/State, Local, etc.).

(3) Understanding of executive compensation, talent management/retention, people development and succession planning.

(4) Knowledge of relevant emerging technologies, including artificial intelligence, applicable to the engineering industry.

### Director Tenure, Term and Retirement

As of March 20, 2023, the average tenure of our Director nominees is 3.3 years.

In 2021, following a review of the market practices made by the GES Committee with the assistance of Willis Towers Watson, the Board has set the following revised "Independent Director Term and Retirement Guidelines":

#### INDEPENDENT DIRECTOR TERM AND RETIREMENT GUIDELINES

The term of office of each Director expires upon the election of their successor unless they resign their office or their office becomes vacant by death, removal or other cause.

Unless the Board agrees at its discretion to an extension of the Director's term of service, the Directors are no longer eligible for re-election at the annual meeting of shareholders following the 12<sup>th</sup> anniversary of their initial election to the Board.

The above guidelines do not apply to the President and CEO of the Company, who shall leave the Board upon their ceasing to be President and CEO. In the case where an incoming President and CEO has been recruited from outside the Company, the Board may consider keeping the former President and CEO as a Director during a transition period to be determined at the Board's discretion.

Following the review that was conducted in 2021, the Board did not consider it necessary to set a retirement age for its Directors.

### Majority Voting Policy

In accordance with the CBCA, a majority voting requirement has been implemented for uncontested elections of directors. For details on the majority voting requirement, please see section "Election of Directors - Majority Voting Requirement" of the Circular.

### BOARD ASSESSMENT

In 2022, the assessment of the Board effectiveness was led by the Chair of the Board with all the Directors, while the assessment of the Chair of the Board's effectiveness was led by the Chair of the GES Committee, without the participation of the Chair of the Board. Directors were provided with assessment tools to prepare for the discussion, which covered seven (7) broad categories:

- › Oversight of Company Strategy: Direction, Performance and Major Risk Factors;
- › Oversight of Integrity, Ethics and Compliance Issues;
- › Management Assessment and Compensation and Talent Development and Succession Planning;

- › Board Operations and Processes;
- › Board Committees;
- › Board and Committee Leadership, Renewal and Succession Planning; and
- › Chair's Role.

The Committee assessments were divided into two (2) categories:

- › Committee Effectiveness; and
- › Committee Chair's Role.

The Committee effectiveness evaluations were led by the Committee Chair, focusing first on the Committee's effectiveness. They were followed by a session without the Committee Chair, led by either the Chair of the Board or the Chair of the GES, to review the Committee Chair's effectiveness.

Individual peer reviews were also conducted and one-on-one discussions were held between the Chair of the Board and each of the Directors to review and discuss results for the year 2022.

### Feedback and Action Planning

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With a focus on continuous improvement, the Chair of the Board and the Chair of the GES Committee have identified areas of opportunity for the coming year.

These objectives were presented to the GES Committee and the full Board and progress will be monitored and reported on by the GES Committee.

## DIRECTORS' ON-BOARDING PROGRAM

### Process

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The Board ensures, through its GES Committee, that newly appointed Directors understand the roles of the Board and Committees, and the contribution that individual Directors are expected to make. The GES Committee is responsible for reviewing and approving the on-boarding program for new Directors and reporting to the Board thereon.

### On-Boarding Program

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Upon becoming a member of the Board, each new Director is provided with a detailed on-boarding package made available to them on the Company's Board Portal. This package includes all administrative documents that need to be completed by the new Directors and an extensive Frequently Asked Questions ("FAQ")

on board practices and processes, structure, policies, procedures, compensation, logistics, training, insider reporting, entity governance and other information to help them prepare for their role as Directors. The FAQ provides links to all underlying documentation that they need to be aware of as well as a number of practical internal and external links to allow them to go deeper into issues of particular concern to them.

Orientation sessions take place over the course of the first year a Director joins the Board and begin with new Directors being invited to attend all Committee meetings preceding the Board meeting during which they will be appointed as a Director. This is followed by orientation sessions with management, the Chair of the Board and Committee Chairs either preceding or following the quarterly Board meetings.

## ONGOING DIRECTOR EDUCATION

### Process

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The Board also ensures, through its GES Committee, that ongoing development and education opportunities are made available to existing Directors. The GES Committee is responsible for reviewing and approving ongoing development and education initiatives.

As part of the Board performance assessment and in order to help determine the needs of our Directors in terms of ongoing education, each of our Directors are invited to provide the Company with their interests and views on ongoing education.

### Development and Education Opportunities

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Current ongoing Director development and education opportunities include regular presentations by senior management on the Company's markets, competitors, risks affecting the business, people and culture, technology and ESG, amongst others.

Outside advisors are also invited to make presentations on various topics when appropriate.

The Corporate Secretary and the EVP and General Counsel provide Directors with summaries of up-to-date information on upcoming legislative changes, evolving governance and Board practices as well as general trends related to the Board and Committees' mandates on an ongoing basis.

Our Directors are also encouraged to participate in outside professional development and training activities and are provided with a corporate membership for the ICD and the NACD which offer a continuing education program for directors.

## Summary Table of Ongoing Director Education

The following table provides details on specific ongoing education initiatives provided to our Directors in 2022:

Topic:	Presented by:	Attended by:
Macroeconomics Perspective	HSBC	All Directors
Nuclear Market and Strategy Deep Dive	Management	All Directors
U.K. Business Deep Dive	Management	All Directors
Business Resiliency	Management	All Directors
Target Cost Contracting Model	Management	All Directors
North American Market Compensation Trends	Hugessen Consulting	HR Committee

## Site Visits

Site visits of the Company's facilities and operations are also viewed as educational opportunities for Directors. Site visits provide Directors with direct access to offices and site personnel, both employees and independent contractors, and assist them in grasping the nature and complexity of the Company's business and operations. Directors are invited to participate in full Board site visits which are organized on a yearly basis. They are also encouraged to do individual or small group site visits where the Company carries on its operations.

The following site visits, to which some of our Directors attended, were held in 2022:

Site name:	Location:	Attended by:
Old Oak Common and Tunnel Portal	London, U.K.	Seven (7) Directors
Beckton Waste Treatment Facility	London, U.K.	Four (4) Directors
Réseau Express Métropolitain (REM) Project	Montréal, Canada	Nine (9) Directors

## Procedures

In addition to the above-mentioned ongoing development and education opportunities, procedures are also in place to ensure that the Board is kept up to date and to facilitate timely and efficient access to all information necessary to carry out its duties.

These procedures include reports from the President and CEO and members of senior management on important projects and issues related to the business, reports from each of the Committees on their work at their previous Committee meeting, updates between Board meetings on matters that affect the Company's operations and full access to the Company's senior management.

## CONFLICT OF INTEREST

To ensure ongoing director independence, each Director is required to inform the Board of any potential conflict of interest they may have at the beginning of each Board and Committee meeting. A Director who is in a situation of potential conflict of interest in a matter before the Board or a Committee must not attend any part of a meeting during which the matter is discussed, have access to the relevant material on such matter or participate in a vote on the matter. The GES Committee performs an annual review of Directors' interests in which potential or perceived conflicts and other matters relevant to their independence are considered.

Potential or perceived conflicts of interests are updated on a quarterly basis and any relevant changes are reported to the GES Committee Chair and the Chair of the Board. As potential business conflicts are dynamic at a large, global organization, management conducts an internal review of potential conflicts on a quarterly basis.

## ETHICAL BUSINESS CONDUCT

SNC-Lavalin is committed to ethics excellence and continuously, meaningfully reinforces this commitment. The Company has instituted a number of measures aimed at verifying standards of conduct from certified training to strengthening internal controls and processes, and continues to review its integrity environment as part of its promise to stakeholders to be a Company that operates with the highest ethical standards.

## Code of Conduct

The Company's Code of Conduct (the "**Code**") applies to all employees, individual consultants, loaned personnel, officers and Directors of SNC-Lavalin<sup>(1)</sup>. When joining SNC-Lavalin, and on an annual basis thereafter, all personnel are required to complete an online certification process demonstrating that they have received, read and understood the Code and confirming that they will comply with its terms.

Our Code is available in nine (9) languages on our website at [www.snclavalin.com](http://www.snclavalin.com) under "About Us"/"Integrity"/"Code of Conduct" and on SEDAR at [www.sedar.com](http://www.sedar.com).

The Code is under the responsibility of the CIO.

The Company oversees compliance with the Code through its Ethics and Compliance Committee (the “**ECC**”), a management committee chaired by the CIO. The specific monitoring of compliance with the Code by the ECC is reflected in the charter of the ECC.

Additionally, the Board oversees compliance with the Code through its GES Committee, which is mandated to review overall compliance with the Code and report to the Board any issues relating thereto. The Audit and Risk Committee and the HR Committee are mandated to report to the Board any committee-specific element which falls under their responsibility. The CIO is required to provide quarterly reports to the GES Committee on the ECC’s overall activities and to the Audit and Risk Committee on accounting, internal accounting controls, auditing or fraud matters, while the Company’s EVP, Human Resources provides quarterly reports to the HR Committee on HR-related compliance matters.

In 2022, no material change reports were required or filed in relation to any departure from the Code.

(1) In the Code, reference to “SNC-Lavalin” means, as the context may require, SNC-Lavalin Group Inc. and all entities, joint ventures, partnerships or other undertakings under its direct or indirect control.

