SNC-LAVALIN GROUP INC.
MANAGEMENT PROXY CIRCULAR
and Notice of Annual Meeting of Shareholders
March 26, 2012

SNC·LAVALIN

SNC-LAVALIN GROUP INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To the shareholders of SNC-Lavalin Group Inc. (the "Corporation"):

NOTICE IS HEREBY GIVEN THAT the annual meeting of the shareholders (the "**Meeting**") of the Corporation will be held in the East Ballroom on the 4th floor of the Toronto Board of Trade, located at First Canadian Place, 77 Adelaide Street West, Toronto (Ontario), Canada M5H 1P9, on Thursday, May 3, 2012, commencing at 11:00 a.m., Eastern Daylight Time, for the following purposes:

1. to receive and consider the report of the directors of the Corporation (the "**Directors**") to the shareholders, the consolidated financial statements of the Corporation for the year ended December 31, 2011 and the auditor's report thereon;
2. to elect the Directors for the ensuing year;
3. to appoint the auditor for the ensuing year;
4. to consider and, if deemed appropriate, to adopt a resolution (the full text of which is reproduced in Schedule "C" to the accompanying Management Proxy Circular) providing for a non-binding advisory vote on the Corporation's approach to executive compensation (Say on Pay vote); and
5. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

Registration of shareholders will begin at 10:30 a.m. We would appreciate your early arrival and registration so that the Meeting may start promptly at 11:00 a.m.

Montreal, Quebec, March 26, 2012.

BY ORDER OF THE BOARD OF DIRECTORS

ARDEN R. FURLOTTE (*signed*)
Vice-President and Corporate Secretary

SHAREHOLDERS MAY EXERCISE THEIR RIGHTS BY ATTENDING THE MEETING OR BY COMPLETING A FORM OF PROXY. SHOULD YOU BE UNABLE TO ATTEND THE MEETING IN PERSON, PLEASE COMPLETE, DATE AND SIGN THE ENCLOSED FORM OF PROXY AND RETURN IT IN THE ENVELOPE PROVIDED FOR THAT PURPOSE. PROXIES MUST BE RECEIVED BY THE TRANSFER AGENT AND REGISTRAR OF THE CORPORATION (COMPUTERSHARE INVESTOR SERVICES INC., 100 UNIVERSITY AVENUE, 9th FLOOR, NORTH TOWER, TORONTO, ONTARIO, CANADA M5J 2Y1) NO LATER THAN 5:00 P.M. (EASTERN DAYLIGHT TIME) ON TUESDAY MAY 1, 2012. YOUR SHARES WILL BE VOTED IN ACCORDANCE WITH YOUR INSTRUCTIONS AS INDICATED ON THE FORM OF PROXY, OR FAILING INSTRUCTIONS, IN THE MANNER SET FORTH IN THE ACCOMPANYING MANAGEMENT PROXY CIRCULAR.

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GLOSSARY OF TERMS

AIF	Annual information Form
BIAC	Bid and Investment Approval Committee
Board or Board of Directors	SNC-Lavalin Group Inc.'s board of directors
CCGG	Canadian Coalition for Good Governance
CD&A	Compensation Discussion and Analysis
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Chair / Chairman	Chairman / Chairperson of the Board and Board Committees
Code of Ethics	Code of Ethics and Business Conduct
Common Shares	SNC-Lavalin Group Inc.'s common shares
Comparator Group	group of companies comparable to SNC-Lavalin Group Inc.
Computershare	Computershare Investor Services Inc.
Corporation	SNC-Lavalin Group Inc.
CSA	Canadian Securities Administrators
Directors	members of the Board of Directors of SNC-Lavalin Group Inc.
D-DSUs	Directors Deferred Share Units
D-DSUP	Directors Deferred Share Unit Plan
E-DSUs	Executive Deferred Share Units
E-DSUP	Executive Deferred Share Unit Plan
EMRIP	Executive Management Retirement Income Plan
EPS	earnings per share
ESOP	Employee Share Ownership Plan
Executive Employment Agreement	Pierre Duhaime's executive employment agreement
Evergreen List	a running list of potential Board candidates kept by the Board
Expanded BIAC	Expanded Bid and Investment Approval Committee
Forward Agenda	1 year rolling plan used by the Board and Board Committees as a checklist of items to review throughout the year
Harvest	Harvest Retirement Savings Program
Harvest Plus	Harvest Plus Retirement Savings Program
HR Committee	Human Resources Committee of the Board
HS&E Committee	Health, Safety and Environment Committee of the Board
In Camera Session	meeting held without management being present
Management Committee	committee composed of members of management, typically Vice-Presidents and Senior Vice-Presidents as well as members of the Office of the President
MD&A	Management Discussion and Analysis
Meeting	SNC-Lavalin Group Inc.'s annual shareholders meeting to be held on May 3, 2012
MIP	Management Incentive Program
MSOP	Management Share Ownership Program
NEOs	named executive officers
Office of the President	senior management committee composed of all Executive Vice-Presidents and President and CEO
Performance Peer Group	SNC-Lavalin Group Inc.'s performance peer group composed of engineering and construction companies
PSUs	Performance Share Units
PSUP	Performance Share Unit Plan
REC	Risk Evaluation Committee
Record Date	close of business on March 5, 2012
RSUs	Restricted Share Units
RSUP	Restricted Share Unit Plan
Say on Pay	non-binding advisory vote on the Corporation's approach to executive compensation
Skills Matrix	table of industry specific experience, business expertise and individual qualifications of Directors
Stock Option Plan	any of SNC-Lavalin Group Inc.'s 4 Stock Option Plans established in 2004, 2007, 2009 and 2011 respectively
TSX	Toronto Stock Exchange
TSXV	TSX Venture Exchange

Section 1 VOTING INFORMATION

This Management Proxy Circular is issued in connection with the solicitation of proxies, by and on behalf of the management of the Corporation, for use at the Meeting to be held on Thursday, May 3, 2012, at the place, commencing at the time and for the purposes set forth in the foregoing notice of said Meeting and at any and all adjournments thereof. The solicitation is made by mail. The cost of solicitation is borne by the Corporation.

1.1 General

The following questions and answers provide guidance on how to vote your shares.

1.1.1 Who can vote?

Each holder of Common Shares is entitled to one vote at the Meeting or any adjournment thereof for each Common Share registered in the holder's name as at the close of business on the Record Date, March 5, 2012.

As of March 26, 2012, the Corporation had 151,143,903 Common Shares outstanding.

To the knowledge of the Directors and officers of the Corporation based on the most recent publicly available information, the only investor who, as at March 26, 2012, owns or exercises control or direction over shares carrying more than 10% of the voting rights attached to all shares of the Corporation is Jarislowsky, Fraser Limited ("**JFL**"), a fund manager. According to the most recent publicly available information concerning the shareholdings of JFL in the Common Shares of the Corporation, JFL held 21,699,311 Common Shares, representing 14.37% of the outstanding Common Shares of the Corporation.

1.1.2 What will I be voting on?

Shareholders will be voting to (i) elect Directors; (ii) appoint Deloitte & Touche LLP, Chartered Accountants, as auditor of the Corporation; and (iii) adopt a resolution (the full text of which is reproduced in Schedule C) providing for a Say on Pay vote.

The Board of Directors and management of the Corporation recommend that shareholders vote **FOR** items (i), (ii) and (iii).

1.1.3 How will these matters be decided at the Meeting?

A simple majority of the votes cast, in person or by proxy, will constitute approval of these matters.

1.1.4 How do I vote?

If you are eligible to vote and your Common Shares are registered in your name, you can vote your Common Shares in person at the Meeting or by proxy, as explained below. If your Common Shares are held in the name of a nominee (for example, a broker), see the instructions below under "Non-Registered Shareholder Voting".

1.1.5 Who can I call with questions?

If you have questions about the information contained in this Management Proxy Circular or require assistance in completing your form of proxy, please contact Computershare, the Corporation's proxy solicitation agent and transfer agent, by mail at Computershare Investor Services Inc., 100 University Ave, 9th Floor, North Tower, Toronto, Ontario M5J 2Y1, by telephone at 1-800-564-6253, by fax at 1-866-249-7775 or on the Internet at **www.computershare.com**.

1.2 Registered Shareholder Voting

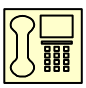
1.2.1 Voting by proxy

You are a registered shareholder if your name appears on a share certificate. If this is the case, you may appoint someone else to vote for you as your proxy holder by using the enclosed form of proxy. The persons named in the enclosed form of proxy are Directors or officers of the Corporation. A shareholder has the right to appoint as proxy holder a person other than those whose names are printed as proxy holders in the accompanying form of proxy, by striking out said printed names and inserting the name of his/her chosen proxy holder in the blank space provided for that purpose in the form of proxy. In either case, the completed form of proxy must be delivered to Computershare, in the envelope provided for that purpose, prior to the Meeting at which it is to be used. A person acting as proxy holder need not be a shareholder of the Corporation. Make sure that the person you appoint is aware that he or she is appointed and attends the Meeting.

You can choose from among 3 different ways to vote your Common Shares by proxy:

- **by telephone;**
- **on the Internet; or**
- **by mail.**

1.2.2 How can I vote my Common Shares by proxy?



By telephone

Call the toll free number indicated on the proxy form and follow the instructions.

If you choose the telephone, you cannot appoint any person other than the Directors or officers named on your form of proxy as your proxy holder.

On the Internet

Go to the website indicated on the proxy form and follow the instructions on the screen.

If you return your proxy via the Internet, you can appoint a person other than the Directors or officers named in the form of proxy as your proxy holder. This person does not have to be a shareholder. Indicate the name of the person you are appointing in the space provided on the form of proxy. Complete your voting instructions, and date and submit the form. Make sure that the person you appoint is aware that he or she has been appointed and attends the Meeting.

By mail

Complete your form of proxy and return it in the envelope provided.

If you return your proxy by mail, you can appoint a person other than the Directors or officers named in the form of proxy as your proxy holder. This person does not have to be a shareholder. Fill in the name of the person you are appointing in the blank space provided on the form of proxy. Complete your voting instructions on the form of proxy, and date and sign the form. Make sure that the person you appoint is aware that he or she has been appointed and attends the Meeting.

1.2.3 What is the deadline for receiving the form of proxy?

The deadline for receiving duly completed forms of proxy or a vote using the telephone or over the Internet is 5:00 p.m. (Eastern Daylight Time) on Tuesday, May 1, 2012, or if the Meeting is adjourned or postponed, by no later than 5:00 p.m. (Eastern Daylight Time) on the business day prior to the day fixed for the adjourned or postponed Meeting.

1.2.4 How will my Common Shares be voted if I give my proxy?

Shares represented by proxies in the accompanying form of proxy will be voted in accordance with the instructions indicated thereon. If no contrary instruction is indicated, the shares represented by such form of proxy will be voted in favour of the election as Directors of the persons and the appointment as auditor of the firm respectively named under the headings "Election of Directors" and "Appointment of Auditor" and will be voted in favour of the Say on Pay resolution.

The form of proxy also confers discretionary voting authority on those persons designated therein with respect to amendments or variations to the proposals identified in the notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing this Management Proxy Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. **If such amendments or variations or other matters properly come before the Meeting, the management nominees designated in such form of proxy shall vote the shares represented thereby in accordance with their best judgment.**

1.2.5 If I change my mind, how can I revoke my proxy?

A registered shareholder who has given a proxy may revoke the proxy:

(1) by completing and signing a form of proxy bearing a later date and depositing it with Computershare (100 University Avenue, 9th Floor, North Tower, Toronto, Ontario M5J 2Y1) no later than 5:00 p.m. (Eastern Daylight Time) on May 1, 2012; or

(2) in accordance with Section 148(4) of the *Canada Business Corporations Act*:

- (a) by depositing an instrument in writing executed by such shareholder or by his/her attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized officer:
  - (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or
  - (ii) with the chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof; or
- (b) in any other manner permitted by law.

1.2.6 Voting in Person

If you wish to vote in person, you may present yourself at the Meeting to a representative of Computershare. Your vote will be taken at the Meeting. **If you wish to vote in person at the Meeting, do not complete or return the form of proxy.**

1.3 Non-Registered Shareholder Voting

If your Common Shares are not registered in your name and are held in the name of a nominee, you are a “non-registered shareholder”. If your Common Shares are listed in an account statement provided to you by your broker, those Common Shares will, in all likelihood, not be registered in your name. Such Common Shares will more likely be registered under the name of your broker or an agent of that broker. Without specific instructions, brokers and their agents or nominees are prohibited from voting shares for the broker’s client. If you are a non-registered shareholder, there are two ways, listed below, that you can vote your Common Shares:

1.3.1 Giving your Voting Instructions

Applicable securities laws require your nominee to seek voting instructions from you in advance of the Meeting. Accordingly, you will receive or have already received from your nominee a request for voting instructions for the number of Common Shares you hold. Every nominee has its own mailing procedures and provides its own signature and return instructions, which should be carefully followed by non-registered shareholders to ensure that their Common Shares are voted at the Meeting.

1.3.2 Voting in Person

However, if you wish to vote in person at the Meeting, insert your own name in the space provided on the request for voting instructions provided by your nominee to appoint yourself as proxy holder and follow the instructions of your nominee. Non-registered shareholders who appoint themselves as proxy holders should present themselves at the Meeting to a representative of Computershare. Do not otherwise complete the request for voting instructions sent to you as you will be voting at the Meeting.