### Supplier Code Of Conduct

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In September 2017, the Company introduced its first Supplier Code of Conduct (the “**Supplier Code**”) which was updated in 2021 and is applicable to all of its suppliers, subcontractors and consultants (collectively, the “**Suppliers**”), including any entity over which the Supplier has direct or indirect control. The Supplier Code summarizes the Company’s expectations and governing principles as they apply to Suppliers – whether they work with SNC-Lavalin or on its behalf. In May 2021, the Company published the Counterparty Code of Conduct (the “**Counterparty Code**”) to be used with partners that are not Suppliers, such as our joint venture partners (the “**Counterparty**”).

Our Supplier Code and the Counterparty Code are translated in seven (7) languages. The Supplier Code is available on our website at [www.snclavalin.com](http://www.snclavalin.com) under “About Us”/“Integrity”/“Supplier Code of Conduct”.

### Reporting Mechanism

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Individuals with an issue or complaint regarding any known or suspected violation of our Code and our governance documents, as well as any violation of applicable laws, rules or regulations or any observed instances of misconduct or pressure to compromise our ethical standards may report the matter via multiple lines of reporting as established by the Code.

Issues, violations or complaints may be reported directly through managers, integrity officers, Human Resources representatives, relevant function representatives (e.g., Global HSE, Legal, Global Security, Finance or Internal Audit), or via the reporting line which is a secure system operated by ClearView Connects, an independent third-party service provider which operates a toll-free telephone number and reporting website.

The reporting line allows for anonymous reporting should the reporter wish to protect their identity. For details, see the Company’s website at [www.snclavalin.com](http://www.snclavalin.com) under “About Us”/“Integrity”/“Reporting Line”.

Similarly, if a Supplier or Counterparty has evidence or suspicion that an SNC-Lavalin employee or anyone engaged in business with the Company has breached our Code, our Supplier Code, our Counterparty Code or any applicable laws, rules or regulations, the Supplier or Counterparty must immediately report the matter to their SNC-Lavalin point of contact or via the reporting line.

The stewardship of issues, violations or complaints reported via the multiple lines of reporting is the responsibility of the GES Committee and under its direction, the ECC administers the Company’s reporting mechanism and must ensure that the structure in place promptly and adequately responds to the activities reported.

### Protection of Reports and Confidentiality

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The Company is committed to maintaining a reporting mechanism that permits the confidential, anonymous reporting of an issue, violation or complaint. Information regarding the identity of any person making such a report remains anonymous and confidential at all times, unless otherwise expressly permitted by this person or as required by applicable laws and is only disclosed to those who have a need to know such information to properly carry out an investigation of the issue, violation or complaint, in accordance with the Code.

No person, acting in good faith, who provides information relating to an issue, violation or complaint, can be subjected to any form of reprisal or retaliation and any such behaviour will be treated as a serious violation of the Code. Corrective measures of varying degrees of severity, including but not limited to, termination without notice or termination of a contractual relationship, will be taken against any person who is determined to have engaged in this behaviour.

### Integrity Organization and Program

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A global integrity organization has been in place at the Company since March 2013. This organization is comprised of a corporate integrity and regulatory compliance function, dedicated sector, regional and functional integrity officers, and a compliance remediation and monitoring group.

It is responsible for developing, implementing and maintaining a comprehensive integrity program at the Company. All integrity officers ultimately report to the CIO, thus ensuring true independence of the integrity function. The CIO reports directly to the GES Committee and, operationally, to the EVP and General Counsel of the Company.

Integrity officers are appointed for each sector of activity and for each region in which the Company operates. All employees are encouraged to ask questions about the interpretation or the application of compliance procedures directly to the integrity officer responsible for their particular sector or region. The close and trustful relationship between integrity officers and Company employees is the bedrock of our program's success.

In addition to our dedicated professionals, the integrity ambassador program aims to expand the integrity footprint from an awareness and communication perspective, foster a business environment that is committed to ethical practices and provide additional, local support to employees. Ambassadors act as points of contact for the integrity function, assist with on-location and in-person follow-ups for integrity matters where necessary, and participate in management meetings in order to communicate news and developments as they relate to integrity. In addition, they provide feedback for continuous improvement of the program to ensure we are committed to applying best practices.

Integrity principles, procedures and controls are firmly embedded and integrated in all of the key processes of the Company's operations. The Company's integrity program encompasses all of its activities.

Our integrity program is mandatory in all entities, sectors, business units and functional units across the organization, and is comprised of three action elements: prevent, detect and respond. This comprehensive and integrated approach maintains our ethical health, supports our long-term success, and preserves and promotes our values. Our integrity program components adhere to ethics and compliance principles from international bodies such as Transparency International, the Organization for Economic Cooperation and Development (OECD), the United Nations Global Compact, the World Bank, the African Development Bank, and follow the United States Department of Justice FCPA Guidance.

## 2022 Highlights

In 2022, in order to maintain a culture centered on our value of integrity throughout the Company, the Board of Directors provided oversight and/or approval of initiatives such as:

- › The launch of an updated version of the Code as well as the conduct of the annual Code certification process;
- › The introduction of a new Integrity ESG KPI measure on communication by managers on ESG topics, topics covered (Integrity, ED&I, Sustainability and HSE);
- › The issuance of the final report of the independent monitor appointed pursuant to the Court of Québec probation order, marking the end of that monitorship and of the probation order;
- › The launch of a range of new and refresher training modules on integrity and finance topics;
- › The launch of an updated version of our Modern Slavery and Human Trafficking Statement;
- › The holding of our annual integrity awards, with 36 winners selected among employees by a committee of peers under the leadership of the CIO;
- › The conduct of a pulse integrity culture survey to measure the perception of our culture of Integrity and to evaluate our progress since the previous 2021 survey;
- › The sponsorship of the 6<sup>th</sup> edition of the Ted Rogers Ethical Leadership Case Competition, organized by Ryerson University in Toronto (Canada), where teams from universities across Canada were presented with a real-life case and evaluated on their approaches to the challenges of ethical leadership; and
- › The participation in outreach events to inform our customers, business partners and other stakeholders about our initiatives to strengthen compliance in our industry that benefits all stakeholders.

In January 2023, for the third time, we were awarded with the prestigious "**Compliance Leader Verification**" from the Ethisphere Institute, an independent center for research, best practices and thought leadership. Ethisphere benchmarked our integrity program against the "2022 World's Most Ethical Companies" data set, providing insight into the programs and practices of leading companies around the world. Effective from 2023 to 2024, this recognition is conferred exclusively to companies with the best industry ethics and compliance program.



## ENGAGING WITH SHAREHOLDERS

Our Board of Directors believes in the importance of reaching out and engaging with our shareholders. Its accountability and communication with them are enhanced by each of the following practices throughout the year:

### Communication with Shareholders Practices:

✓	<b>Quarterly earnings conference calls held with financial analysts and institutional investors to present quarterly results:</b>	Live webcast and transcript with a question and answer period for which the recording is available on the Company's website at <a href="http://www.snclavalin.com">www.snclavalin.com</a> , under "Investors"/"Financial information"/"Quarterly Reports"
✓	<b>Dedicated corporate and investor relations web pages:</b>	Presentations, webcasts, audio recordings and transcripts of past quarterly earnings conference calls, 2021 investor day and annual shareholder's meetings available at <a href="http://www.snclavalin.com">www.snclavalin.com</a> , under "Investors"/"Investor's Briefcase"
✓	<b>Ongoing investor relations' initiatives:</b>	Meetings with investors and attendance at industry-related conferences
✓	<b>Annual meeting of shareholders:</b>	Live webcast where registered shareholders and duly appointed proxyholders can attend, ask questions and vote
✓	<b>News releases:</b>	New releases announced throughout the year to disclose selected news and events available on the Company's website at <a href="http://www.snclavalin.com">www.snclavalin.com</a>
✓	<b>Investors' e-mail address:</b>	Investors are encouraged to address any specific questions or concerns they might have via <a href="mailto:investors@snclavalin.com">investors@snclavalin.com</a>

### Board and Chair of the Board

Our Board and Committees consider and review other engagement activities which they believe can further enhance the Company's long-term commitment to allowing and facilitating the processes by which our shareholders may express their views on governance, compensation and other matters. They believe this engagement assists them in carrying out their responsibilities in the Company's interest.

In 2022, our Chair of the Board communicated periodically with a number of our largest shareholders and investors through various channels, including meetings, the annual report and the Letter to Shareholders included in the Circular.

The Board also believes it is important to communicate with shareholders on matters that are important to them and invite them to submit any individual queries, comments, specific questions or concerns they might have to the below forum:

### How can Shareholders Engage with:

The Board of Directors:		<b>By email:</b> <a href="mailto:chairoftheboard@snclavalin.com">chairoftheboard@snclavalin.com</a>
Corporate Secretary:		<b>By mail:</b> Corporate Secretary 455 René-Lévesque Blvd. West Montréal, Québec (Canada) H2Z 1Z3
Investor Relations:		<b>By email:</b> <a href="mailto:investors@snclavalin.com">investors@snclavalin.com</a>

We invite the shareholders to consult the Company's website [www.snclavalin.com](http://www.snclavalin.com) for upcoming events, presentations, investor documents, news releases, filings, etc.

## EQUALITY, DIVERSITY & INCLUSION (ED&I)

### Our Diversity Policy

SNC-Lavalin is committed to ED&I. Its Diversity Policy which refers to diversity within the Designated Groups has been in place since 2017. The Diversity Policy reflects the Company's view that diversity within its ranks is important to ensure that the profiles of Directors, executive officers and senior leaders provide the necessary range of perspectives, backgrounds, experience and expertise required to achieve effective stewardship and management. It is an important means to ensure that a wide-variety of perspectives are brought to bear on issues, while enhancing the likelihood that proposed solutions will be nuanced and comprehensive.

The GES Committee (for Directors) and the HR Committee (for executive officers and senior leaders) are responsible for annually monitoring the implementation of the Diversity Policy and reviewing its content. They are also responsible for assessing the effectiveness of the process regarding the Director nomination and hiring, promotion, retention and succession planning for executive officers and senior leaders against the progress made towards achieving the Company's diversity objectives outlined in the Diversity Policy and reporting to the Board thereon.

In addition, the HR Committee and the Board of Directors, when appointing the President and CEO and executive officers, and the various senior leaders, review potential candidates from the Designated Groups and with diverse perspectives, with the Company's diversity objectives in mind, and consider the level of representation of candidates from the Designated Groups in executive officer and senior leader positions before making such appointments. As reflected in its mandate, the HR Committee monitors the effectiveness of programs, targets and initiatives put in place by management to meet the goals and objectives of the Diversity Policy.

The Company also measures, year over year, the representation of individuals from the Designated Groups in its talent pool. It considers the level of representation of individuals from the Designated Groups and other components of diversity within its ranks and considers both as important factors in its search process for new candidates. Succession plans for all executive officer and key senior leader positions should include successors from the Designated Groups.

### ED&I Targets

In 2020, we set out gender targets to be met by the end of 2025. These diversity targets are as follows:

Gender quantitative targets to be met by the end of 2025

30%	25%	25%	33%
Commitment from the Board to maintain at least this minimum representation by women	Proportion of women representation among executives by 2025 <sup>(1)</sup>	Proportion of women representation in managers and senior professionals by 2025 <sup>(2)</sup>	Proportion of women representation in all regular staff by 2025

Since 2020, our impact towards our 2025 targets is as follows<sup>(3)(4)</sup>:

	2020	2021	2022	Increase in year	Cumulative increase
Women representation among executives <sup>(1)</sup> :	18.3%	19.7%	22.4%	2.7%	4.1%
Women representation in managers and senior professionals <sup>(2)</sup> :	19.9%	21.0%	22.1%	1.1%	2.2%
Women representation in all regular staff:	30.3%	30.9%	31.1%	0.2%	0.8%

### Aboriginal Peoples, Persons with Disabilities and Members of Visible Minorities

SNC-Lavalin has not set specific targets regarding the representation of Aboriginal peoples, persons with disabilities and members of visible minorities on its Board, in executive officer positions and in senior leader positions for the time being but continues to evaluate the possibility to do so. The Company will evaluate the possibility of establishing targets for the representation of Aboriginal peoples, persons with disabilities and

members of visible minorities on its Board, in executive officer positions and in senior leader positions. SNC-Lavalin recognizes, however, the important role Aboriginal peoples, persons with disabilities and members of visible minorities, with appropriate and relevant skills and experience, can play in contributing to different views and perspectives within the Board and management.

As at March 20, 2023, there was one (1) (9.1%) member of a visible minority and no (0%) Aboriginal peoples and persons with disabilities represented on the Board. As at March 20, 2023, eleven (11) (8%) members of visible minorities, no (0%) Aboriginal peoples and five (5) (3.6%) persons with disabilities occupied executive positions.<sup>(4)</sup>

- (1) This category comprises members of the Executive Committee and other executives (such as senior vice presidents and vice-presidents) and senior project managers.
- (2) These categories include managers, senior professionals and project managers.
- (3) Both the current and historical data takes into account the transfer of employees following the sale of the Company's Resources Oil & Gas business.
- (4) The foregoing disclosure is derived from information provided by Directors and employees. In accordance with privacy legislation, such information was collected on a voluntary basis, and where a particular individual chose not to respond, SNC-Lavalin did not make assumptions or otherwise assign data to that individual.

## ED&I Program

In 2022, we continued to build on our long-standing commitment to ED&I. We have embedded and operationalized our Global ED&I program "Different makes a difference" and we are continuing to see the impact of our hard work and commitment.

We have witnessed a 5% increase in our two-year average score on our annual ED&I index (part of our Vox employee engagement survey). Our talent attraction programs continue to support our commitment to a more diverse workforce and this year has resulted in a significant female young professional intake ranging from 33% in the U.K., 35% in Latin America, and 38% in Canada. While we remain firmly committed to our gender targets, we are also focusing on increasing minority groups across our regions.

Our employees have embraced the program and are involved through our Employee Resource Groups ("ERGs"), which expanded this year from 16 to 31 worldwide. The ERGs, which are employee owned and led, have been instrumental in operationalizing our program and helping us identify barriers and opportunities within our employee lifecycle. Our ERGs have also been instrumental in developing and supporting our global Allyship program, which is a key enabler to the success of our program.

## Indigenous Peoples

In Canada, we have also adopted initiatives for Indigenous Relations and Inclusion. We are committed to increased collaboration and partnering with Indigenous peoples and businesses, in line with our Commitment to Indigenous Peoples which is available on our website at [www.snclavalin.com](http://www.snclavalin.com) under "About us"/"Indigenous relations". Some of the initiatives include:

- › Offering pro bono our expertise and assistance in Ground Penetrating Radar (GPR) technology to identify possible locations of burial sites for Indian Residential Schools.
- › Membership of the Canadian Council for Aboriginal Business where we have registered for the PAR – Progressive Aboriginal Relations™ – Certification and are striving for Silver Certification.
- › Creation of a RAP - ReconciliACTION Plan – which is due for release in 2023. This plan includes actions, aggressive targets and KPIs with a detailed identification of the changes needed to align our processes with the PAR Program (e.g. hiring new Indigenous employees and establishing Indigenous partnerships).
- › Launching Indigenous E3, a special purpose limited partnership formed between SNC-Lavalin and Indigenous Community and Engagement (ICE), a leading firm in Indigenous stakeholder engagement that specializes in developing Reconciliation-rooted approaches to advance Indigenous socio-economic development in Canada.
- › Over 90% of our Canadian employees completing Indigenous Awareness Training.
- › Awarding five \$5,000 Indigenous Success Scholarships to Indigenous students enrolled in a post-secondary Canadian institution.
- › Through our procurement department, identifying over 1000 Indigenous businesses in Canada that offer services and products used in our projects.

Our ED&I program is also a core component of our sustainable business strategy, which is based around the UN Sustainable Development Goals ("SDG") and supports our purpose as a company. Here are a few examples of the great work we have done outside of our organization to support gender quality (SDG 5) and reduce inequalities (SDG 10), as well as other goals such as access to quality education and access to clean water and sanitation, which can be found on our website at [www.snclavalin.com](http://www.snclavalin.com) under "Priorities"/"Sustainability"/"Sustainability report".

## 2022 External ED&I Initiatives

Here are some of the global initiatives for the year 2022 of our ED&I Program:

- › Our building bridges program in India is where we are supporting young women from disadvantaged backgrounds to achieve qualifications to become part of the future workforce.
- › Our first collaboration with Governors for schools, where we have developed a 'first of a kind' relationship in response to the skills crisis in the engineering and construction industry.
- › Our International advisory work in Kenya, where we support sustainable economic development across 12 intermediary cities (SUED) – mainly focusing on skills and inclusion of marginalized groups.

- › Our getting-home safety toolkit developed to ensure that the safety of women and girls is embedded within the design of streets and public spaces.
- › Our two-year Department for Transport contract to comprehensively audit all U.K. railway stations for accessibility, with the 1000<sup>th</sup> station audited. This project will lead to improved data for the industry to drive accessibility improvements, and data will also be made public to help passengers plan their journeys.
- › On the research front, the release of our career deflection report, which unveils how 'career deflection' leads women, ethnic minorities, and other intersectional groups to leave the engineering profession prematurely.
- › The release of our Regional Rebalancing research to support the desire and ambition to address regional inequalities across the U.K.

And we are being recognised for the work we do:



## ENVIRONMENTAL AND SOCIAL STEWARDSHIP<sup>(1)</sup>

SNC-Lavalin has been helping private and public clients to address their design, engineering and infrastructure challenges for over a hundred years. At this critical moment in time, when humanity needs to face megatrends such as climate change, population growth and rapid digitalization, the Company is confident in its capacity to fundamentally transform the way it operates while supporting society in its own reinvention.

At the forefront of our initiatives is SNC-Lavalin's "Engineering Net Zero" thought leadership, an exercise where some of our brightest minds have sought solutions and immediately implementable actions that governments can – must – take to meet the global 2050 goal and shape a greenhouse gas free economy. Our focus is on looking at the hard tasks that come with creating the net zero world that is needed to manage the risks associated with unbridled climate change:

- › How to build the low carbon system of the future at the pace required?
- › How to manage the interconnection between energy supply, distribution and demand to ensure low carbon energy reaches our communities and powers our future growth?
- › How to support clients to manage their existing assets – 70% of-which will need to be part of a net zero 2050 - and build new ones, with carbon emissions as a key driver alongside time, cost and quality?