Section 2 2012 ANNUAL MEETING OF SHAREHOLDERS

9 Election of Directors

- 11 individuals are to be elected as Directors for 2012
- All nominees previously served as Directors in 2011 except for Mr. Eric D. Siegel who joined the Board of Directors on January 1, 2012
- The Hon. Hugh D. Segal, C.M., an independent Director who has served as a Director of the Corporation since August 6, 1999, will not be standing for re-election at the Meeting
- Management and the Board of Directors recommend that shareholders vote **FOR** this item of business

9 Appointment of Auditor

- Management and the Board of Directors recommend Deloitte & Touche LLP as auditor for 2012
- The auditor's fees for 2011 were $5,550,500 representing a decrease of $261,100 from the fees paid in 2010
- Management and the Board of Directors recommend that shareholders vote **FOR** this item of business

10 Approval of a Say on Pay Resolution

- Shareholders to vote on Say on Pay (the Corporation's approach to executive compensation)
- Management and the Board of Directors recommend that shareholders vote **FOR** this item of business

Section 2 2012 ANNUAL MEETING OF SHAREHOLDERS

2.1 Election of Directors

11 NOMINEES FOR 2012

Ian A. Bourne	Edythe (Dee) A. Marcoux	Michael D. Parker
David Goldman	Lorna R. Marsden	Eric D. Siegel
Patricia A. Hammick	Claude Mongeau	Lawrence N. Stevenson
Pierre H. Lessard	Gwyn Morgan	

On March 25, 2012, Mr. Pierre Duhaime announced his early retirement as President and CEO and Director of the Corporation. On the same day, Mr. Ian A. Bourne was appointed Vice-Chairman and Interim CEO of the Corporation and temporarily stepped down from the Audit Committee and the HS&E Committee.

The Board of Directors has fixed at 11 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 his/her successor unless he/she shall resign his/her office or his/her office becomes vacant by death, removal or other cause. The management of the Corporation 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 accompanying form of proxy reserve the right to vote for another nominee, at their discretion, unless the shareholder has specified in the form of proxy that his/her shares are to be withheld from voting in the election of any of the Directors.

Section 3 – "Board of Directors" of this Management Proxy Circular sets out detailed information on each of these nominees. All 11 nominees are currently Directors of the Corporation.

The Hon. Hugh D. Segal, C.M., an independent Director who has served as a Director of the Corporation since August 6, 1999, will not be standing for re-election at the Meeting. In the 12 months ended December 31, 2011, Mr. Segal attended 6 of 8 Board meetings, 4 of 5 HR Committee meetings and 4 of 4 HS&E Committee meetings.

Management and the Board of Directors recommend that each of the nominees listed above be elected to serve as Directors of the Corporation, to hold office until the next annual meeting of shareholders or until such person's successor is elected or appointed. **Unless contrary instructions are indicated on the form of proxy or the voting instruction form, the persons designated in the accompanying proxy form or voting instruction form intend to vote FOR the election of these nominees.**

2.2 Appointment of Auditor

The auditor of the Corporation is Deloitte & Touche LLP, Chartered Accountants, a registered limited liability partnership. Deloitte & Touche LLP was first appointed as auditor of the Corporation on May 8, 2003.

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

Auditor's Fees

The aggregate fees paid, including the Corporation's pro-rata share of the fees paid by its joint ventures and other investees, for professional services rendered by Deloitte & Touche LLP and its affiliates, for the year ended December 31, 2011 and the year ended December 31, 2010, are presented below:

	Year Ended December 31, 2011	Year Ended December 31, 2010
Audit Fees[1]	$3,197,100	$3,460,500
Audit-Related Fees[2]	$983,500	$962,700
Tax Fees [3]	$1,200,900	$1,207,500
Other Fees [4]	$169,000	$180,900
Total [5]	**$5,550,500**	**$5,811,600**

Notes:

1 Audit Fees include fees for professional services rendered for the audit of the Corporation's annual financial statements and the review of the Corporation's quarterly reports. They also comprise fees for audit services provided in connection with other statutory and regulatory filings, such as the audit of the financial statements of the Corporation's subsidiaries, as well as services that generally only the Corporation's auditor can provide, such as comfort letters, consents and assistance with and review of documents filed with the securities commissions.

2 Audit-Related Fees include fees for assurance services that are reasonably related to the audit or review of the financial statements and are not reported under "Audit Fees", including special attest services not required by statute or regulation, reporting on the effectiveness of internal controls as required by contract or for business reasons, accounting consultations in connection with various transactions, and the audit of the Corporation's various pension plans.

3 Tax Fees comprise fees for income, consumption and other tax compliance, advice and planning services relating to domestic and international taxation, review of tax returns and preparation of expatriate employee tax returns.

4 Other Fees include fees for services other than those described under "Audit Fees", "Audit-Related Fees" and "Tax Fees". Other Fees consist principally of fees for the translation of financial statements, as well as for technical update seminars.

5 The aggregate fees paid to Deloitte & Touche LLP, irrespective of the Corporation's proportionate interests in its joint ventures and other investees, totaled $6,544,400 in 2011 and $6,561,300 in 2010.

2.3 Approval of a Say on Pay Resolution

An advisory Say on Pay resolution (approving the Corporation's approach to executive compensation) is submitted for approval by the shareholders. As this is an advisory vote, the results will not be binding upon the Corporation. If a significant number of shareholders vote against the Say on Pay resolution, the Board will consult with the Corporation'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 Corporation's approach to compensation in light of these concerns.

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

2.4 Shareholder Proposals

This year, the Corporation received no shareholder proposals for inclusion in this Management Proxy Circular.

The last day for submission of proposals by shareholders to the Corporation, for inclusion in next year's management proxy circular in connection with next year's annual meeting of shareholders, will be December 13, 2012.

Section 3 BOARD OF DIRECTORS

Section 3 BOARD OF DIRECTORS

The Board of Directors believes that sound corporate governance practices are essential to the positive workings and success of the Corporation and to the satisfaction and related success of the Corporation's shareholders. Over the years, the Corporation has acted proactively, progressively adopting forward-looking governance principles, creating corresponding structures and implementing procedures designed to enable the Board to carry out its duties in a highly effective manner and in accordance with best governance principles (as set out from time to time by the CCGG and like organizations) and to permit the Board to evaluate and improve its own performance. These principles, structures and procedures are set out in the Corporation's Corporate Governance Handbook, which includes a Code of Ethics that applies to the employees, officers and Directors of the Corporation and its subsidiaries.

As reflected in Sections 3, 5 and 6 and Schedules A, B, C, D, E and J of this Management Proxy Circular, the Corporation's governance practices meet and often exceed the current CSA's disclosure requirements, and the Corporation is dedicated to adjusting its governance practices on an ongoing basis, so as to remain abreast of best governance practices as they evolve. The corporate governance practices outlined in these sections are responsive to each of the disclosure obligations set out in the CSA disclosure requirements.

3.1 Directors Proposed for Election

The following is a summary of relevant biographical and compensation information relating to each nominee. For further details on the compensation components see Section 4 "Directors' CD&A and Compensation Disclosure".

Ian A. Bourne, ICD.D

Not Independent (member of management in an interim capacity)

Age: 64

Calgary (Alberta), Canada

Director since: November 5, 2009

Latest date of retirement (age 72 under new policy): May 2020

Areas of Expertise:

Finance

Risk Management

Mr. Bourne is presently acting as Vice-Chairman and Interim CEO of the Corporation. He was Executive Vice-President and CFO of TransAlta Corporation (power generator and marketer of electricity) (1998-2005) and President and director of TransAlta Power LP (1998 - 2006).

In addition to the public company boards listed below, Mr. Bourne is a director of Canada Pension Plan Investment Board (CPPIB), the Canadian Public Accountability Board and the Calgary Foundation. He was also a director of the Glenbow Museum (2003-2009) and the Calgary Philharmonic Orchestra (2003-2009).

He obtained his Bachelor of Commerce degree at Mount Allison University in 1969. He is a member of the Institute of Corporate Directors (ICD), having completed the Director Education Program in February 2006 and was awarded the ICD.D designation in April of the same year. Mr. Bourne was recognized as a Fellow of the ICD in 2011.

Throughout his career, Mr. Bourne has acquired extensive experience, particularly in the areas of risk management and finance, information technology, power generation, manufacturing operations and corporate governance.

Board/Committee Membership as at December 31, 2011	Attendance	Attendance (Total)	
Board (Member)	8 of 8		
Audit Committee (Member)	4 of 4	16 of 16	100%
HS&E Committee (Member)	4 of 4		

Public Board Memberships During the Last 5 Years	Year
Canadian Oil Sands Limited (Chairman of the Corporate Governance and Compensation Committee and member of the Audit Committee)	2007 – Present
Wajax Corporation (Chairman of the Audit Committee)	2006 – Present
Ballard Power Systems Inc. (Chairman of the Board and member of the Audit Committee, the Corporate Governance Committee and the Management Development, Nominating & Compensation Committee)	2003 – Present
Board Interlocks	**None**

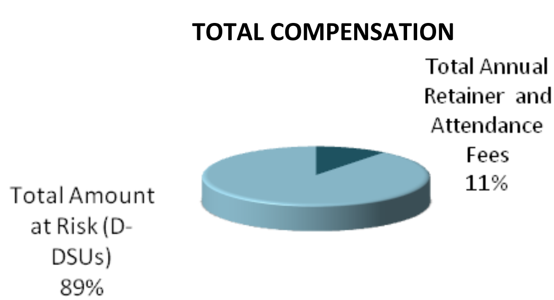
Securities Held as at December 31, 2011 (Market Value of $51.08 per Common Share as at December 31, 2011)

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Total Market Value of Common Shares and D-DSUs	Meets Minimum Shareholding Requirements ($300,000)
2011	5,000	3,965	8,965	$457,932	Yes
2010	5,000	1,995	6,995	$418,091	Yes
2009	2,000	346	2,346	$126,661	In process

Value of Total Compensation Received (Details see Section 4)

Year	$
2011	$153,857
2010	$134,747
2009	$28,084

TOTAL COMPENSATION



David Goldman

Independent

Age: 69

Toronto (Ontario), Canada

Director since: March 1, 2002

Latest date of retirement
(age 72 under new policy): May 2015

Areas of Expertise:

Mining and metallurgy

Heavy industries

Mr. Goldman is President of Dave Goldman Advisors Ltd. (a general consultancy business).

In addition to the public company boards listed below, Mr. Goldman is a member of the Advisory Committee of Livia Industrial LP, a limited partnership that owns aluminum casting businesses primarily servicing the automotive industry. He is a member of the board of directors of Dayforce Inc., an enterprise software company that provides workforce management solutions.

Mr. Goldman holds a degree in Metallurgical Engineering from McGill University and an MBA from Concordia University. He has been Chair of the Faculty of Engineering Advisory Board of McGill University and is a past Chair of the John Molson School of Business (Concordia University) MBA Case Competition Advisory Board. He received the Concordia University Award of Distinction from the Faculty of Management in 1997.

Board/Committee Membership as at December 31, 2011	Attendance	Attendance (Total)	
Board (Member)	8 of 8		
Audit Committee (Chairman)	4 of 4	16 of 16	100%
Governance Committee (Member)	4 of 4		

Public Board Memberships During the Last 5 Years	Year
Copernic Inc.(previously Mamma.com Inc. and Intasys Corporation (NASDAQ) (Chairman of the Board)	2001 – 2010
Duran Ventures Inc. (Chairman of the Board)	2008 – 2009
Workbrain Inc. (Chairman of the Human Resources Committee and member of the Audit Committee)	2000 – 2007
Board Interlocks	**None**

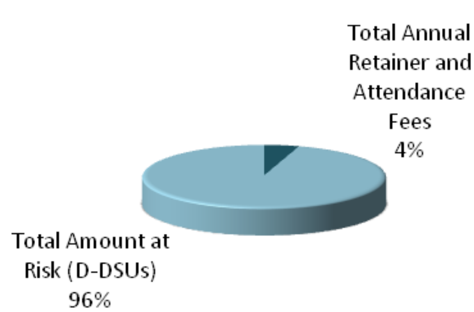
Securities Held as at December 31, 2011 (Market Value of $51.08 per Common Share as at December 31, 2011)

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Total Market Value of Common Shares and D-DSUs	Meets Minimum Shareholding Requirements ($300,000)
2011	21,000	12,415	33,415	$1,706,838	Yes
2010	21,000	10,581	31,581	$1,887,596	Yes
2009	21,000	9,087	30,087	$1,624,397	Yes

Value of Total Compensation Received (Details see Section 4)

Year	$
2011	$179,141
2010	$168,512
2009	$150,782

TOTAL COMPENSATION



Patricia A. Hammick, Ph.D.

Independent

Age: 65

Kilmarnock (Virginia), United States

Director since: January 1, 2007

Latest date of retirement
(age 72 under new policy): May 2019

Areas of Expertise:

Oil and gas

Coal mining

Regulated production and distribution of power

Independent power production/markets

Dr. Hammick is a director of Consol Energy Inc. (a coal and natural gas company). She is also a former lead director of Dynegy Inc. (an independent power producer) and acted as the chairperson of its board from February 2011 until June 2011. In 2002 and 2003, she was a lecturer and adjunct professor at George Washington University Graduate School of Political Management. Prior to that, Dr. Hammick was Senior Vice-President of Strategy & Communications and a member of the eight-member management team at Columbia Energy Group (integrated natural gas, utility, power generation and propane). She holds a Ph.D. in Mathematical Statistics from George Washington University as well as an MA in Physics from the University of California.