SNC-Lavalin has framed these questions through market-leading thought leadership. This started in the U.K. in November 2019 with our first Engineering Net Zero report which set out the pathway and no regrets actions that the U.K. Government would need to take to deliver on its legally-binding low carbon commitments. In March 2021, SNC-Lavalin produced the equivalent report for Canada, aimed at supporting the Government as it moves towards its own decarbonization targets.

In May 2021, SNC-Lavalin launched "Our vision for engineering a sustainable society", containing ESG targets for the Company's corporate activities. As part of this, the Company announced a target of net zero carbon emissions by 2030 from 2019 as a baseline year. In October 2021, in the run up to COP26, SNC-Lavalin signed up to the "Race to Zero", the United Nations Framework Convention on Climate Change's (UNFCCC) Race to Zero global campaign and signed the Business Ambition for 1.5°C target. SNC-Lavalin also signed The Climate Pledge, which aims to achieve the Paris Agreement 10 years early, and be net-zero carbon by 2040 or sooner.

In July 2021, SNC-Lavalin completed the sale of its Resources Oil & Gas business, a significant step forward in the Company's strategy to reduce its risk profile and accelerate its ongoing transition to becoming a leading provider of professional engineering services and project management solutions.

The transaction is also an important milestone in the Company's journey towards sustainability, as highlighted in the Company's 2021 Sustainability Report.

Through 2022 and continuing into 2023, as part of our journey to embed climate change resilience in all our activities, we worked towards the implementation of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We have undertaken analysis and engaged widely with stakeholders throughout the Company to assess our climate change risks and initiate climate scenario analysis.

This work will enhance our strategy and climate risk management, and is part of our ongoing efforts towards Net Zero as well as increase our ability to anticipate, prepare for, and respond to the effects of climate change.

A summary of our progress with this work will be published later in 2023.

(1) This section contains forward-looking information. Please see the "Caution Regarding Forward-Looking Statements" note of this Circular.

## Engineering Net Zero

### OUR NET ZERO CARBON 2030 TARGET AND COMMITMENT

Our Engineering Net Zero strategy sets out how, as a leader in the design and delivery of the built environment, SNC-Lavalin can support clients build a low carbon future.

However, we also recognize that we need to reduce our own emissions. We intend to accomplish this through our aggressive net zero plan, which details how we will achieve net zero carbon emissions for corporate activities by 2030.

The plan focuses on:

- > Driving down the carbon emissions arising from energy and consumables used within our offices;
- > Driving down the carbon emissions from business travel; and
- > Completing our digital transformation.

Yet, it is through the work we do in partnership with our clients that we make the most significant impact in tackling the climate change challenge.

SNC-Lavalin has a long and proud history of supporting clients with low carbon solution both through the generation of low carbon power, and the reduction of carbon in the design, build, operation and decommissioning of assets. 'Engineering Net Zero' sets out the breadth of our offer to clients as we support them to meet their net zero goals. These services include:

- > **Strategic Carbon Advisory:** A consulting service which supports clients with industry-leading route maps and planning. From concept through to implementation and management, we will clarify and direct the path to net zero carbon and deliver the pragmatic, cost-effective solutions required to deliver on our net zero commitments.
- > **Net Zero Energy Systems:** SNC-Lavalin provides a whole-system approach to delivering end-to-end capability across the whole lifecycle of generation assets. We support our clients in decarbonizing key areas of existing systems, designing new low carbon power assets, approaches to carbon capture, integrating clean-energy solutions, and developing solutions to enable the decarbonization of the wider built environment. Hydrogen generation and deployment is also a key area of focus.
- > **Buildings and Cities:** From single buildings, to sustainable campuses, estates, and cities, SNC-Lavalin supports clients to deliver their net zero plans throughout the lifecycle of their assets and integrate new or existing buildings to create the net zero communities of the future. SNC-Lavalin applies industry-leading methods and practices to deliver developments, interconnected by smart and green systems and infrastructure, and take into account the wider context of competing commercial, economic, social and environmental priorities.
- > **Decarbonomics™**, a new service line launched in 2022: This end-to-end service focuses on existing buildings that need to decarbonize to reach net zero. The service comprises a three-step approach: benchmarking (developing a carbon baseline), roadmap (designing a cost-effective path to reducing carbon) and delivery (implementing carbon-reduction solutions) for the built environment, helping our clients to reduce carbon across their existing estates.
- > **Net Zero Transportation:** SNC-Lavalin supports clients to accelerate the shift to low- or zero- carbon transport networks. We support plans to shift to lower carbon modes of local transport, the decarbonization of road traffic through a rapid transition to electric vehicles, the decarbonization of longer-distance passenger and freight movement, with greater use of electrified railways, and new technology for heavy goods vehicles, planes and shipping, across design, operation and maintenance.
- > **Net Zero Industrial Solutions:** SNC-Lavalin draws on our cross-sector expertise to create complete pathways to net zero and also build climate resilience for new and existing assets. Our whole-of-system services range from advice on nature-based solutions, land use and strategies for building more sustainable value chains, to repurposing and recycling existing assets, smart maintenance, green logistics and design and modern methods of construction.



- **Greenhouse Gas Removals:** In any pathway to a net zero world, a significant amount of carbon dioxide will need to be removed from the atmosphere. This is likely to happen through a combination of nature-based and mechanical solutions, such as direct air capture. SNC-Lavalin will support clients to identify, design and deliver the right solution to keep them on their net zero trajectory.

Through Engineering Net Zero, SNC-Lavalin will be intensifying its focus on putting sustainability at the heart of its business strategy and undertake business activities in a way that is beneficial to the environment, society, as well as both global and local economies. Our sustainable business strategy is aligned with the UN Sustainable Development Goals and recognizes the importance of advancing the triple bottom line of environmental, social and economic sustainability, placing our business model in line with a global imperative to “leave no one behind”. These goals are a concerted effort by the international community to address pressing issues such as climate change, unfettered energy consumption, inequality, health and well-being, and a lack of clean water and sanitation.

We are also a member of the UN Global Compact, signifying our support to adopting universal sustainability principles for the good of all. As we deliver our Engineering Net Zero program, we will be intensifying our contribution to the three United Nations Sustainable Development Goals which we consider to be most material to our business strategy, our capability, and to our stakeholders.

## Contribution to the United Nations Sustainable Development Goals

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### GOAL 7: AFFORDABLE AND CLEAN ENERGY

The first UN goal we are prioritizing is Goal 7, Affordable and Clean Energy, which requires organizations to ensure access to affordable, reliable, sustainable and modern energy for all. With a need for the world to decrease its reliance upon hydrocarbons, we are looking at the future developments in clean energy markets such as hydro, nuclear, wind, solar and carbon capture to ensure our future strategic growth initiatives align to the establishment of affordable and clean energy systems, building on our existing market presence, skills and capabilities.

Within this, we recognize that our role is not simply one of following markets; as an industry leader, we have a responsibility in helping to shape the energy markets of the future. Alongside our prominent thought leadership on net zero carbon, we are also looking at how we engage and support the education of our teams on all aspects of net zero and ensure this becomes part of the everyday language not just within our business, but within society as a whole.

### GOAL 11: SUSTAINABLE CITIES AND COMMUNITIES

The second UN goal that we are prioritizing is Goal 11, Sustainable Cities and Communities, which requires organizations such as ours to make cities inclusive, safe, resilient and sustainable.

Creating sustainable cities and communities is about far more than reducing carbon, but it is an increasingly important focus for clients. Our Engineering Net Zero service offers are designed to support clients as they plan to decarbonize their assets whether at building, estate or whole city level, for both new and existing building stock. We support cities through our master planning services. Our transport teams around the world work with clients to design and build the mass transit solutions that will move people and goods efficiently. Our architecture teams design award winning public spaces for communities to enjoy, whilst more broadly we help clients to quantify and manage the carbon emissions of their existing assets as well as delivering new net zero buildings.

Our Digital Twin capability, a core part of our Digital Future program, provides an exciting opportunity to support clients as they design and operate their assets in new, lower carbon ways.

### GOAL 13: CLIMATE ACTION

The third UN goal we are prioritizing is Goal 13, Climate Action, which requires organizations to take urgent action to combat climate change and its impacts.

Whilst our approach to net zero regarding energy production and usage is aimed at helping to mitigate the worst effects of man-made climate change, we also recognize our responsibility in helping to create a society that is resilient to the effects of climate change that may already be “locked in”. We need to do both. Our work with the water sector around the world is a good illustration of how we do this. We work with clients and Government agencies to create actionable net zero plans which build in climate resilience as a core principle. We also have a deep capability in resilience services. For example, we work extensively for Federal agencies in the U.S. on disaster relief operations that respond to episodic events which often affect water-related infrastructure. We also contribute to longer-term programs to improve the resilience of infrastructure to climate-related and other natural disasters.

## Social Contributions

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SNC-Lavalin's Donations and Sponsorships Program supports initiatives that have a positive impact on communities, learning and innovation, as well as those that stimulate progress. Every year, financial commitments are made to various educational causes – the Program's focus – and initiatives that support the next generation of talent.

The Company also contributes to charities that build caring communities, such as United Way Canada/ Centraide, various health care organizations and those that support the development of arts and culture. In addition to monetary commitments, the Program encourages employees to be actively engaged in their communities by providing a matching fund allowance for certain donations made by employees, in time or in money.



## OTHER INFORMATION

### INDEBTEDNESS OF DIRECTORS AND OFFICERS

As of March 20, 2023, there was no indebtedness of current or former Directors, officers or employees of the Company or its subsidiaries, whether entered into in connection with the purchase of securities of the Company or otherwise.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Certain information related to the interest of informed persons in material transactions can be found under the headings "Interest of Management and Others in Material Transactions", on page 27 of the 2022 AIF which disclosure is incorporated by reference herein. The 2022 AIF may be viewed on the Company's website at [www.snclavalin.com](http://www.snclavalin.com) under "Investors"/"Investor's Briefcase" and on the SEDAR website at [www.sedar.com](http://www.sedar.com) under the name of SNC-Lavalin Group Inc. A copy will be provided free of charge upon request by any securityholder of the Company.

Other than as elsewhere described herein and in the abovementioned sections of the 2022 AIF, management of the Company is not aware of any material interest, direct or indirect, of any informed person of the Company, any nominee Director or any associate or affiliate of any informed person or nominee Director in any transaction since the commencement of the Company's most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect the Company or any of its affiliates or subsidiaries.

### RELATED PARTY TRANSACTIONS

Under the Code, Directors must declare, among others, any direct or indirect material interest or relationship that they may have in a material contract or transaction. In addition, to comply with the independence criteria established by the CSA and assist in identifying and monitoring possible related party transactions, Directors are required to complete an annual questionnaire and quarterly certifications disclosing any related party transactions. The Audit and Risk Committee is responsible under its mandate for reviewing related party transactions in accordance with IFRS and applicable laws and regulations. To the extent that it is necessary to do so, the Audit and Risk Committee may retain outside advisors to assist it in reviewing related party transactions.

In 2022, there were no related party transactions involving the Directors or any of the members of the Executive Committee.

### SHAREHOLDER PROPOSALS

Proposals relating to any matter that the persons entitled to vote at the 2024 annual meeting of shareholders wish to submit at that meeting must be received by the Company between December 20, 2023, and February 18, 2024.

### AVAILABILITY OF DOCUMENTS

Financial information is provided in the Company's annual and quarterly financial statements and annual and quarterly MD&A. The Company is a reporting issuer under the securities acts of all provinces of Canada and complies with the requirement to file annual and quarterly financial statements, annual and quarterly MD&A as well as its Circular and AIF with the various securities commissions in such provinces. The Company's most recent annual financial statements, annual MD&A, quarterly financial statements, quarterly MD&A, Circular, AIF and additional information relating to the Company may be viewed on the Company's website at [www.snclavalin.com](http://www.snclavalin.com) under "Investors"/"Investor's Briefcase" and on the SEDAR website at [www.sedar.com](http://www.sedar.com) under the name of SNC-Lavalin Group Inc.

A printed copy can be ordered online via the Company's website at [www.snclavalin.com](http://www.snclavalin.com) and under "Investors"/"Investor's Briefcase" or upon request to the Company's Corporate Secretary at 455 René-Lévesque Boulevard West, Montréal, Québec, H2Z 1Z3, Canada. The Company may require the payment of a reasonable charge when the request for copies is made by a person other than a holder of securities of the Company, unless the Company is in the course of a distribution of its securities pursuant to a short form prospectus, in which case such paper copies will be provided free of charge.

### APPROVAL OF DIRECTORS

The contents and mailing of this Circular have been approved by the Board of Directors of the Company and were sent to each Director, each shareholder whose proxy is solicited and to the auditor.

Montréal, Québec, March 20, 2023.

BY ORDER OF THE BOARD OF DIRECTORS



**Geneviève Simard**  
Corporate Secretary

# SCHEDULE A – RECONFIRMATION AND APPROVAL OF THE AMENDED AND RESTATED SHAREHOLDER RIGHTS PLAN AGREEMENT

## PURPOSE OF RIGHTS PLAN

The primary objective of the Rights Plan is to preserve the fair treatment of shareholders and to provide every shareholder with an equal opportunity to participate in the event a take-over bid is made for the Company. The Rights Plan encourages a potential bidder to proceed either by way of a Permitted Bid (as described below), which requires the take-over to satisfy certain minimum standards designed to promote fairness, or with the concurrence of the Board of Directors.

The Board did not originally adopt the Rights Plan, and is not seeking the reconfirmation of the Rights Plan, in response to, or in anticipation of, any pending, threatened or proposed acquisition or take-over bid.

## SUMMARY OF RIGHTS PLAN

The following is a summary of the principal terms of the Rights Plan. This summary is qualified in its entirety by reference to the full text of the Rights Plan. The Rights Plan is available on the Company's website ([www.snclavalin.com](http://www.snclavalin.com)) under "Investors"/"Investor's Briefcase". Copies of the Rights Plan will also be available at the Meeting. Capitalized terms used in this summary and that are not otherwise defined have the same meaning given to them in the Rights Plan.

## EFFECTIVE DATE

The effective date of the Rights Plan is March 8, 1996 (the "**Effective Date**").

## EXPIRATION TIME

If the Rights Plan is reconfirmed at the Meeting, the Rights Plan will remain in force until the new Expiration Time, being the earlier of the Termination Time (the time at which the right to exercise Rights (as defined below) terminates pursuant to the Rights Plan) and the close of business on the date of the annual meeting of shareholders of the Company to be held in 2026.

## ISSUANCE OF RIGHTS

One (1) right (a "**Right**") has been issued by the Company in respect of each Common Share issued to date and one (1) Right will continue to be issued in respect of each Common Share issued before the earlier of the Separation Time (as defined below) and the Expiration Time. The Rights are not exercisable until the Separation Time.

## RIGHTS EXERCISE PRIVILEGE

The acquisition by any person (an "**Acquiring Person**") of 20% or more of the Common Shares, other than by way of a take-over bid permitted by the Rights Plan (a "**Permitted Bid**") or pursuant to another exemption available under the Rights Plan, is referred to as a "Flip-in Event". Any Rights held by an Acquiring Person will become void upon the occurrence of a Flip-in Event. Ten (10) Trading Days after the occurrence of the Flip-in Event: (i) the Rights will become exercisable; (ii) the Rights will separate from the Common Shares; and (iii) each Right shall constitute the right for the holder thereof, other than an Acquiring Person, to purchase from the Company that number of Common Shares as have an aggregate Market Price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price (as described in the following paragraph) for an amount equal to the Exercise Price, subject to certain anti-dilution adjustments, in effect providing for a 50% discount relative to the Market Price (the "**Rights Exercise Privilege**"). For example, if on the date of consummation or occurrence of the Flip-in Event, the Market Price of a Common Share is \$60, the Exercise Price would be \$300 and a holder of a Right would be entitled to purchase ten (10) Common Shares (twice the Exercise Price divided by the Market Price, or  $(2 \times \$300) \div \$60 = 10$  Common Shares) for an aggregate exercise price of \$300.

The Rights will also separate from the Common Shares and will be exercisable ten (10) Trading Days (the "**Separation Time**") after a person has commenced, or announced its intention to commence a take-over bid, to acquire 20% or more of the Common Shares, other than by an acquisition pursuant to a Permitted Bid or pursuant to another exemption available under the Rights Plan. The Exercise Price is an aggregate dollar amount equal to the Market Price of the Common Shares, determined as at the Separation Time, multiplied by five (5). For example, if as at the Separation Time, the Market Price per Common Share is \$60, the Exercise Price would be \$300.

The issue of the Rights is not initially dilutive. Upon a Flip-in Event occurring and the Rights separating from the Common Shares, reported earnings per Common share on a diluted or non-diluted basis may be affected. Holders of Rights who do not exercise their Rights upon the occurrence of a Flip-in Event may incur substantial dilution of their shareholdings.

## PERMITTED BID REQUIREMENTS

The requirements for a Permitted Bid include the following:

1. The take-over bid must be made by way of a take-over bid circular;
2. The take-over bid must be made to all holders of record of Common Shares, other than the Offeror;
3. The take-over bid must be outstanding for a minimum period of 105 days, or such shorter minimum period as provided for in Regulation 62-104 respecting Take-Over Bids and Issuer Bids (the "**Regulation 62-104**"), and Common Shares tendered pursuant to the take-over bid may not be taken up prior to the expiry of the 105-day period (or applicable shorter period) and then only if, at such time, more than 50% of the Common Shares (other than those owned by the bidder on the date of the take-over bid) have been tendered to the take-over bid and not withdrawn; and
4. If more than 50% of the Common Shares (other than those owned by the bidder on the date of the take-over bid) are tendered to the take-over bid within the 105-day period (or applicable shorter period), the bidder must make a public announcement of that fact and the take-over bid must remain open for deposits of Common Shares for an additional ten (10) days from the date of such announcement.

The Rights Plan provides that a competing Permitted Bid (a "**Competing Permitted Bid**") made while a Permitted Bid is in existence will not trigger a Flip-in-Event. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid, except that no Common Shares can be taken up prior to the close of business on the last day of the minimum initial deposit period that such take-over bid must remain open pursuant to Regulation 62-104 after the date of the take-over bid constituting the Competing Permitted Bid.