Board/Committee Membership as at December 31, 2011	**Attendance**	**Attendance (Total)**	
Board (Member)	8 of 8		
Audit Committee (Member)	4 of 4	17 of 17	100 %
HR Committee (Member)	5 of 5		

Public Board Memberships During the Last 5 Years	**Year**
Consol Energy Inc. (member of the Finance Committee and of the Nominating and Corporate Governance Committee)	2001 – Present
Dynegy Inc. (lead director, ex-officio on all committees, was Chairperson of the Board from February 2011 until June 2011)	2003 – 2011
Board Interlocks	**None**

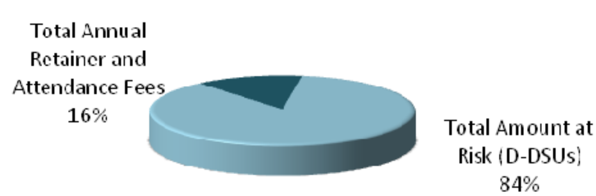
Securities Held as at December 31, 2011 (Market Value of $51.08 per Common Share as at December 31, 2011)

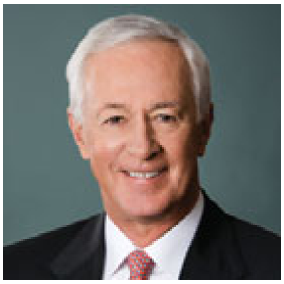
Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Total Market Value of Common Shares and D-DSUs	Meets Minimum Shareholding Requirements ($300,000)
2011	0	6,582	6,582	$336,209	Yes
2010	0	4,571	4,571	$273,209	In process
2009	0	2,888	2,888	$155,923	In process

Value of Total Compensation Received (Details see Section 4)

Year	$
2011	$154,458
2010	$140,734
2009	$137,277

TOTAL COMPENSATION





Pierre H. Lessard

Independent

Age: 70

Montréal (Québec), Canada

Director since: October 30, 1998

Latest date of retirement
(age 72 and 15 years under new policy):
May 2014

Areas of Expertise:

Financing

Accounting

Retail business

Mr. Lessard is Executive Chairman of Metro Inc. (food retailer and wholesale distributor of food and pharmaceutical products). He is also a trustee of the Montreal Museum of Fine Arts Foundation. Mr. Lessard is retiring from the board of directors of TD Bank Financial Group on March 29, 2012, after over 14 years.

Mr. Lessard received a Bachelor of Arts degree in 1961 and a Master's degree in Accounting from Laval University in 1964. In 1967, he obtained a Master's degree in Business Administration from Harvard Business School. Mr. Lessard is a Chartered Accountant and a Fellow of the Quebec Order of Chartered Accountants.

Board/Committee Membership as at December 31, 2011	Attendance	Attendance (Total)	
Board (Member)	7 of 8		
Governance Committee (Member)	3 of 4	15 of 17	88.2%
HR Committee (Member)	5 of 5		

Public Board Memberships During the Last 5 Years	Year
TD Bank Financial Group (member of the Governance Committee)	1997 – Present
Metro Inc. (Executive Chairman of the Board)	1997 – Present
Board Interlocks	**None**

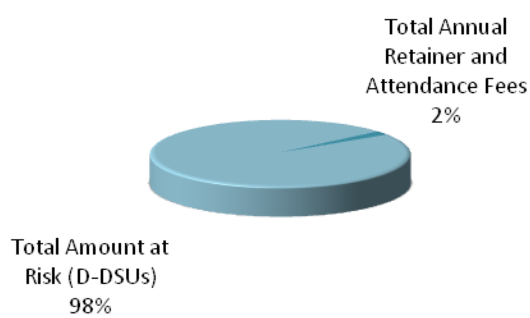
Securities Held as at December 31, 2011 (Market Value of $51.08 per Common Share as at December 31, 2011)

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Total Market Value of Common Shares and D-DSUs	Meets Minimum Shareholding Requirements ($300,000)
2011	37,000	15,027	52,027	$2,657,539	Yes
2010	37,000	12,883	49,883	$2,981,507	Yes
2009	37,000	11,087	48,087	$2,596,217	Yes

Value of Total Compensation Received (Details see Section 4

Year	$
2011	$159,430
2010	$139,714
2009	$136,779

TOTAL COMPENSATION



Edythe (Dee) A. Marcoux

Independent

Age: 63

Gibsons (British Columbia),Canada

Director since: October 30, 1998

Latest date of retirement
(15 years under new policy): May 2014

Areas of Expertise:

Mining and Metallurgy

Energy

Environment

Safety and Sustainability

Ms. Marcoux is a retired executive from the oil industry and has degrees in engineering and in business. In addition to the public company boards listed below, Ms. Marcoux was, until February 2007, a member and Vice Chair of the National Roundtable for the Economy and the Environment and a member of the Canada Foundation for Innovation. Until December 31, 2006, she was a director-in-residence of The Directors College (director education) and until 2007, she was a director of Sustainable Development Technology Canada. Within the past ten years, Ms. Marcoux has also served as a director of Ensyn Energy Corp., National Bank of Canada and Placer Dome Inc.

Board/Committee Membership as at December 31, 2011	**Attendance**	**Attendance (Total)**	
Board (Member)	8 of 8		
Audit Committee (Member)	4 of 4	20 of 20	100%
Governance Committee (Member)	4 of 4		
HS&E Committee (Chairperson)	4 of 4		

Public Board Memberships During the Last 5 Years	**Year**
Sherritt International Corporation (Chair of the Nominating and Corporate Governance Committee, member of the Reserve Committee, the Human Resources Committee and the Environment, Health and Safety Committee)	2006 – Present
OPTI Canada Inc. (member of the Audit Committee)	2008 – 2011
Board Interlocks	**None**

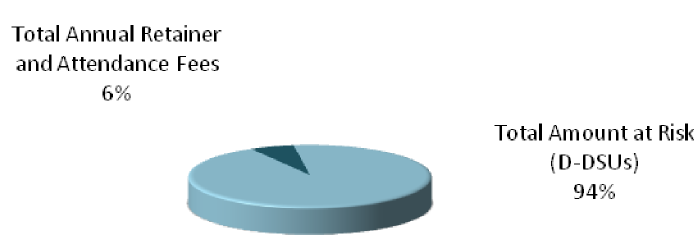
Securities Held as at December 31, 2011 (Market Value of $51.08 per Common Share as at December 31, 2011)

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Total Market Value of Common Shares and D-DSUs	Meets Minimum Shareholding Requirements ($300,000)
2011	14,500	10,156	24,656	$1,259,428	Yes
2010	14,500	8,357	22,857	$1,366,163	Yes
2009	14,500	6,893	21,393	$1,155,008	Yes

Value of Total Compensation Received (Details see Section 4)

Year	$
2011	$173,137
2010	$156,512
2009	$152,254

TOTAL COMPENSATION



Lorna R. Marsden, C.M., Ph.D.

Independent

Age: 70

Toronto (Ontario), Canada

Director since: May 4, 2006

Latest date of retirement
(age 72 under new policy): May 2014

Areas of Expertise:

Education

Industrial relations

Economic sociology

Dr. Marsden is Professor and President Emerita of York University in Toronto. A former member of the Senate of Canada from 1984 to 1992, and a former President and Vice-Chancellor and Member of the Board of Governors of York University, she is also a former President and Vice-Chancellor of Wilfrid Laurier University in Waterloo. She holds a Bachelor of Arts from the University of Toronto and a Ph.D. from Princeton University.

In addition to the public company boards listed below, Dr. Marsden is retiring from the board of directors of Gore Mutual Insurance Company (insurance company) on April 26, 2012, after 16 years, and previously served as a director of Go Transit (Ontario's inter-regional transit system). She is also active in non-profit organizations, serving as a Governor of the Corporation of Massey Hall and Roy Thomson Hall and as a Trustee of the Gardiner Museum.

Dr. Marsden holds the Order of Canada, the Order of Ontario, and the Order of Merit (FRG). She was named one of Canada's 100 Most Powerful Women by the Women's Executive Network, received the YWCA Woman of Distinction Award (Toronto) in 2003 and has received Honorary Doctorates from the Universities of New Brunswick, Winnipeg, Toronto and Wilfrid Laurier as well as from Queen's University and the University of Victoria. She completed the ICD certificate in financial literacy in 2007.

Board/Committee Membership as at December 31, 2011	Attendance	Attendance (Total)	
Board (Member)	6 of 8		
HS&E Committee (Member)	4 of 4	15 of 17	88.2%
HR Committee (Member)	5 of 5		

Public Board Memberships During the Last 5 Years	Year
Manulife Financial Corporation (member of the Management Resources and Compensation Committee)	1995 – Present
Board Interlocks	**None**

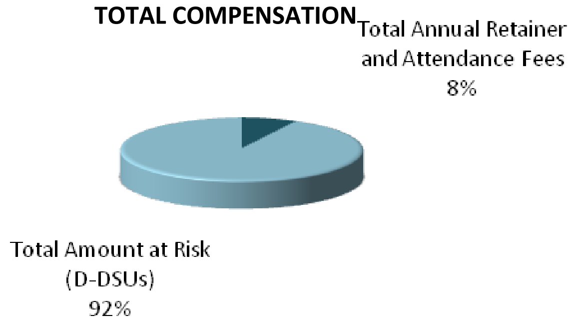
Securities Held as at December 31, 2011 (Market Value of $51.08 per Common Share as at December 31, 2011)

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Total Market Value of Common Shares and D-DSUs	Meets Minimum Shareholding Requirements ($300,000)
2011	2,000	9,475	11,475	$586,143	Yes
2010	2,000	7,419	9,419	$562,974	Yes
2009	2,000	5,698	7,698	$415,615	Yes

Value of Total Compensation Received (Details see Section 4)

Year	$
2011	$153 064
2010	$137,029
2009	$132,074

TOTAL COMPENSATION



Claude Mongeau

Independent

Age: 50

Montreal (Quebec), Canada

Director since: August 8, 2003

Latest date of retirement
(15 years under new policy): May 2019

Areas of Expertise:

Financing

Accounting, Rail projects and logistics

Mr. Mongeau is President and CEO of Canadian National Railway Company (North American railroad) since January 1, 2010. He was Executive Vice-President and CFO of Canadian National Railway Company from 2000 to 2009. In 1988, Mr. Mongeau received an MBA from McGill University. In 1997, he was named one of Canada's "Top 40 Under 40" by the Financial Post Magazine and, in 2005, he was chosen Canada's CFO of the Year.

Board/Committee Membership as at December 31, 2011	Attendance	Attendance (Total)	
Board (Member)	7 of 8	10 of 12	83.3%
Audit Committee (Member)	3 of 4		

Public Board Memberships During the Last 5 Years	Year
Canadian National Railway Company	2009 – Present
Nortel Networks (member of the Audit Committee and the Pension Fund Policy Committee)	2006 – 2009

Board Interlocks	None

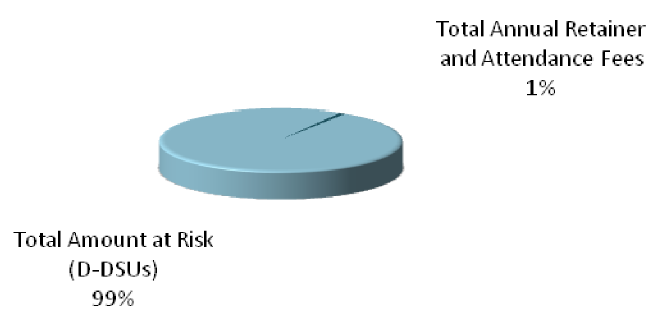
Securities Held as at December 31, 2011 (Market Value of $51.08 per Common Share as at December 31, 2011)

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Total Market Value of Common Shares and D-DSUs	Meets Minimum Shareholding Requirements ($300,000)
2011	15,000	20,826	35,826	$1,829,992	Yes
2010	15,000	18,054	33,054	$1,975,638	Yes
2009	15,000	15,651	30,651	$1,654,847	Yes

Value of Total Compensation Received (Details see Section 4)

Year	$
2011	$157,237
2010	$141,253
2009	$148,959

TOTAL COMPENSATION



Gwyn Morgan, C.M.

Independent

Age: 66

North Saanich (British Columbia), Canada

Director since: March 4, 2005

Latest date of retirement
(age 72 under new policy): May 2018

Areas of Expertise:

Oil and gas

Finance

Governance

Energy

A professional engineer, Mr. Morgan was the founding President and CEO of EnCana Corporation (a natural gas producer) from 2002 to 2005. On January 1, 2006, he became Executive Vice-Chairman of EnCana Corporation until his retirement from its board in October 2006. Mr. Morgan is a former President and CEO of Alberta Energy Company Ltd. (oil and gas exploration and production), which he joined in 1975. He is also a former director of Alcan Inc. and HSBC Bank Canada Inc. and a former member of the Accenture Energy Advisory Board. He currently serves as a director of London-based HSBC Holdings plc (financial services), a Trustee of both the Fraser Institute and the Dalai Lama Centre for Peace and Education as well as a director of the Manning Center for Building Democracy.