## LOCK-UP AGREEMENTS

A bidder may enter into lock-up agreements (the "**Permitted Lock-up Agreements**") with shareholders of the Company (the "**Locked-up Persons**") whereby such Locked-up Persons agree to tender their Common Shares to the take-over bid (the "**Lock-up Bid**") without a Flip-in Event occurring. More specifically, a person will not be deemed to Beneficially Own any Common Share because the Common Share has been agreed to be tendered pursuant to a Permitted Lock-up Agreement until the earlier of the tendered share being taken up or paid for. Any Permitted Lock-up Agreement must allow the Locked-up Person to withdraw his Common Shares to tender to another take-over bid or to support another transaction (i) at a price per Common Share that exceeds the price per Common Share offered under the Lock-up Bid, or (ii) at an offering price that exceeds the Lock-up Bid offering price by a specified minimum amount not exceeding 7% of the Lock-up Bid offering price, or (iii) for a number of Common Shares that exceeds, by as much as or more than a number specified in the Permitted Lock-up

Agreement, the number of Common Shares offered to be purchased under the Lock-up Bid at a price per Common Share that is not less than the price under the Lock-up Bid, provided that the number specified in the agreement is not more than 7% of the number of Common Shares offered under the Lock-up Bid. A Permitted Lock-up Agreement may nevertheless contain a right of first refusal or require a period of delay to give a bidder an opportunity to match a higher price in another transaction, so long as the Locked-up Person can accept another bid or tender to another transaction.

Copies of Permitted Lock-up Agreements must be made available to the Company and to the public. Furthermore, all Permitted Lock-up Agreements must also provide that, if a Locked-up Person fails to deposit or tender his/her Common Shares to the Lock-up Bid, or withdraws Common Shares previously tendered to the Lock-up Bid in order to deposit such Common Shares to another take-over bid or to support another transaction, no break-up fees or other penalties can be required of such Locked-up Person where such penalties, in the aggregate, exceed the greater of (i) 2.5% of the value payable under the Lock-up Bid to the Locked-up Person and (ii) 50% of the amount by which the value payable to the Locked-up Person under another take-over bid or transaction exceeds what such Locked-up Person would have received under the Lock-up Bid.

## CERTIFICATES AND TRANSFERABILITY

Prior to the Separation Time, the Rights will be evidenced either by a legend imprinted on the Common Share certificates or by book entry notation, and are not transferable separately from the Common Shares. From and after Separation Time, the Rights may be evidenced by Rights certificates or in book entry form, and will be transferable and tradable separately from the Common Shares.

## WAIVER OF THE RIGHTS PLAN

Prior to a Flip-in Event that would result from a take-over bid made by means of a take-over bid circular to all holders of record of Common Shares, the Board, acting in good faith, may waive the application of the Rights Exercise Privilege provisions of the Rights Plan to such Flip-in Event, and the Rights Exercise Privilege provisions of the Rights Plan will then be waived automatically for all contemporaneous take-over bids made by means of a take-over bid circular. The Board may also waive the application of the Rights Exercise Privilege provisions of the Rights Plan to a Flip-in Event if it is satisfied that a person became an Acquiring Person by inadvertence and if such person then reduces its interest below the 20% Acquiring Person threshold. All other waivers require approval of the holders of Common Shares, or holders of Rights if after the Separation Time.

## REDEMPTION OF RIGHTS

The Board may, subject to the prior approval of the holders of the Common Shares or the holders of the Rights, as the case may be, at any time prior to a Flip-in Event, redeem all of the outstanding Rights at a redemption price of \$0.001 per Right, appropriately adjusted for anti-dilution as set out in the Rights Plan.

## AMENDMENTS TO THE RIGHTS PLAN

The Board may amend the substance of the Rights Plan with the approval of a majority of the votes cast by Independent Shareholders (or the holders of Rights if the Separation Time has occurred) at a meeting duly called for that purpose. The Board may also, without such approval, make amendments to the Rights Plan to maintain its validity due to changes in applicable legislation and correct clerical and typographical errors, subject, however, to approval at the next meeting of the holders of Common Shares (or the holders of Rights, as the case may be).

## EFFECT ON DUTIES OF BOARD

The Rights Plan will not detract from or lessen the duty of the Board to act honestly and in good faith keeping in mind the best interests of the Company and its shareholders. The Board will continue to have the duty and power to take such actions and make such recommendations to shareholders as are considered appropriate if and when a take-over bid is made for the Company, whether it constitutes a Permitted Bid or not.

## EXEMPTIONS FOR INVESTMENT ADVISORS AND GRANDFATHERED PERSONS

Persons whose ordinary business is managing investment funds for others, trust companies (acting in their capacities as trustees and administrators), statutory bodies whose business includes the management of funds, and administrators of registered pension plans are exempt from triggering a Flip-in Event, provided that they are not making, or are not part of a group making, a take-over bid.

## PROPOSED AMENDMENT

An amendment to the definition of "Expiration Time" is proposed in connection with the reconfirmation so as to read: "Expiration Time" shall mean the earlier of: (i) the Termination Time; and (ii) the close of business on the date the annual meeting of shareholders of the Corporation is held in 2026; provided, however, that if the resolution referred to in section 6.16 is approved by the Independent Shareholders in accordance with section 6.16 at or prior to such annual meeting, "Expiration Time" shall mean the earlier of (A) the Termination Time; and (B) the close of business on the date the annual meeting of shareholders of the Corporation is held in 2029.

The amendment will become effective only at the time of reconfirmation and approval of the Rights Plan by the shareholders of the Company at the Meeting. The amendment is indicated in the blacklined version of the Rights Plan, which will be available on the Company's website at [www.snclavalin.com](http://www.snclavalin.com) under "Investors"/ "Investor's Briefcase" until the Meeting. A paper copy may also be obtained upon request from the Corporate Secretary of the Company at the registered office of the Company located at 455 René-Lévesque Boulevard West, Montréal, Québec, H2Z 1Z3, Canada or at [investors@snclavalin.com](mailto:investors@snclavalin.com).

# SCHEDULE B - MANDATE OF THE BOARD OF DIRECTORS

## 1. MISSION

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The Board of Directors (the “**Board**”) of SNC-Lavalin Group Inc. (the “**Company**”) supervises and oversees the management of the Company’s business and affairs.

## 2. COMPOSITION

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### 2.1 BOARD COMPOSITION

The Articles of the Company provide that the Board is composed of not less than eight (8) and not more than twenty (20) Directors, to be elected annually. A majority of Directors must be “independent”, as determined by the Board and in light of Canadian securities legislation and regulations.

The Board strives to include within its ranks a diverse group of individuals including, but not limited to, both gender and ethnic diversity and abides by the Company’s Diversity and Inclusion on the Board of Directors and in Senior Leadership Positions Policy, which requires considering women, Aboriginal peoples, persons with disabilities and members of visible minorities as part of the Directors’ selection process, as well as all applicable laws and regulations.

### 2.2 CONFLICT OF INTEREST

Although Directors may be nominated by the Board and elected by shareholders to bring a special expertise, experience or point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Company must be paramount at all times, taking into account those interests which in its judgment the Board may consider appropriate to consider from time to time, including the interests of the Company’s various stakeholders.

### 2.3 BOARD COMMITTEES

The Board may establish, seek the recommendations of, and delegate responsibilities to Committees of the Board. Such delegation does not relieve the Board of its overall responsibilities. The Board reserves the right to supervise, review and approve Committee activity. Committees do not take action or make decisions on behalf of the Board unless specifically mandated to do so.

The Board has established the following standing Committees:

- › Audit and Risk Committee;
- › Governance, Ethics and Sustainability Committee;
- › Human Resources Committee; and
- › Safety, Workplace and Project Risk Committee.

The Board may also establish non-standing Committees tasked with specific ad-hoc mandates.

## 3. ACTIVITIES, DUTIES AND RESPONSIBILITIES

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### 3.1 INTERACTION WITH MANAGEMENT

Management of the Company’s business and affairs is carried out through the President and Chief Executive Officer (“**CEO**”), who is charged with the day-to-day management of the Company. Management keeps the Board appropriately informed of the Company’s business, progress of its strategic objectives and risks.

### 3.2 BOARD MATTERS

- A.** Subject to the Articles and By-Laws of the Company, the Board manages its own affairs and, with the support of the Governance, Ethics and Sustainability Committee, is responsible for:
  - ii.** planning its size and composition and that of its Committees;
  - iii.** selecting the Chair of the Board, who cannot be the CEO;
  - iv.** nominating candidates for election to the Board;
  - v.** appointing the members and Chairs of its Committees;
  - vi.** establishing the responsibilities of its Committees;
  - vii.** determining Board compensation;
  - viii.** monitoring Board succession planning process; and
  - ix.** assessing the performance of the Board, Committees, Chair of the Board, Committee Chairs and individual Directors.
- B.** The Board ensures that appropriate structures and procedures are in place so that the Board and its Committees can function independently of management.
- C.** The Board provides an orientation and education program for new Directors, which is developed with the assistance of the Governance, Ethics and Sustainability Committee. The Board encourages and provides opportunities for all Directors to periodically update their skills as well as their knowledge of the Company, its business and affairs, and its senior management.

### 3.3 SENIOR OFFICERS COMPENSATION, PERFORMANCE EVALUATION AND SUCCESSION PLANNING

- A.** Upon recommendation of the Human Resources Committee, the Board reviews and approves the total rewards philosophy, strategy, policies, benchmarking (including peer group selection) and award levels for the group composed of the Executive Committee members (which includes the President and CEO) and other senior executives reporting directly to the President and CEO (“**Senior Officers**”), as the case may be.
- B.** Each year and upon recommendation of the Human Resources Committee, the Board reviews and approves the awards, payouts and setting of applicable performance objectives, targets, metrics and vesting criteria related to the Company’s short- term and long-term incentive plans.