Mr. Morgan is Honorary Colonel (retired) of 410 Tactical Fighter Squadron of the Canadian Air Force. He is the recipient of the Canadian Business Leader Award from the University of Alberta and the Ivey Business Leader Award from the University of Western Ontario, the Entrepreneur of the Year Award from the University of Victoria, three honorary Doctorates, and is an inductee to the Alberta Business Hall of Fame. In 2005, he was named Canadian CEO of the Year and Canada's Most Respected CEO as well as Fellow of the Canadian Academy of Engineering (FCAE).

On December 30, 2010, the Governor General announced Mr. Morgan's appointment as a Member of the Order of Canada.

Board/Committee Membership as at December 31, 2011	**Attendance**	**Attendance (Total)**	
Board (Chairman)	7 of 8	11 of 12	91.7%
Governance Committee (Chairman)	4 of 4		

Public Board Memberships During the Last 5 Years	**Year**
HSBC Holdings plc (member of the Group Remuneration Committee)	2006 – Present
Board Interlocks	**None**

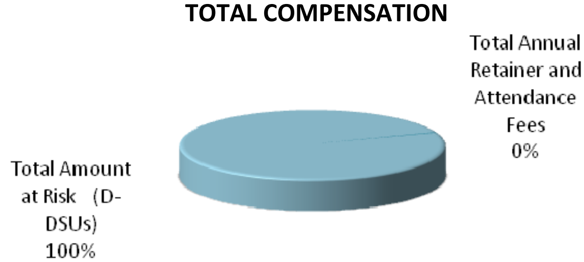
Securities Held as at December 31, 2011 (Market Value of $51.08 per Common Share as at December 31, 2011)

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Total Market Value of Common Shares and D-DSUs	Meets Minimum Shareholding Requirements ($1,200,000)
2011	31,000	32,403	63,403	$3,238,625	Yes
2010	31,000	26,423	57,423	$3,432,173	Yes
2009	31,000	20,580	51,580	$2,784,804	Yes

Value of Total Compensation Received (Details see Section 4)

Year	$
2011	$314,875
2010	$307,668
2009	$298,199

TOTAL COMPENSATION



Michael D. Parker, CBE

Independent

Age: 65

London, United Kingdom

Director since: July 7, 2010

Latest date of retirement
(age 72 under new policy): May 2019

Areas of Expertise:

Engineering

Chemicals

Nuclear Power/Energy

International business

Risk management

Mr. Parker had a 34-year career with the Dow Chemical Company (manufacturer of chemical products) serving in a wide variety of jobs in research, manufacturing, commercial and general management where he became President and Chief Executive in 2001 and served on the company's Board of Directors from 1995 until 2003.

Subsequently, he was appointed Group Chief Executive of British Nuclear Fuels PLC (BNFL) (a manufacturer and transporter of nuclear products) from 2003 until 2009.

In addition to the public company boards listed below, Mr. Parker is currently Senior Independent Director of Tianhe Chemicals plc (manufacturer and seller of chemical products) and is the Chairman of Liverpool Vision (economic development and regeneration company) and of Street League (a UK charity). He is also a Trustee of the Royal Society for the Prevention of Accidents (ROSPA) and a member of the Manchester Business School Advisory Board.

Mr. Parker received a Bachelor's degree in Chemical Engineering from the University of Manchester and an MBA from the Manchester Business School.

Board/Committee Membership as at December 31, 2011	Attendance	Attendance (Total)	
Board (Member)	7 of 8		
Audit Committee (Member)	4 of 4	15 of 16	93.8%
HS&E Committee (Member)	4 of 4		

Public Board Memberships During the Last 5 Years	Year
PV Crystalox Solar plc (member of the Audit Committee, the Nomination Committee and the Remuneration Committee)	2010 – present
Invensys plc (senior independent director and member of the Audit Committee, the Nominating Committee and the Remuneration Committee)	2006 – present
Board Interlocks	**None**

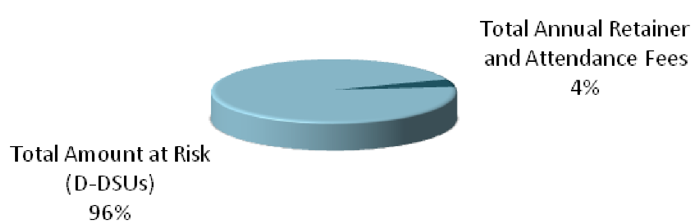
Securities Held as at December 31, 2011 (Market Value of $51.08 per Common Share as at December 31, 2011)

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Total Market Value of Common Shares and D-DSUs	Meets Minimum Shareholding Requirements ($300,000)
2011	9,100	3,471	12,571	$642,127	Yes
2010	9,100	972	10,072	$602,003	Yes

Value of Total Compensation Received (Details see Section 4)

Year	$
2011	$153,181
2010	$68,931

TOTAL COMPENSATION



Eric D. Siegel, ICD.D *

Independent

Age: 58

Ottawa (Ontario), Canada

Director since: January 1, 2012

Latest date of retirement
(age 72 under new policy): May 2026

Areas of Expertise:

Finance

Business Development

Risk Management

International Business

Eric D. Siegel joined Export Development Canada (EDC), a Crown corporation, in 1979. In 1997, he was appointed Executive Vice-President and in 2005, Chief Operating Officer, assuming overall leadership for EDC's business development and transacting groups. In 2007, he was appointed President and CEO until his retirement in December 2010. He is currently a director of Citibank Canada (financial services), and is a member of the Dean's Advisory Council of York University's Schulich School of Business.

Mr. Siegel holds a Bachelor of Arts degree in history and economics from the University of Toronto, a Masters of Business Administration degree from York University, and has completed the Senior Executive Program at Columbia University. He is a member of the Institute of Corporate Directors and having completed the Director Education Program was awarded the ICD.D designation.

On January 21, 2011, Mr. Siegel was honoured with a Lifetime Achievement Award by the Chinese Business Chamber of Canada (CBCC).

Board/Committee Membership as at December 31, 2011	**Attendance**	**Attendance (Total)**	
Board (Member)	N/A		
Audit Committee (Member)	N/A	N/A	N/A
HS&E Committee (Member)	N/A		

Public Board Memberships During the Last 5 Years	**Year**
N/A	N/A
Board Interlocks	**None**

Securities Held as at December 31, 2011 (Market Value of $51.08 per Common Share as at December 31, 2011)

Year	**Common Shares**	**Deferred Share Units (D-DSUs)**	**Total Common Shares and D-DSUs**	**Total Market Value of Common Shares and D-DSUs**	**Meets Minimum Shareholding Requirements ($300,000)**
2011	N/A	N/A	N/A	N/A	N/A

Value of Total Compensation Received (N/A)	
Year	**$**
2011	N/A

TOTAL COMPENSATION

(N/A)

Note:

* As Mr. Siegel was elected to the Board on January 1, 2012, he therefore did not attend any scheduled Board or Committee meetings and received no compensation in 2011.

Lawrence N. Stevenson

Independent

Age: 55

Toronto (Ontario), Canada

Director since: August 6, 1999

Latest date for retirement:
(15 years under new policy): May 2015

Areas of Expertise:

Governance

Retail business

Consulting and private equity

Mr. Stevenson is the Managing Director of Callisto Capital, a private equity firm based in Toronto. He served as Chief Executive and director of Pep Boys Inc. (automotive aftermarket retail and service) from May 2003 until July 2006. He was also the founder and CEO of Chapters (Canadian book retailer).

Mr. Stevenson holds an undergraduate degree (Honours) from the Royal Military College in Kingston (Ontario) and a Master's degree in business administration from Harvard Business School. In 2010, he was presented with an Honorary Doctorate from the Royal Military College. He was named Innovative Retailer of the Year by the Retail Council of Canada in 2000, Ontario Entrepreneur of the Year in 1998, one of Canada's "Top 40 Under 40" in 1995 and was elected Chairman of the Retail Council of Canada in 1999 and 2000.

Board/Committee Membership as at December 31, 2011	Attendance	Attendance (Total)	
Board (Member)	7 of 8		
Governance Committee (Member)	4 of 4	16 of 17	94.1%
HR Committee (Chairman)	5 of 5		

Public Board Memberships During the Last 5 Years	Year
CAE Inc. (Chairman of the Human Resources Committee)	1998 – Present
Board Interlocks	**None**

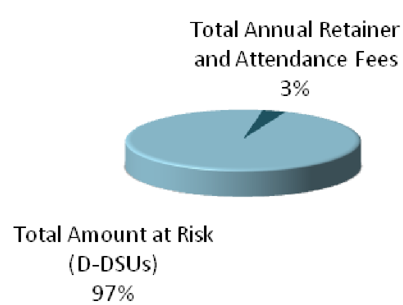
Securities Held as at December 31, 2011 (Market Value of $51.08 per Common Share as at December 31, 2011)

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Total Market Value of Common Shares and D-DSUs	Meets Minimum Shareholding Requirements ($300,000)
2011	30,750	10,418	41,168	$2,102,861	Yes
2010	30,750	8,615	39,365	$2,352,846	Yes
2009	30,750	7,147	37,897	$2,046,059	Yes

Value of Total Compensation Received (Details see Section 4)

Year	$
2011	$164,605
2010	$152,810
2009	$153,372

TOTAL COMPENSATION



To the knowledge of the Corporation, in the last 10 years, none of the above-named nominees is or has been a director or officer of any other issuer that, while that person was acting in that capacity (i) was the subject of a cease trade order or similar order, or an order that denied the other issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days or (ii) 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:

i) Mr. Claude Mongeau, a Director of the Corporation, who became a director of Nortel Networks Corporation ("**NNC**") and Nortel Networks Limited ("**NNL**") on June 29, 2006 and resigned at the end of August 2009. On January 14, 2009, NNC, NNL and certain other Canadian subsidiaries initiated creditor protection proceedings under the Companies' Creditors Arrangement Act ("**CCAA**") in Canada. Certain U.S. subsidiaries filed voluntary petitions in the United States under Chapter 11 of the U.S. Bankruptcy Code, and certain Europe, Middle East and Africa ("**EMEA**") subsidiaries made consequential filings in Europe and the Middle East. These proceedings are ongoing. Mr. Mongeau resigned as a director of NNC and NNL effective end of August 2009.

ii) Ms. Edythe (Dee) A. Marcoux, a Director of the Corporation, who was acting as a director of Southern Pacific Petroleum NL ("**SPP**") when SPP's securities were suspended from quotation on the Australian Stock Exchange prior to the commencement of trading on November 25, 2003 for a period of more than 30 consecutive days, and in respect of which receivers were appointed on December 2, 2003. SPP's securities are not currently being traded. Ms. Marcoux resigned as a director of SPP with effect from 12 noon on December 5, 2003. Ms. Marcoux was also a Director and member of the Audit Committee of OPTI Canada Inc. ("**OPTI**"). On July 13, 2011, OPTI commenced proceedings for creditor protection under the CCAA. The TSX delisted OPTI's common shares on August 26, 2011. The TSX approved the listing of OPTI's common shares on the TSXV which commenced trading on August 29, 2011. OPTI's common shares were subsequently delisted from the TSXV at the close of business on November 29, 2011, following the closing of OPTI's acquisition by CNOOC Luxembourg S.à.r.l., an indirect wholly-owned subsidiary of CNOOC Limited (the "**Acquisition**"). Pursuant to the Acquisition, indirect wholly-owned subsidiaries of CNOOC Limited acquired over OPTI's second lien notes and all of the outstanding shares of OPTI. The Acquisition was effected by way of a plan of arrangement through OPTI's current proceedings under the CCAA and the Canada Business Corporations Act. Ms. Marcoux resigned as a director of OPTI Canada Inc. on November 28, 2011.

Furthermore, to the knowledge of the Corporation, in the last 10 years, no Director or officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, 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 his/her assets.

3.2 Director Independence[1]

As a Canadian corporation listed on the TSX, the Corporation is subject to various guidelines, requirements and disclosure rules governing the independence of the members of its Board and Board Committees, including the independence requirements of the *Canada Business Corporations Act* and the governance guidelines and audit committee rules adopted by the CSA.

Based on information regarding personal and business circumstances provided in a comprehensive questionnaire completed annually by each of the Corporation's Directors, the Corporation's Board is satisfied that 10 of its 11 nominees are "independent" within the meaning of the Regulatory Independence Requirements[2]. The only non-independent nominee is Ian A. Bourne, who was appointed Vice-Chairman and Interim CEO of the Corporation on March 25, 2012[3].

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[1] NI 58-101, Form 58-101F1, section 1(a), (b) and (c).

[2] NI 58-101, Form 58-101F1, section 1(b) and (c).

[3] NI 58-101, Form 58-101F1, section 1(a) and (b).

3.3 Board Organization, Structure and Composition

3.3.1 Organization

- Board and Board Committee meetings are scheduled 3 years in advance and reviewed annually to optimize Director attendance;
- 5 regularly scheduled Board meetings each year;
- 2 days of meetings to consider and approve the Corporation's strategy for the next 5 years;
- Special Board meetings are also held when deemed necessary;
- Board Committees meet approximately 4 times a year;
- Special Board Committee meetings are held when deemed necessary;
- In addition to the members of the Board, members of the Office of the President are invited to attend all Board meetings and give presentations; and
- Members of management and certain key employees are called upon to give presentations at the Board and Board Committee meetings.