- C.** Each year, upon recommendation of the Human Resources Committee, the Board reviews and approves the performance ratings and management development actions for Senior Officers.
- D.** Each year, the Board reviews the list of objectives of the President and CEO for the ensuing year.
- E.** The Board provides advice and counsel to the President and CEO, and takes action if and when performance falls short of their objectives or if other special circumstances warrant.
- F.** Upon recommendation of the Human Resources Committee, the Board reviews and approves the appointment and replacement of the President and CEO and other Senior Officers as well as their related compensation.
- G.** Each year, the Board receives a report from the Human Resources Committee on the succession plans for Senior Officers excluding the President and CEO and monitors the succession planning process.
- H.** Each year, upon recommendation of the Human Resources Committee, the Board reviews and approves the succession plan for the President and CEO.

### 3.4 STRATEGY OVERSIGHT

- A.** The Board participates in the development of the Company's strategy and monitors progress towards it. Each year, the Board reviews and approves the Company's strategic (5-year) plan and budget. The plan takes into account, among other things, the opportunities and risks of the Company's business. The Board also reviews on a regular basis, the strategy of the Company with respect to, among others, people and culture, technology, risks, Environmental, Social and Governance (ESG), capital allocation, key focus areas and growth.

### 3.5 ENVIRONMENTAL, SOCIAL AND GOVERNANCE

- A.** Before their publication and upon recommendation of the Governance, Ethics and Sustainability Committee, the Board reviews and approves new or material amendments to the Company's Statements and Commitments relating to governance, including the Company's Statement of Purpose, and ESG matters.
- B.** Each year, upon recommendation of the Governance, Ethics and Sustainability Committee, the Board reviews and approves the Company's annual Sustainability Report prior to their publication.

### 3.6 CORPORATE GOVERNANCE, ETHICS AND COMPLIANCE

- A.** The Board, with the assistance of the Governance, Ethics and Sustainability Committee, adopts, updates and monitors compliance with the corporate governance structures, policies and procedures of the Company.
- B.** The Board, with the assistance of the Governance, Ethics and Sustainability Committee, adopts, updates and monitors compliance with the Company's Code of Conduct.
- C.** The Board takes reasonable measures to satisfy itself that Senior Officers act with integrity and create a culture of integrity throughout the Company.

### 3.7 FINANCIAL MATTERS AND CONTROLS

- A.** The Board ensures, through reasonable measures, that the Company's audited annual financial statements are presented fairly and in accordance with generally accepted accounting standards.
- B.** The Board, with the assistance of the Audit and Risk Committee, monitors through reasonable measures the Company's internal controls and management information systems.

### 3.8 DISCLOSURE TO SHAREHOLDERS AND OTHERS

- A.** Before their publication and upon recommendation of the Audit and Risk Committee, the Board reviews and approves the Company's unaudited quarterly and audited annual financial statements and accompanying notes, together with the related Management's Discussion and Analysis and press release.
- B.** The Board ensures, through reasonable measures, that the performance of the Company is adequately reported to its shareholders, its other security holders, the investment community, the relevant regulators and the public on a timely and regular basis in compliance with applicable laws and regulations.
- C.** Before its publication and upon recommendation of the Audit and Risk Committee, the Board reviews and approves the Company's Annual Information Form.
- D.** Before its publication and upon recommendation of the Human Resources Committee and the Governance, Ethics and Sustainability Committee, the Board reviews and approves the Management Proxy Circular.
- E.** The Board reviews and approves prospectuses and any other disclosure documents to be disclosed or filed by the Company under applicable securities laws, before their public disclosure or filing with regulatory authorities.
- F.** The Board reviews and approves resolutions to call meetings of shareholders, normal course issuer bids, as well as the documents disclosed or filed by the Company in relation to meetings of shareholders.
- G.** The Board ensures, through reasonable measures, that timely disclosure is made in compliance with applicable laws and regulations and the Company's Disclosure and *Insider Trading Policy*. As required and upon recommendation of the Audit and Risk Committee, the Board reviews the Company's *Disclosure and Insider Trading Policy* and Disclosure Committee Charter, as well as recommendations regarding any required changes in light of applicable legal and regulatory requirements.
- H.** As required and upon recommendation of the Audit and Risk Committee, the Board reviews and approves any required changes to the Company's related party transactions processes in light of applicable legal and regulatory requirements.
- I.** As required and upon recommendation of the Audit and Risk Committee, the Board reviews and approves any required changes to the Company's overall insurance coverage, including captive and directors and officers (D&O) insurance.
- J.** The Board periodically considers and reviews engagement activities with shareholders and other stakeholders.



- K.** Before their publication and upon recommendation of the Audit and Risk Committee, the Board reviews and approves the financial information included in the Company's ESG public disclosure documents.

### 3.9 HEALTH AND SAFETY, SECURITY AND ENVIRONMENT

The Board ensures, through reasonable measures, that the Company has appropriate policies, practices, systems and resources to provide for the health and safety, security and environmental performance of the Company in accordance with applicable laws and regulations.

#### 3.10 PROJECT OVERSIGHT

Each year and upon recommendation of the Safety, Project Oversight and Technology Committee, the Board reviews and approves any updates to the project approval framework for new projects and related sections of the Company's *Levels of Authority Policy*.

## 4. ENTERPRISE RISK OVERSIGHT

### 4.1 RISK OVERSIGHT

As part of the Board's role and responsibilities with respect to the Company's risk management framework and in accordance with the Company's Risk Management Policy, the Board provides specific oversight of the Company's management of:

- i.** Strategic risks associated with geopolitical and market conditions, market strategy, clients and account management, competitors and disruptors, mergers and acquisitions, strategic initiatives, and brand management; and
- ii.** Operational risks associated with enterprise knowledge, business transformation, and business resilience.

### 4.2 RISK EVALUATION

- A.** The Board ensures, through reasonable measures, that the principal risks of the Company's business and affairs are identified and that measures to mitigate and manage such risks are implemented. The Board also monitors progress on corrective and mitigation actions.
- B.** The Board ensures that an integrated enterprise risk management system is in place and reviews updates thereto on an annual basis.
- C.** Each year, upon recommendation of the Audit and Risk Committee, the Board reviews and approves the Company's *Risk Management Policy*, *Risk Appetite Statement*<sup>(1)</sup> and *Risk Policy Statement*.

(1) The Company's *Risk Appetite Statement* includes the Company's position around risk-taking capacity, thresholds and tolerance levels.

## 5. ORGANIZATION AND PROCEDURES

- A.** Meetings of the Board are held at least quarterly and as required. In addition, another meeting of the Board is held, at least annually, to review and approve the Company's annual strategic plan and budget. The Board sets the schedule of the Board and Committee meetings to be held in any given calendar year, at least a year in advance. At each of the regularly scheduled meetings of the Board, an in-camera session of the non-executive Directors is held.
- B.** The involvement and commitment of Directors is evidenced by regular Board and Committee attendance, review of available meeting materials in advance, availability to consult with other Directors or management as necessary, and preparation and active participation in Board deliberations.
- C.** The Chair of the Board develops the agenda for each meeting of the Board, in consultation with the President and CEO and Corporate Secretary. The Chair of the Board or, in their absence, the President and CEO, presides Board meetings. In both their absence, an alternate may be elected by the Board. Senior management will be made accessible to the Directors at Board meetings to help them to fulfil their obligations.
- D.** A Director may participate in a meeting of the Board or of a Board Committee by means of telephone or other communications facilities which permit all persons participating in the meeting to communicate adequately with each other. A Director participating in a meeting by such means is deemed to be present at the meeting. If a regular meeting has been convened, physical participation in the meeting by Directors is encouraged and expected, except in special circumstances.
- E.** The Corporate Secretary or, in the case where they are unable to attend, the Assistant Corporate Secretary, acts as secretary of the meeting and forwards all minutes of Board meetings to each Director in a timely manner.
- F.** A majority of the number of Directors or minimum number of Directors required by the Articles constitutes a quorum for the transaction of business at any meeting of the Board. The proceedings of the Board are conducted in accordance with the By-Laws of the Company.
- G.** The Board may require the assistance of the Company's resources to research, investigate and report on matters within the Board's responsibilities.
- H.** The Board may engage outside advisors at the expense of the Company to research, investigate and report on matters within the Board's responsibilities. The Board approves the outside advisor's retention terms, which includes their compensation, and supervises their work.
- I.** The Board will annually review its mandate to ensure it continues to be appropriate and establish its annual working plan.

Nothing contained in this mandate shall be intended to expand applicable standards of conduct or other obligations under any law or regulation for the Directors of the Company.

# SCHEDULE C - SUMMARY OF THE STOCK OPTION PLAN

All options granted prior to 2022 under the 2013 Stock Option Plan expired before or on May 13, 2019. All stock options granted in 2022 under the 2013 Stock Option Plan are unvested as of December 31, 2022.

The following table presents information concerning stock options granted over the last five (5) years:

	2018	2019	2020	2021	2022
Number of Stock Options Granted	0	0	0	0	378,511
Number of Employees who were Granted Stock Options	0	0	0	0	125
Number of Stock Options Outstanding as at Year-End	260,866	0	0	0	339,239
Average Weighted Exercise Price of Stock Options Outstanding	\$40.98	N/A	N/A	N/A	\$31.11
Number of Stock Options Granted as a % of Outstanding Shares (" <b>burn rate</b> ")	0.00%	0.00%	0.00%	0.00%	0.22%
Number of Stock Options Exercised	65,897	0	0	0	0

## SUMMARY OF STOCK OPTION PLAN

On March 8, 2013, subject to the approvals of the TSX and the Company's shareholders, which approvals were subsequently obtained, the Board of Directors of the Company adopted the 2013 Stock Option Plan (the "**2013 Plan**") in favour of key employees of the Company and its subsidiaries and other corporations in which the Company has an equity interest.