The Board and the Board Committees[1] have a 1-year rolling plan of items for discussion, known as the Forward Agenda [2]. These Forward Agendas are reviewed and adapted annually to ensure that all of the matters reserved to the Board and the Board Committees, as well as other key issues, are discussed at the appropriate time.

The Chairman of the Board sets Board agendas with the President and CEO and if required, with other Directors, and works together with the Vice-President and Corporate Secretary to make sure that the information communicated to the Board and the Board Committees is accurate, timely and clear. This applies in advance of regular, scheduled meetings and, in exceptional circumstances, between these meetings. In addition, Directors are provided with Board and Board Committee materials electronically a week in advance of each meeting through a secured internet site. Electronic versions of all corporate governance documentation set out in the Corporate Governance Handbook are also available through this site.

The services of the Vice-President and Corporate Secretary and her team are available to all Directors. Each Board Committee also receives support from management related to its specific Committee's mandate. The Board Committees may also seek independent professional advice to assist them in their duties, at the Corporation's expense[3].

Typically at each meeting, the President and CEO reports to the Board on bid, investment, acquisition and divestiture activities since the last meeting and members of the Office of the President (the Corporation's Executive Vice-Presidents - more fully defined in Section 7.5) provide a status report on major corporate and business matters under their responsibilities. The Board also reviews reports from each of the Board Committees and may also receive reports from members of management, other key employees, the Vice-President and Corporate Secretary as well as outside consultants if deemed necessary.

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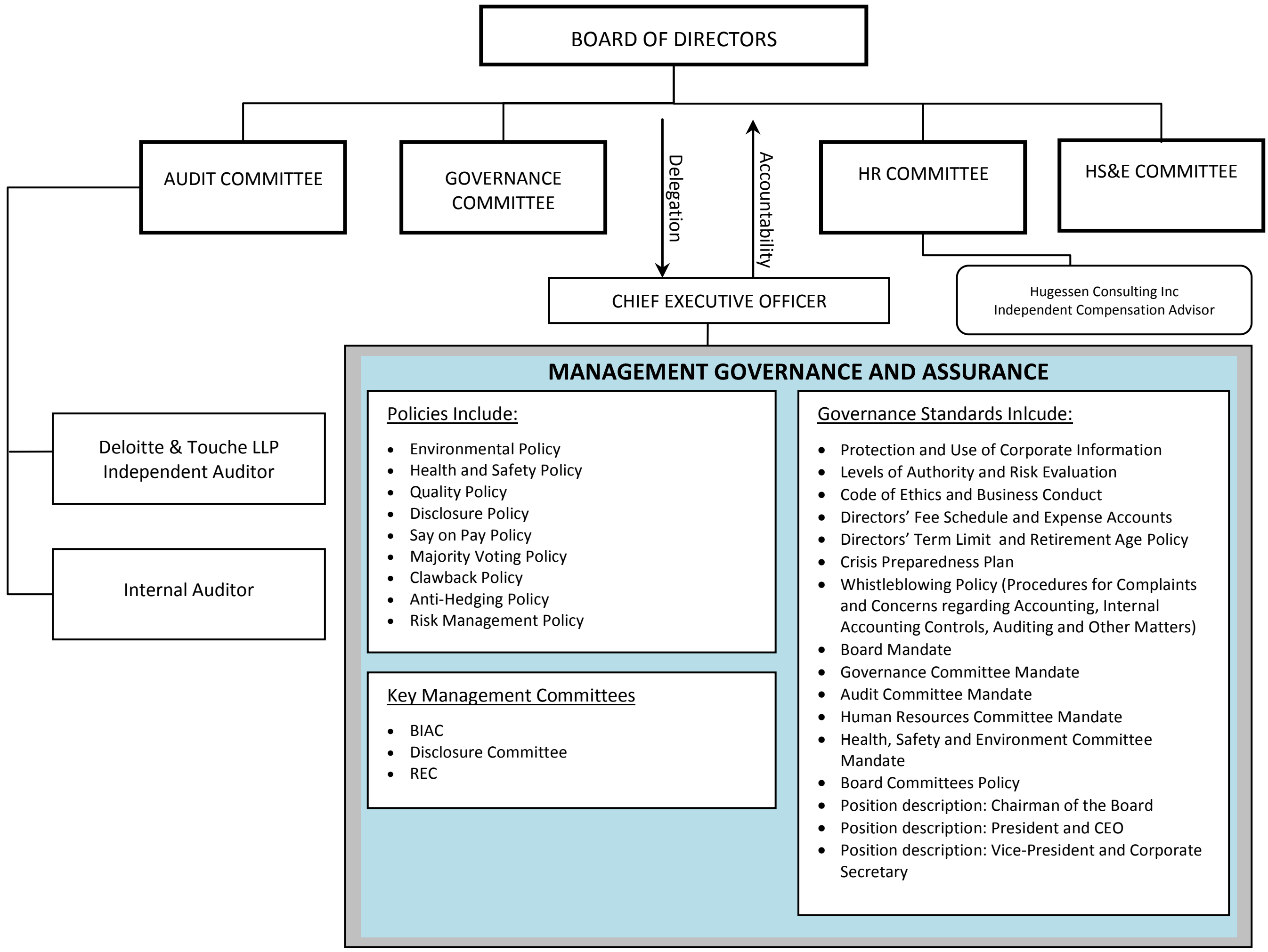
1 For a description of Board Committees see Section 3.3.2 "Structure" of this Management Proxy Circular.

2 For a copy of the Board's Forward Agenda see Schedule A.2 of this Management Proxy Circular.

3 Additional information on the Corporation's governance practices can be found on the Corporation's website (**www.snclavalin.com**), under "About Us"/"Corporate Governance".

3.3.2 Structure



Under its Board Committees policy, the Board may establish and seek the advice and delegate responsibilities to Committees of the Board. As of December 31, 2011, there were 4 Board Committees in place. On March 23, 2012, an ad-hoc Special Transitional Committee was created to assist with transitional matters, including serving as a resource to the management team. It is composed of the Chairman of the Board, the Vice-Chairman and Interim CEO, the Chairman of the Audit Committee and the Chairman of the HR Committee. Gwyn Morgan, Chairman of the Board, chairs this committee.

The Board Committees undertake detailed examinations of specific aspects of the Corporation as outlined in their terms of reference. They provide a smaller, more intimate forum than the Board meetings and are designed to be more conducive to exhaustive and forthright discussion. The Board Committees analyze in depth policies, strategies and associated risks which are developed and presented by management. They examine alternatives and where appropriate make recommendations to the Board. The Board Committees do not take actions or make decisions on behalf of the Board unless specifically mandated to do so[1]. The Chairman of each Board Committee provides a report of the Committee's activities to the full Board after each of the Committees regular meetings. The Board Committees have the power to submit recommendations to the Board and the Board has the power to approve them.

3.3.3 Board Composition

Based on the Articles of the Corporation, the Board of Directors consists of a minimum number of 8 and a maximum number of 20 Directors. As of March 26, 2012, the Board of Directors is composed of 12 members, 11 of which are independent. The only non-independent member of the Board is the Vice-Chairman and Interim CEO.

[1] At this time, only the Expanded BIAC, a joint Board and management committee specifically mandated to take actions and make decisions on behalf of the Board, up to its limit of authority.

The Governance Committee engages in a regular review of the Director selection criteria to identify the ideal size and skills set that should be represented on a board of directors of a major global engineering services organization such as the Corporation and to maintain and, if necessary, add critical competencies that may be required.

Following this review in 2011, the Board selected Mr. Eric D. Siegel[1] to join the Board effective January 1, 2012. Mr. Siegel's many years of experience will enhance the Board's competencies and skills, in particular with his knowledge of finance, business development and risk management. The Board is also satisfied that Mr. Siegel meets the independence criteria and that he has sufficient time and availability to devote himself to his duties as a Board member.

3.3.4 Board Committees' Composition

Board Committees are made up of not less than 3 and no more than 7 Directors. The members of a Committee must be Directors who are independent. On March 23, 2012, the Board passed a resolution to waive this provision with respect to Ian A. Bourne so as to allow him to sit on the ad-hoc Special Transitional Committee created on March 23, 2012. Subject to the By-laws of the Corporation, the Chairperson and members of the Board Committees are recommended by the Chairman of the Board and appointed by the Board. Every 3 years, the Board must consider whether or not it should appoint a new Chairperson for the Board Committees. Where the Board determines that any Board Committee requires a new Chairperson, the Board appoints such new Chairperson from among the relevant nominees of the Chairman of the Board.

Under the Corporation's policies, membership on the Board Committees is term limited. To the extent possible, taking into account the regulatory and internal requirements with respect to the personal expertise of the members of specific Committees (e.g., the financial literacy required of Audit Committee members) and other issues such as the requirement that a member of the Audit Committee also be a member of the HR Committee (and vice versa), there is a system of regular rotation of Directors on Board Committees. This provides Directors exposure to all management issues and the opportunity to serve in several areas and allows the Board Committees to benefit from the expertise of a variety of Board members.

Directors[1, 2]	Board Committees Composition Over 3 Years											
	Audit			HS&E			HR			Governance		
	2011	2010	2009	2011	2010	2009	2011	2010	2009	2011	2010	2009
I. A. Bourne[3]	√	√	√	√	√	√						
D. Goldman	Chair	Chair	Chair[4]					√[5]	√	√	√	√[6]
P. A. Hammick[7]	√	√	√		√	√	√	√				
P. H. Lessard							√	√	√	√	√	√
E. A. Marcoux	√	√	√	Chair	Chair	Chair				√	√	√
L. R. Marsden				√	√	√	√	√	√			
C. Mongeau	√	√	Chair[4]									√[6]
G. Morgan										Chair	Chair	Chair
M. D. Parker	√	√		√	√							
H. D. Segal				√	√	√	√	√	√			
L. N. Stevenson			√				Chair	Chair	Chair	√	√	√

Notes:

1 Mr. Eric D. Siegel joined the Board on January 1, 2012. He is a member of the Audit Committee and of the HS&E Committee
2 Mr. Gwyn Morgan as Chairman and Mr. Ian A. Bourne as Vice-Chairman, may attend all Committee meetings on a non-voting basis
3 Mr. Bourne was appointed to these 2 Committees on November 5, 2009
4 Mr. Mongeau resigned as Chairman of the Audit Committee on August 7, 2009 and was replaced by Mr. Goldman
5 Mr. Goldman resigned from the HR Committee on August 6, 2010
6 Mr. Mongeau resigned from the Governance Committee on August 7, 2009 and was replaced by Mr. Goldman
7 Ms. Hammick resigned from the HS&E Committee and was appointed to the HR Committee on August 6, 2010

1 For the details of Mr. Siegel's expertise and experience see Section 3.1 "Directors Proposed for Election" of this Management Proxy Circular.

3.3.5 BIAC and Expanded BIAC

The BIAC was created by the Board in 1997 in the context of the set of policies and procedures implemented to ensure that risks associated with bids/proposals and investments/divestitures were identified, analyzed, mitigated and adequately addressed.

The BIAC, which is a joint Board and management committee, becomes the Expanded BIAC when certain financial thresholds and critical number of employees are met in the context of a given investment or divestiture.

The Expanded BIAC is limited to reviewing and approving investments and divestitures within its level of authority.

Note that the President and CEO reports to the Board of Directors at each regularly scheduled Board Meeting on the developments at meetings of the BIAC and Expanded BIAC held since the last regularly scheduled Board Meeting. Directors are also remunerated for their attendance at the BIAC and Expanded BIAC meetings.

3.3.6 Board Diversity

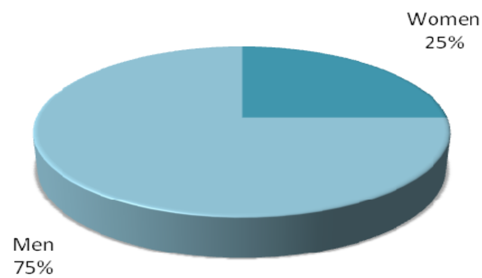
The Corporation has always taken Board diversity into consideration as it believes such diversity enriches Board discussions by providing for a variety of expertise and perspectives, particularly for companies such as the Corporation, which do business globally. The Corporation is also convinced that diversity in all forms increases the efficiency and effectiveness of the Board and the Board Committees. The information below provides details with respect to two aspects of the diversity within the Corporation's Board, gender diversity and geographic diversity.

The Corporation is engaged in wide-ranging operations, does business in countries around the world with global partners and operates within complex political and economic environments. Add to this the fact that the engineering field is technically one of the most challenging and you have a combination that requires a great deal of expertise and skills from the Corporation's Directors. This situation also creates an environment in which finding and recruiting new Board members is complex and demanding.

Candidates are typically selected from a diverse group of individuals, including a number of women, identified by the members of the Board of Directors and the President and CEO with the assistance of an international executive recruitment consulting firm.

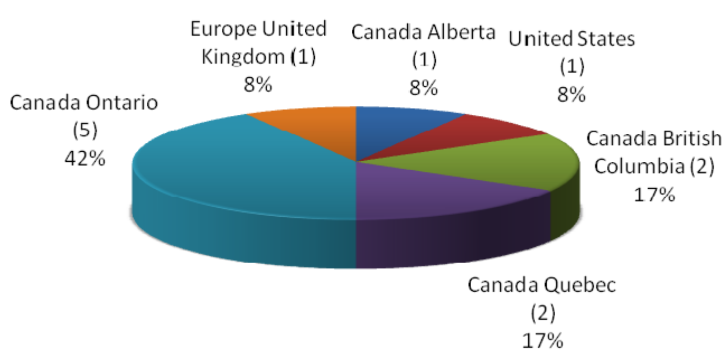
Although the 3 most recent Board members have been men, the Corporation continues within its ongoing succession planning to actively search for potential Board candidates from diverse groups and backgrounds, including women, who have the needed expertise and skills to enhance the Board's membership and effectiveness.

The following chart illustrates the total percentage of Board members who are women as at March 26, 2012.

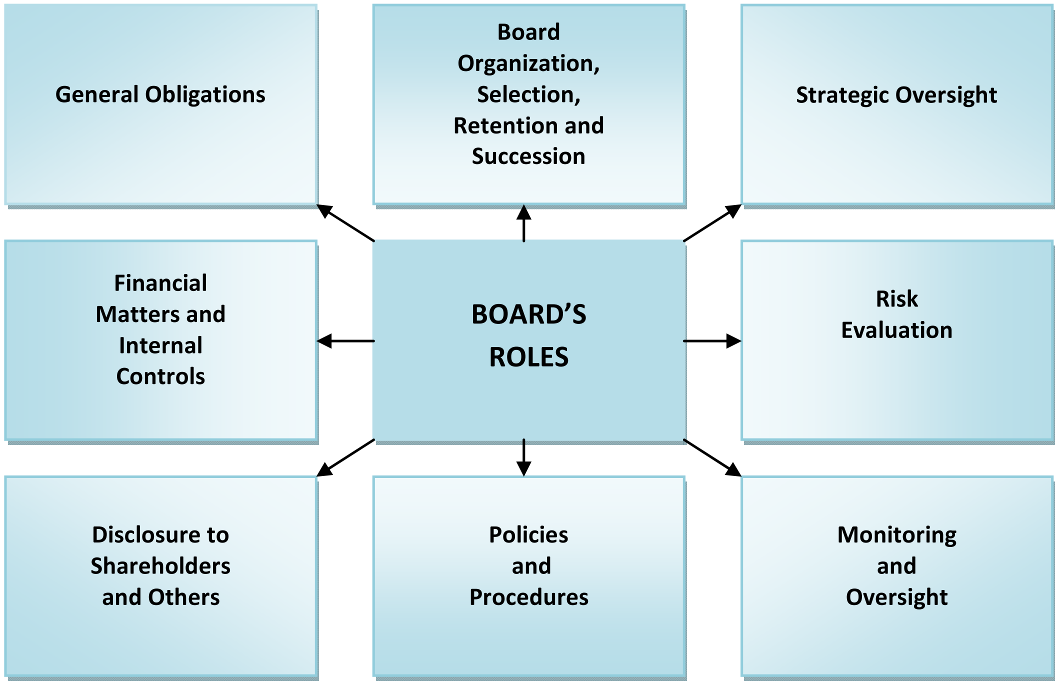


As the Corporation carries on business globally, the importance of geographic diversity, as mentioned above, is essential for Board efficiency. The Corporation, therefore, attempts to recruit and select Board candidates that represent a global business understanding and experience.

The following chart illustrates the geographic distribution of the Board members as at March 26, 2012.



3.4 Board Role and Mandate[1]



In general, the Board is responsible for managing the Corporation on behalf of its shareholders and each Director must act in a way that he or she considers promotes the long-term success of the Corporation for the benefit of the shareholders as a whole. The Board must also strive to make all decisions in the Corporation's best interest.

In addition to the strategic oversight and risk evaluation duties described below, the Board's mandate lists specific duties and key responsibilities of the Board of Directors as outlined in Schedule A.1.

With respect to position descriptions of the Chairman and key officers these are outlined in Schedule B to this Management Proxy Circular.

3.4.1 Strategic Oversight

The Board participates directly or through its Committees in developing and approving the mission of the Corporation's business, its objectives and goals and the strategy for their achievement.

Management is responsible for developing the strategic plan, which it presents to the Board each year for approval. There are 2 days of meetings to discuss strategic issues such as corporate opportunities, the main risks facing the Corporation's business and to consider and approve the Corporation's strategic plan for the next 5 years. The implementation of corporate strategy is also reviewed at regularly scheduled Board meetings and management presents any important changes to strategy to the Board as the need arises throughout the year.

The Board has the responsibility to constructively challenge and develop the proposals on strategy made by management while scrutinizing the performance of management in meeting the Corporation's strategic objectives. Following appropriate challenge, debate and review, and after having benchmarked the Corporation's performance against that of its competitors, the Board strives to provide a framework of support to the top executives in their strategic management of the Corporation's business.

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1 NI 58-101, form 58-101F1, section 1 "Board of Directors" as well as section 2 "Board Mandate". The mandate of the Board of Directors is found in Schedule "A.1" to this Management Proxy Circular, and is also posted on the Corporation's website (**www.snclavalin.com**), under "About Us"/"Corporate Governance". A paper copy may also be obtained on request from the Vice-President and Corporate Secretary.

3.4.2 Risk Evaluation

In general terms, the objective of the Board's oversight role with respect to the Corporation's risk management activities is to gain reasonable assurance that the strategic, operational, financial, legal, reporting and all other major risks[1] of the Corporation's business are identified in a timely manner by management and are effectively and appropriately assessed, monitored, managed and responded to, with the ultimate goal being to gain further strategic advantages by assisting management in managing these risks effectively.

BOARD RISK EVALUATION ROLE

- **Reviewing the Corporation's risk philosophy** (the amount of risk, on a broad level the Corporation is willing to accept in pursuit of stakeholder value). This is done through active discussion between management and the Board at the Corporation's annual strategic planning meeting where a mutual understanding of the Corporation's overall appetite for risk is reviewed and discussed.
- **Overseeing the extent to which management is establishing an effective enterprise wide risk management process**. This oversight is completed by obtaining reports from management on existing and developing risk management processes and requiring that management demonstrate the effectiveness of these systems in identifying, assessing and managing the Corporation's most significant risk exposures.
- **Reviewing the Corporation's major risks.** The Board's understanding of the risk exposure faced by the Corporation in both its present operations and strategic planning initiatives is essential to its risk oversight role. This understanding is also acquired through the Board's participation in the annual strategic planning meeting. This risk review allows management and the Board to, among others, focus on whether development in the business environment has resulted in changes in the critical assumptions and inherent risks underlying the Corporation's strategy and the effects such changes have on the Corporation's Strategic Plan.
- **Keeping informed on an ongoing basis of the most significant risks faced by the Corporation and whether management is responding appropriately to these risks.** As risks are constantly evolving, the need for the Board to obtain ongoing updates and continued robust information on risks affecting the Corporation is essential. This is done by integrating into the Board's agenda and Board packages information on ongoing risks.

From a risk governance perspective, while the Corporation considers that risk oversight, like strategy, is a full board responsibility, each of the Corporation's Board Committees is responsible for addressing risk oversight in their areas of expertise as provided for in the mandate of each Board Committee, while strategic issues are dealt with, for the most part, at the full Board level. This system allows the Board to gain valuable support and more focused attention on risks inherent in the scope of each Board Committee's activities as set forth in their respective Committee Mandates.

[1] For a detailed review of the major risks facing the Corporation see the Corporation's Annual Information Form, audited financial statements and Management's Discussion and Analysis for the year ended December 31, 2011 available on the Corporation's website (**www.snclavalin.com**) and on SEDAR (**www.sedar.com**).

3.5 Director Attendance[1]

The table below provides the record of attendance by each Director at meetings of the Board and the Board Committees during the 12 months ended December 31, 2011.

RECORD OF ATTENDANCE BY DIRECTORS FOR THE 12 MONTHS ENDED DECEMBER 31, 2011						
Directors	**Board Meetings Attended**		**Committee Meetings Attended**		**Overall Attendance**	
	(#)	**(%)**	**(#)**	**(%)**	**(#)**	**(%)**
I.A. Bourne	8 of 8	100%	4 of 4 Audit 4 of 4 HS&E	100% 100%	16 of 16	100%
P. Duhaime[2]	8 of 8	100%	N/A	N/A	8 of 8	100%
D. Goldman	8 of 8	100%	4 of 4 Audit (Chair) 4 of 4 Governance	100% 100%	16 of 16	100%
P.A. Hammick	8 of 8	100%	4 of 4 Audit 5 of 5 HR	100% 100%	17 of 17	100%
P.H. Lessard	7 of 8	87.5%	3 of 4 Governance 5 of 5 HR	75% 100%	15 of 17	88.2%
E.A. Marcoux	8 of 8	100%	4 of 4 Audit 4 of 4 Governance 4 of 4 HS&E (Chair)	100% 100% 100%	20 of 20	100%
L.R. Marsden	6 of 8	75%	4 of 4 HS&E 5 of 5 HR	100% 100%	15 of 17	88.2%
C. Mongeau	7 of 8	87.5%	3 of 4 Audit	75%	10 of 12	83.3%
G. Morgan	7 of 8	87.5%	4 of 4 Governance (Chair)	100%	11 of 12	91.7%
M.D. Parker	7 of 8	87.5%	4 of 4 Audit 4 of 4 HS&E	100% 100%	15 of 16	93.8%
H.D. Segal	6 of 8	75%	4 of 4 HS&E 4 of 5 HR	100% 80%	14 of 17	82.4%
L.N. Stevenson	7 of 8	87.5%	4 of 4 Governance 5 of 5 HR (Chair)	100% 100%	16 of 17	94.1%
Total Board Attendance	**87 of 96**	**90.6%**	**23 of 24 Audit** **19 of 20 Governance** **20 of 20 HS&E** **24 of 25 HR**	**95.8%** **95%** **100%** **96%**	**173 of 185**	**93.5%**

All Directors must have a total combined attendance rate of 75% or more for Board and Board Committee meetings to stand for re-election unless exceptional circumstances arise such as illness, death in the family or other like circumstances.

1 NI 58-101, Form 58-101 F1, section 1(g).

2 Mr. Duhaime attended 4 Audit Committee meetings, 4 Governance Committee meetings and 5 HR Committee meetings on a non-voting basis.

Non attendance at Board and Board Committee meetings is rare, usually when either an unexpected commitment arises, or, for newly appointed Directors, there is a prior clash with a meeting which had been timetabled and could not be rearranged. Given that Directors are provided with Board and Board Committee materials a week in advance of the meetings, Directors who are unable to attend may provide comments and feedback to either the Chairman, Chairman of the Committee or the Vice-President and Corporate Secretary, all of whom ensure those comments and views are raised at the meeting.

NUMBER OF BOARD AND BOARD COMMITTEE MEETINGS HELD IN 2011

- 5 regular Board meetings
- 3 special Board meetings
- 2 days of meetings with management on strategic planning and risk management
- 4 regular HR Committee meetings
- 1 special HR Committee meeting
- 4 regular Governance Committee meetings
- 4 regular Audit Committee meetings
- 4 regular HS&E Committee meetings
- 3 Expanded BIAC meetings

3.6 In Camera Sessions [1]

NUMBER OF IN CAMERA SESSIONS HELD IN 2011	
Board of Directors (including Strategic Planning Meeting)	12
Audit Committee	4
Governance Committee	8
HS&E Committee	1
HR Committee	5

The mandate of the Board of Directors[2] requires that, at each of the regularly scheduled meetings of the Corporation's Board of Directors during a year, the independent Directors hold In Camera sessions (sessions at which non-independent Directors and members of management are not in attendance). Directors are also obliged to hold such In Camera sessions of the independent Directors when executive compensation issues are discussed. In 2005, the Board instituted the practice of holding such In Camera sessions, not only at the beginning but also at the conclusion of each regularly scheduled Board meeting.

In addition, at each of the regularly scheduled meetings of each of the Corporation's 4 standing Board Committees (Audit Committee, Governance Committee, HS&E Committee, and HR Committee), the members of these Committees (all of whom are required to be independent) may also hold In Camera sessions, at which non-independent Directors and members of management are not in attendance[3].

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1 NI 58-101, Form 58-101F1 "Board of Directors", section 1(e).

2 The mandate of the Board of Directors is found in Schedule "A.1" to this Management Proxy Circular, and is also posted on the Corporation's website (**www.snclavalin.com**), under "About Us"/ "Corporate Governance". Paper copies of the mandate of the Board may be obtained on request from the Vice-President and Corporate Secretary.

3 The mandates of all 4 standing Board Committees are posted on the Corporation's website (**www.snclavalin.com**), under "About Us"/"Corporate Governance". Paper copies of the Board Committees' mandates may be obtained on request from the Vice-President and Corporate Secretary.

3.7 Director Availability[1]

The Governance Committee's mandate requires that the members of the Committee consider candidates who have sufficient time and energy to devote to his or her duties as a Director. One of the general criteria considered with respect to availability is the number of public companies nominees are already committed to as directors.

To further clarify Director availability, the Board of Directors upon recommendation from the Governance Committee, amended its mandate to provide that:

- Directors of the Corporation may sit on no more than 4 other outside public company boards, unless otherwise approved by the Board of Directors of the Corporation; and
- No Director who is also a CEO in office may sit on more than 1 outside public board other than his company's and the Corporation's unless otherwise approved by the Board of Directors of the Corporation.

As of December 31, 2011, all of the Corporation's Directors comply with this policy[2].