The 2013 Plan provides for the granting of non-transferable options to purchase Common Shares. The total number of authorized and unissued Common Shares available for options under the 2013 Plan is equal to 3,200,000 which, together with the number of options outstanding (i.e., granted but not exercised) as at March 11, 2013 under previous stock option plans, totals less than 5% of the Common Shares of the issued and outstanding as at the same date. The Board of Directors of the Company will select the optionees, (the "**Optionees**"), determine the number of Common Shares covered under each option, and the grant date for each option. The Board of Directors shall further have the discretion to establish, within the restrictions set forth in the 2013 Plan, the time of exercise, expiry dates, exercise price and other particulars applicable to an option granted under the 2013 Plan.

The exercise price for an option on a grant date will be determined by the Board of Directors and will not be less than the average closing price per Common Share on the TSX for the five (5) trading days immediately preceding such grant date (the "**Share Value**"). Should the Board of Directors resolve to grant an option during a period self-imposed by the Company during which Directors, officers and certain employees of the Company are precluded from trading in the securities of the Company (a "**Blackout Period**"), the exercise price for such option is presumed to be the Share Value on the sixth trading

day following the end of the Blackout Period. Each option may only be exercised during a period commencing on the first day of the third year following the grant date of the option and expiring on the last day of the sixth year following such grant date or the last day of an extension of ten (10) business days from the end of a Blackout Period if the expiry date of an option falls within the Blackout Period or within ten (10) business days after the end of the Blackout Period (the "**Blackout Extension Term**") (and collectively, such period the "**Option Period**"). Options may be exercised during the Option Period to which they relate in accordance with the following schedule: (i) during the first year of the Option Period, an Optionee may exercise up to 33.33% of the options; (ii) during the second year of the Option Period, the Optionee may exercise an additional 33.33% of the options; and (iii) during the third year of the Option Period, the Optionee may exercise the balance (including all) of the options.

At the time of exercising options, (i) an Optionee who is an Executive Vice-President of the Company is required to own Common Shares having a value at least equal to twice his/her annual base salary, (ii) an Optionee who is president of business units/products, as determined by the Board of Directors, is required to own Common Shares having a value at least equal to three times his/ her annual base salary, and (iii) an Optionee who is the President and CEO of the Company is required to own Common Shares having a value at least equal to five (5) times his/her annual base salary. Should an Executive Vice-President, a president of business unit/products or the President and CEO of the Company fail to comply with the shareholding requirements described above at the time of exercising his/her options, he/she will be required to hold (and is prohibited from selling) underlying Common Shares equivalent to at least 25% of the after-tax gain resulting from such exercise until the requirements are met.

The 2013 Plan includes the following quantitative restrictions: (i) the number of Common Shares issuable to insiders, at any time, under the 2013 Plan and other share compensation arrangements of the Company must be less than 5% of the issued Common Shares; (ii) the number of Common Shares issued under the 2013 Plan and other share compensation arrangements of the Company (a) to insiders, within any one-year period, must be less than 5% of the issued Common Shares; and (b) to any one insider and such insider's associates, within any one-year period, must be less than 2.5% of the issued Common Shares; and (iii) the aggregate number of Common Shares reserved for issuance pursuant to options granted to any one individual under the 2013 Plan must be less than 2.5% of the issued Common Shares. Common Shares in respect of which options are granted but not exercised prior to the expiration, termination or lapse of such options shall be available for new grants of options pursuant to the provisions of the 2013 Plan.

An Optionee who becomes a Retiree before the expiration of the Option Period may exercise his/ her options as any other Optionee, in accordance with the Plan. A "Retiree" means an Optionee who, upon his/her last day of work as a full-time regular employee, has voluntarily terminated his/ her employment and has completed a minimum of 5 years of continuous service with the Company and is 55 years of age or older. If an Optionee becomes a Retiree before the expiration of the Option Period but he/she engages in certain activities competing with those of the Company, as more fully described in the 2013 Plan, his/her unexercised vested options will be forfeited and his/her unvested options will expire, effective upon his/her last day of work as a full-time regular employee of the Company.

If an Optionee is granted authorized leave of absence for sickness or other reasons, before the expiration of the Option Period, the Optionee will be entitled to exercise his/her options during his/ her leave of absence. If an Optionee dies before the expiration of the Option Period, his/her legal representatives will be entitled to exercise his/her vested options within a period of one (1) year following such death and all unvested options will expire as of the date of death.

Unless otherwise determined by the Board, if a change of control occurs and the Options are not honoured, assumed or converted into or substituted by an alternative award of a successor entity, each unvested option shall become exercisable immediately prior to the change of control, allowing the Optionee to exercise such Option, and any unexercised Option shall expire upon the change of control. For the purposes of this Plan, the Options shall be presumed honoured or assumed if the Shares continue to be traded after the change of control.

If an Optionee is terminated without cause or submits a resignation for good reason within 24 months following a change of control (as defined below): (i) each unexercised vested option then held by the Optionee shall remain exercisable for a period of

24 calendar months from the date of termination or resignation, but not later than the end of the Option Period, and thereafter any such option shall expire; and (ii) each unvested option then held by the Optionee shall become exercisable upon such termination or resignation and shall remain exercisable for a period of 24 calendar months from the date of such termination or resignation, but not later than the end of the Option Period, and thereafter any such option shall expire.

For the purposes of the 2013 Plan, a "change of control" means, at any time, the occurrence of any of the following events: (a) a person or a number of persons acting jointly or in concert holds or exercises control over, directly or indirectly, 50% or more of the shares of a class of voting shares of the Company; (b) a person or a number of persons acting jointly or in concert successfully completes a take-over bid or an exchange bid for 50% or more of the shares of a class of voting shares of the Company; (c) the Company undergoes a liquidation or dissolution or sells all or substantially all of its assets; or (d) those persons acting as directors of the Company cease at any time to constitute the majority of the directors of the Company, except where such situation arises following an uncontested election of directors.

If an Optionee's employment is otherwise terminated or if an Optionee should resign from his/her employment, all of his/ her unvested options will expire effective on the date of such termination or resignation, and he/she will have a period of 30 days from the date of such termination or resignation to exercise his/her unexercised vested options, at the end of which period such options will expire.

The 2013 Plan includes an amendment provision pursuant to which the Board may amend any of the provisions of the 2013 Plan or amend the terms of any then-outstanding award of options under the 2013 Plan, provided, however, that the Company shall obtain shareholder approval for: (a) any amendment to the number of Common Shares issuable under the 2013 Plan, except for adjustments in the case of a declaration of dividend, a subdivision, consolidation, reclassification or other change or action affecting the Common Shares (the "**Shares Adjustment**"); (b) any change which would allow non-executive Directors to participate in the 2013 Plan; (c) any amendment which would permit any option granted under the 2013 Plan to be transferable or assignable other than by will or pursuant to the laws of succession; (d) any reduction in the exercise price of an option after the option has been granted or any cancellation of an option and the substitution of that option by a new option with a reduced exercise price, except in the case of Shares Adjustment; (e) any extension to the term of an option beyond the original Option Period, unless it falls within a Blackout Period, in which case the Option Period will be extended by the Blackout Extension Term; (f) any increase to the number of Common Shares that may be granted to (i) insiders under the 2013 Plan and other share compensation arrangements of the Company or

(ii) any one insider and such insider's associates in any one-year period, except in the case of Shares Adjustment; and (g) any change to the amendment provision other than amendments of a "housekeeping" or clerical nature or to clarify such provision.

No amendment, suspension or termination shall, except with the written consent or deemed consent of the Optionees concerned, have an adverse effect on unexercised options previously granted under the 2013 Plan.

On December 31, 2022, there were a maximum of 3,200,000 Common Shares issuable under the 2013 Plan, representing 1.8% of our 175,554,252 issued and outstanding Common Shares. As at December 31, 2022, there were 339,239 options outstanding under the 2013 Plan and 2,448,624 options remained available for grant, representing 1.4% of our Common Shares then issued and outstanding. The number of options that remain available for grant (2,448,624) is the number of authorized and unissued Common Shares available for options under the 2013 Plan (3,200,000) minus all options awarded

under the 2013 Plan (1,625,311) plus all options cancelled under the 2013 Plan (873,935). As at March 20, 2023, 2,448,624 options remained available for grant, notwithstanding options granted in March 2023. The Board may, subject to receipt of TSX approval, if required, in its sole discretion, make all other amendments to the 2013 Plan or to awards of options that are not contemplated above, including, without limitation, the following: (a) amendments of a "housekeeping" or clerical nature as well as any amendment clarifying any provision of the 2013 Plan; (b) a change to the vesting provisions of an option; (c) a change to the termination provisions of an option which does not entail an extension beyond the original Option Period, as extended by the Blackout Extension Term, if applicable; (d) any change to the value of the Common Shares which certain officers and/or employees are required to maintain in order to exercise their options, such minimum Common Share holding requirements being discussed above; (e) any Shares Adjustment; and (f) suspending or terminating the 2013 Plan.



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