The Governance Committee carried out its customary review for 2011 and was satisfied that the independent Directors were able to commit the required time for the proper performance of their duties. For complete details on all outside public directorships held by the Director nominees see Section 3.1 "Directors Proposed for Election" of this Management Proxy Circular.

3.8 Interlocking Outside Boards

- The Corporation has established an additional requirement that no more than 2 of the Corporation's Directors may serve on 1 same outside board;
- In 2011, none of the Corporation's Directors served together on any other board of directors.

3.9 Conflict of Interest[3]

To ensure ongoing director independence, each Director is required to inform the Board of any potential conflict of interest he or she may have at the beginning of each Board and Board Committee meeting. A Director who is in a potential situation of conflict of interest in a matter before the Board or a Board Committee must not attend any part of a meeting during which the matter is discussed or participate in a vote on the matter. The Governance Committee performs an annual review of Directors' interests in which all potential or perceived conflicts, including time commitments, length of service and other issues relevant to their independence, are considered.

1 NI 58-101, Form 58-101F1, section 1(d).

2 On March 25, 2012, the Board passed a resolution allowing Ian A. Bourne to continue to sit on the outside public boards of which he was already a member at the time of his appointment as Vice-Chairman and Interim CEO of the Corporation.

3 NI 58-101, Form 58-101F1, section 5(b)

3.10 Ethical Business Conduct[1]

3.10.1 Code of Ethics

The Code of Ethics[2], is applicable to the Corporation's Directors, officers and employees, all of whom are required to provide annual acknowledgement that they have received a copy of the Code of Ethics and will comply with its terms. The Board monitors compliance with the Code of Ethics through its HR Committee. In the case where an employee has a concern regarding what they consider to be a violation of the Code of Ethics they may contact the Corporation's toll free reporting line[3]. The Corporation is currently reviewing the Code of Ethics and the Whistleblowing Policy (which is described below) to take into account, among others, the recommendations of the Audit Committee following the Independent Review described in a press release dated March 26, 2012, and available on SEDAR (**www.sedar.com**) and on the Corporation's website (**www.snclavalin.com**).

On March 26, 2012, a press release which includes a description of certain departures from the Code of Ethics was filed on SEDAR and is available at **www.sedar.com** and on the Corporation's website at **www.snclavalin.com**. A material change report in connection therewith will also be filed within the prescribed delay.

3.10.2 Whistleblowing Policy[4]

The Audit Committee monitors the Corporation's Whistleblowing Policy (the "**Policy**")[5]. In general terms, this Policy allows for the confidential and anonymous submission, by employees of the Corporation and by the general public, of reports on acts by the Corporation or any of its employees referred to as "**Reportable Activity**"[6]. It applies to the Corporation and all of its subsidiaries and all employees, officers and Directors of the Corporation and its subsidiaries.

The stewardship of this Policy is ultimately the responsibility of the Corporation's Audit Committee and under its direction, the Corporation's Senior Vice-President and General Counsel administers the Policy.

3.10.3 Protection of Reports and Confidentiality

No person, acting in good faith, who provides information relating to a Reportable Activity, can be subjected to any form of retaliation and any such retaliation would be treated as a serious violation of the Policy and corrective measures of varying degrees of severity, including but not limited to, discharge without notice, would be taken against any person who is determined to have engaged therein.

The Corporation and its subsidiaries are committed to maintaining a Policy that permits confidential, anonymous reporting of a Reportable Activity. Information regarding the identity of any person making such a report remains anonymous and confidential at all times[7] and is only disclosed to those persons who have a need to know and only to the extent to which they need to know such information to properly carry out an investigation of the Reportable Activity, in accordance with this Policy. No record of such a report is placed in the Human Resources file of anyone who has made such a report and who is an employee of the Corporation. Instead, any such record is kept in a separate and confidential file, for a period of no less than 3 years.

3.10.4 Reporting

The following graph outlines the reporting under the Policy for anyone wishing to report a Reportable Activity.

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1 NI 58-101, Form 58-101F1, section 5 "Ethical Business Conduct".

2 The Corporation's Code of Ethics is posted on the Corporation's website (**www.snclavalin.com**) under "About Us"/"Code of Ethics" and a paper copy of which may also be obtained on request form the Vice-President and Corporate Secretary.

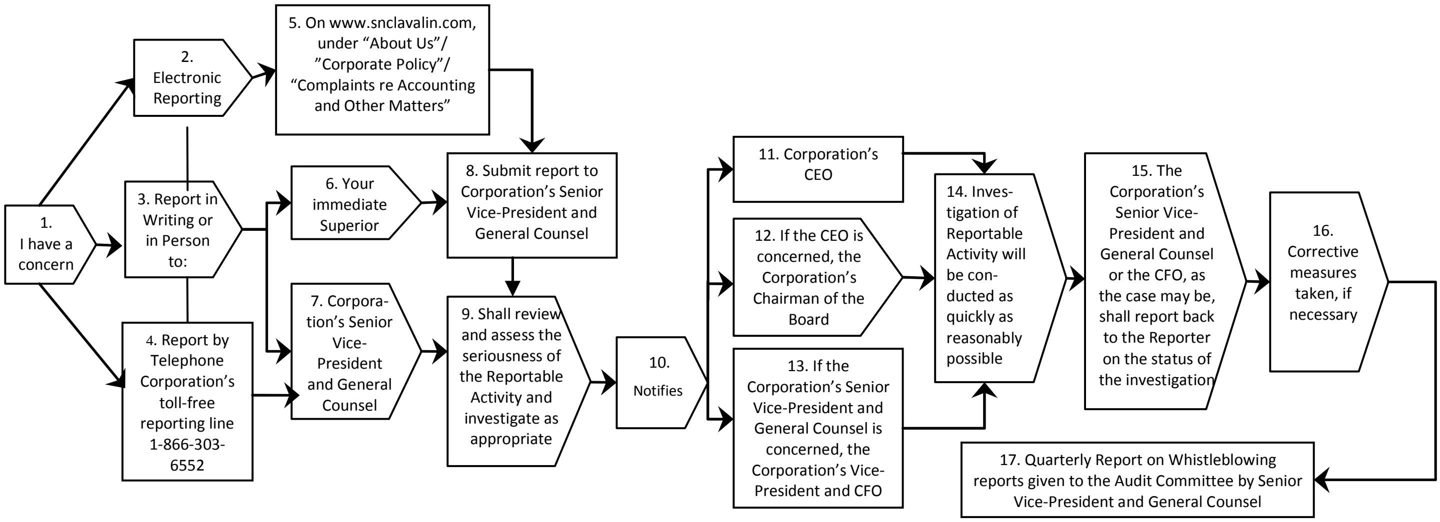
3 1-866-303-6552.

4 NI 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 whistleblowing procedure forms part of the Audit Committee responsibilities as set out in section 2.3 (7) of NI 52-110.

5 This Policy is posted on the Corporation's website (**www.snclavalin.com**), under "About Us"/"Corporate Policy"/"Complaints re Accounting and Other Matters" and on its intranet Website. It is also posted on all Websites and intranet Websites of the Corporation's subsidiaries.

6 Reportable Activity is defined as any concern or complaint with respect to a Company's accounting, internal accounting controls or auditing matters or evidence of an activity by an employee or by a director or officer of any Company, which may constitute corporate fraud, a violation of applicable laws and/or the misappropriation of any property of the Company. "**Companies**" is defined as the Corporation and all its subsidiaries, whether or not the securities of any such subsidiary are publicly traded, and any joint venture or consortium of which the Corporation or any of its subsidiaries is a party and "**Company**" is defined as either the Corporation or any of its subsidiaries or any such joint venture or consortium.

7 Unless otherwise expressly permitted by this person or as required by applicable law.



3.11 Shareholder Engagement

As a part of its efforts to encourage regular and constructive engagement directly with its shareholders so as to allow and encourage shareholders to express their views on governance matters directly to the Board, the Corporation makes available various forms of communication to its shareholders.

3.11.1 Continuous Disclosure

Sound disclosure practices are the most valuable means of communicating with our shareholders and the Corporation believes that through this Management Proxy Circular along with, among others, the Management Discussion & Analysis and accompanying financial statements, Annual Information Form, Annual Report, quarterly interim reports and conference calls, periodic press releases, as well as the Corporation's website, it effectively communicates its commitment to not only meet but exceed governance standards, be they imposed by legislation or encouraged as best practices. Our shareholders are informed therein of our ongoing efforts to improve governance across the Corporation by regularly reviewing our governance policies, practices and processes

3.11.2 Annual General Meeting

The annual general meetings also provide a forum for our shareholders to express their views directly to Board members, who systematically attend these meetings. Under our constituting law shareholders may also raise any concerns they may have through the shareholder proposal system. For the past few years no shareholder proposals have been made at the Corporation's annual general meeting which is indicative of the fact that issues that may be of concern to our shareholders are dealt with through ongoing engagement efforts by the Corporation throughout the year.

3.11.3 Say on Pay Policy

As a further initiative to increase Board engagement with the Corporation's shareholders, in 2010 the Board adopted a Say on Pay policy that provides for holding a yearly advisory vote on the Corporation's approach to executive compensation as well as disclosure of the results of the vote as part of the Corporation's report on voting results. This decision was taken so as to allow a formal opportunity to shareholders to provide feedback on the disclosed objectives of the executive compensation plans. Under this new policy, the Board undertakes to consider the result of the vote, as appropriate, when reviewing its compensation policies, procedures and decisions and in determining whether there is a need to significantly increase their engagement with shareholders on compensation matters. If a significant number of shareholders vote against the Say on Pay annual resolution, the Board will consult with the Corporation'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 Corporation's approach to compensation in light of these concerns. Shareholders who have voted against the resolution are encouraged to discuss these issues with the Board.

3.11.4 Majority Voting Policy

The Corporation's Board of Directors has adopted a policy to the effect that, in an uncontested election of Directors, any nominee who receives a greater number of "withheld" votes than "for" votes will tender his/her resignation to the Chairman of the Board promptly following the annual meeting of shareholders of the Corporation. The Governance Committee will then consider the offer of resignation and, except in special circumstances, will recommend that the Board accepts it. The Board will make its decision and announce it in a press release within 90 days following the annual meeting of shareholders, including the reasons for rejecting the resignation, if applicable. A Director who tenders his/her resignation pursuant to this policy will not participate in any meeting of the Board or of the Governance Committee at which the resignation is being considered.

3.11.5 Further Engagement Initiatives

The Corporation's no slate voting system, the fact that the Board is up for election each year, the majority voting policy and the filing of the Corporation's voting results promptly within 5 days of the annual meeting enhance the Board's accountability and communication with the Corporation's shareholders.

The Board and Board Committees are continuously reviewing engagement activities which they believe will further enhance the Corporation's long term commitment to allowing and facilitating the processes by which our shareholders may express their views on governance and compensation matters as the Corporation believes this engagement assists it in growing a sustainable business, thereby enhancing value creation for all our shareholders.

The Corporation's efforts to improve governance were recognized in 2011, by the following organisations:

Best Investor Relations by CFO, IR Magazine	1st place
Best Investor Relations by Sector – Industrials category, IR Magazine	1st place
International PFI Award - Thomson Reuters – P3 Deal of the Year (Financing)	1st place
Canadian Institute of Chartered Accountants ("CICA") Corporate Reporting Awards 2011: Diversified Industries	1st place
Globe & Mail Board Games	7th position out of 253 companies

Section 4 DIRECTORS' CD&A AND COMPENSATION DISCLOSURE

Section 4 DIRECTORS' CD&A AND COMPENSATION DISCLOSURE[1]

4.1 Philosophy and Objectives of Directors' compensation

- Recruit and retain qualified individuals to serve as Directors of the Corporation and contribute to the Corporation's overall success;
- Align the interests of the Directors with those of the shareholders by requiring Directors to hold a multiple of their annual retainer in D-DSUs even after they have met the requirements for ownership; and
- Compensate fairly based on market standards.

4.2 Directors' Compensation Policy

Designed to:

- Attract and retain highly qualified individuals to serve as Directors;
- Position Directors' compensation at the median of Director compensation paid by the Comparator Group[2] (companies that are comparable in size and in similar businesses);
- Provide compensation in line with the risks and responsibilities inherent to the role of Director; and
- Provide compensation to the Corporation's Directors to recognize the increasing complexity of the Corporation's business.

4.3 Directors' Compensation Program

3 components:

- An annual retainer paid:
    - partly in cash; and/or
    - partly as at risk compensation in the form of D-DSUs[3;]
- Attendance fees paid in cash.
- Additional at risk compensation in the form of D-DSUs.

The Corporation also pays for any reasonable travel and other out-of-pocket expenses relating to their duties as Directors.

The Chairman of the Board may attend all Board Committee meetings as a non-voting participant but receives Committee meeting attendance fees only for his attendance at meetings as a member of the Governance Committee. Note that he is not remunerated for his role as Chairman of the Governance Committee.

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1 NI 58-101, Form 58-101F1, section 7. For details on required disclosure for executive compensation see Section 8 "Executive Compensation Disclosure" of this Management Proxy Circular.

2 For details on the Corporation's "Comparator Group" see Section 4.6 "Directors' Comparator Group" of this Management Proxy Circular.

3 See Section 4.8 "D-DSUP - At Risk Compensation" of this Management Proxy Circular for details on the D-DSUP.

4.4 Directors' Compensation Review and Approval Process

1. CONSULT	2. BENCHMARK	3. REPORT	4. REVIEW & ANALYZE	5. RECOMMEND	6. APPROVE
Compensation consultant, Towers Watson retained to provide advice on non-employee Director compensation and Chairman of the Board compensation	Towers Watson benchmarks non-employee Director compensation and Chairman of the Board compensation against the comparator group	Towers Watson produces a report for the Governance Committee on non-employee Director compensation and Chairman of the Board compensation	Governance Committee reviews and analyzes Towers Watson's recommendations on non-employee Director compensation and Chairman of the Board compensation against the compensation program objectives to ensure alignment	Governance Committee recommends non-employee Directors compensation and Chairman of the Board compensation to the Board	Board reviews the Governance Committee recommendations and approves non-employee Director compensation and Chairman of the Board Compensation

The amount and form of the Corporation's non-employee Directors' and the Chairman of the Board's compensation is ultimately determined by the Board. The Governance Committee reviews Directors' compensation every year and makes recommendations to the Board[1].

The last review of Director compensation was carried out in 2011. Pursuant to this review, the Governance Committee recommended, and the Board approved, an increase of the lump sum payable to the Directors from $70,000 to $86,000 effective January 1, 2012 for all non-employee Directors, including the Chairman of the Board, to better align the Director compensation with present market trends[2].

4.5 Directors' Compensation Advice[3]

Nature of Work	Consultant	2011	2010
Non-employee Directors' and Chairman of the Board's Compensation	Towers Watson	$23,109	$33,810
Other	Nil	Nil	Nil

4.6 Directors' Comparator Group

COMPARATOR GROUP

- Publicly traded Canadian companies;
- Publicly traded U.S. companies;

with:

- A large percentage of professionals;
- A diverse global client base;
- Same group used for Executive Compensation[4]

1 NI 58-101, Form 58-101F1, section 7(b). This responsibility, as well as the powers and operations of the Governance Committee are set out in the Committee's mandate. For a copy of the Governance Committee mandate see the Corporation's website (**www.snclavalin.com**), under "About Us"/"Corporate Governance" and of which paper copies may be obtained on request from the Vice-President and Corporate Secretary.

2 For details on the lump sum see Section 4.7 of this Management Proxy Circular.

3 NI 51-102, Form 51-102F6, section 2.4 (3)

4 For details on the Comparator Group see Section 7.4 of this Management Proxy Circular.

4.7 Annual Retainer and Attendance Fees

The following table outlines the compensation schedule for 2011 and the actual fees paid to non-employee Directors in 2011.[1]

A. ANNUAL RETAINER payable in cash and D-DSUs	COMPENSATION STRUCTURE[(1)]	TOTAL COMPENSATION EARNED Cash Paid ($)	D-DSUs ($)	D-DSUs (#)	Total Value ($)
Non-employee Directors (aggregated) (excluding Chairman of the Board)	An annual retainer consisting of: 1. an award of $55,000 allocated as follows: • a percentage of the award credited in D-DSUs; and • the balance in cash	$275,000	$275,000	5,430	$550,000
	plus 2. a lump sum[(2)] of $70,000 credited in D-DSUs	--	$700,000	13,800	$700,000
	plus 3. dividends credited in D-DSUs, derived from D-DSUs accumulated	--	$74,029	1,422	$74,029
Chairman of the Board	An annual retainer consisting of: 1. an award of $225,000 allocated as follows: • a percentage of the award credited in D-DSUs; and • the balance in cash	--	$225,000	4,434	$225,000
	plus 2. a lump sum[(2)] of $55,000 credited in D-DSUs	--	$55,000	1,085	$55,000
	plus 3. dividends credited in D-DSUs, derived from D-DSUs accumulated	--	$24,250	461	$24,250
Additional Annual Retainer for the Committee Chairs (excluding the Chairman of the Board)	Audit Committee: $16,000 paid in cash	$16,000	N/A		$16,000
	All Other Committees: $8,000 paid in cash	$16,000	N/A		$16,000

B. ATTENDANCE FEES (per meeting)	COMPENSATION STRUCTURE	TOTAL COMPENSATION EARNED Cash Paid ($)	D-DSUs ($)	D-DSUs (#)	Total Value ($)
Board Meetings	$1,500 (in person) paid in cash	$85,500	N/A		$85,500
	$625 (by telephone) paid in cash	$18,125	N/A		$18,125
Committee Meetings	Audit Committee:				
	$2,250 (in person) paid in cash	$49,500	N/A		$49,500
	$925 (by telephone) paid in cash	$925	N/A		$925
	All Other Committees:				
	$1,500 (in person) paid in cash	$84,000	N/A		$84,000
	$625 (by telephone) paid in cash	$4,375			$4,375
Expanded BIAC	$1,500 (in person) paid in cash	$1,500	N/A		$1,500
	$625 (by telephone) paid in cash	$7,500	N/A		$7,500
	TOTAL 2011	$558,425	$1,353,279	26,632	$1,911,704
	TOTAL 2010	$568,525	$1,111,989	21,930	$1,680,614
	TOTAL 2009	$495,990	$1,059,158	24,995	$1,555,148

C. TRAVEL FEES	COMPENSATION STRUCTURE	TOTAL COMPENSATION EARNED Cash Paid ($)	D-DSUs ($)	D-DSUs (#)	Total Value ($)
	$1,500 (in person) paid in cash				
	TOTAL 2011	$36,000	N/A		$36,000
	TOTAL 2010	$37,500	N/A		$37,500
	TOTAL 2009	$25,500	N/A		$25,500

Notes:

(1) For details on the compensation for the new Vice-Chairman and Interim CEO see Section 8.1.3 of this Management Proxy Circular. Compensation for the members appointed to the ad-hoc Special Transitional Committee created on March 23, 2012, has not yet been determined.

(2) On August 5, 2011, the Board of Directors approved the increase in the lump sum to $86,000 for both the Chairman of the Board and all other non-employee Directors, effective January 1, 2012.

1 For details on individual non-employee Director compensation see Section 4.12 of this Management Proxy Circular.

4.8 D-DSUP – At Risk Compensation

D-DSUs are an "at-risk" component of our Directors' compensation program designed to encourage the Chairman of the Board and non-employee Directors to better align their interest with those of the shareholders. Under the D-DSUP, the Chairman of the Board and the non-employee Directors are credited D-DSUs as part of their annual retainer. D-DSUs track the value of the Corporation's Common Shares. They accumulate during the Chairman's or non-employee Director's term in office and are redeemed in cash when the Chairman or non-employee 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 5 trading days immediately prior to such date. D-DSUs do not carry any voting rights. All D-DSUs are credited on a quarterly basis.

4.8.1 Characteristics of D-DSUs

The following components of the annual retainer are credited in D-DSUs:

- **A percentage of the cash award:**
  - Cash award for the Chairman of the Board: $225,000
  - Cash award for all other non-employee Directors: $55,000

  The percentage of the cash award credited in D-DSUs is elected by each Director in accordance with the following table, while the remaining amount of the award is paid in cash.

Percentage of Cash Awards Credited in D-DSUs	
% before reaching minimum shareholding requirement • 50% minimum • 75% • 100%	% after reaching minimum shareholding requirement • 25% minimum • 50% • 75% • 100%

- **A lump sum:**
  - Lump sum for the Chairman of the Board: $55,000
  - Lump sum for all other non-employee Directors: $70,000

Percentage of Lump Sum Credited in D-DSUs
100%

  Note that on August 5, 2011, the Board of Directors approved the increase of the lump sum to $86,000 for both the Chairman of the Board and all other non-employee Directors, effective January 1, 2012.

- **Dividends credited in D-DSUs:**
  - Whenever cash dividends are paid on Common Shares, D-DSUs receive dividends in the form of D-DSUs, at the same rate as the dividends paid on the Common Shares.

4.9 Directors' Share Ownership Requirements

MINIMUM SHAREHOLDING		
TITLE	3 YEAR TARGET	5 YEAR TARGET
Chairman	$600,000	$1,200,000
Non-Employee Directors	$150,000	$300,000

The Board believes it is important that Directors demonstrate their commitment to the Corporation's growth through share ownership. Ownership can be achieved by purchasing Common Shares and by participating in the Corporation's D-DSUP.

As of March 4, 2011, the Board approved guidelines concerning Director share ownership whereby the Chairman of the Board is required to acquire Common Shares of the Corporation and/or D-DSUs credited under the D-DSUP (for more details, see Section 4.8 "D-DSUP-At Risk Compensation" of this Management Proxy Circular). There are 2 thresholds that must be met. The first requires that within 3 years of his/her appointment, the Chairman must acquire Common Shares of the Corporation and/or D-DSUs credited under the D-DSUP having a combined market value of $600,000 and the second that within 5 years of his/her appointment, he/she must acquire Common Shares of the Corporation and/or D-DSUs credited under the D-DSUP having a combined market value of at least $1,200,000. The Chairman of the Board is required to continue to hold such Common Shares and/or D-DSUs throughout the remainder of his/her tenure as Chairman. Each other non-employee Director is also required to acquire Common Shares of the Corporation and/or D-DSUs credited under the D-DSUP. The thresholds for the other non-employee Directors are set respectively at a combined market value of at least $150,000 within 3 years of his/her election to the Board and $300,000 within 5 years of his/her election to the Board. Each other non-employee Director is also required to continue to hold such Common Shares and/or D-DSUs throughout the remainder of his/her tenure as a Director (all such requirements are collectively referred to as the "**Director Share Ownership Requirements**"). With respect to the President and CEO, the required share ownership is equal to 6 times his annual base salary.

In the case where a Director no longer meets the Director Share Ownership Requirements, including, but not limited to, when a fluctuation in the fair market value of the Corporation's Common Shares occurs, any Director who does not yet have a sufficient number of Common Shares or has not yet been credited a sufficient number of D-DSUs must acquire a sufficient number of D-DSUs or Common Shares so as to reach the Director Share Ownership Requirements within a 2 year delay.

As of December 31, 2011, all of the Corporation's Directors in office at that time met the Director Share Ownership Requirements.

4.10 Prohibition on Hedging and Trading in Derivatives by Directors

The Board of Directors has adopted a prohibition on hedging and trading in derivatives policy applicable to the Corporation's insiders (which include, among others, the Corporation's Directors and NEOs).

4.11 Directors' Current Share Ownership and D-DSUs Credited as at December 31, 2011

Director	Director since	Year	Number of Common Shares Held	Number of D-DSUs Held	Market Value of D-DSUs Not Paid Out or Distributed	Total Number of Common Shares and D-DSUs	Total Market Value of Common Shares and D-DSUs $[1]	Amount at Risk (Common Shares and D-DSUs) as a Multiple of Annual Retainer [2]	Director Shareholding Requirements $[3]	Shareholding Requirements Met	Date at which Director Shareholding Requirements Is/Was to Be Met (mm/dd/yyyy)
Ian A. Bourne	2009	2011	5,000	3,965	$202,532	8,965	$457,932	3.7	$300,000	yes	11/05/2014
		2010	5,000	1,995	$119,241	6,995	$418,091	3.8	$300,000	yes	
		2009	2,000	346	$18,681	2,346	$126,661	1.2	$300,000	In process	
		Change	0	1,970	$83,291	1,970	$39,841	-0.1	None	N/A	
Pierre Duhaime [4]	2009	2011	103,741	N/A	N/A	103,741	$5,299,090	N/A	N/A	N/A	05/07/2014
		2010	92,482	N/A	N/A	49,883	$2,981,507	N/A	N/A	N/A	
		2009	84,712	N/A	N/A	84,712	$4,573,601	N/A	N/A	N/A	
		Change	11,259	N/A	N/A	53,858	$2,317,583	N/A	N/A	N/A	
David Goldman	2002	2011	21,000	12,415	$634,158	33,415	$1,706,838	13.7	$300,000	yes	03/01/2007
		2010	21,000	10,581	$632,426	31,581	$1,887,596	17.2	$300,000	yes	
		2009	21,000	9,087	$490,607	30,087	$1,624,397	14.8	$300,000	yes	
		Change	0	1,834	$1,732	1,834	-$180,758	-3.5	None	—	
Patricia A. Hammick	2007	2011	-	6,582	$336,209	6,582	$336,209	2.7	$300,000	yes	01/01/2012
		2010	-	4,571	$273,209	4,571	$273,209	2.5	$300,000	In process	
		2009	-	2,888	$155,923	2,888	$155,923	1.4	$300,000	In process	
		Change	0	2,011	$63,000	2,011	$63,000	0.2	None	—	
Pierre H. Lessard	1998	2011	37,000	15,027	$767,579	52,027	$2,657,539	21.3	$300,000	yes	10/30/2003
		2010	37,000	12,883	$770,017	49,883	$2,981,507	27.1	$300,000	yes	
		2009	37,000	11,087	$598,587	48,087	$2,596,217	23.6	$300,000	yes	
		Change	0	2,144	-$2,438	2,144	-$323,968	-5.8	None	—	
Edythe (Dee) A. Marcoux	1998	2011	14,500	10,156	$518,768	24,656	$1,259,428	10.1	$300,000	yes	10/30/2003
		2010	14,500	8,357	$499,498	22,857	$1,366,163	12.4	$300,000	yes	
		2009	14,500	6,893	$372,153	21,393	$1,155,008	10.5	$300,000	yes	
		Change	0	1,799	$19,270	1,799	-$106,735	-2.3	None	—	
Lorna R. Marsden	2006	2011	2,000	9,475	$483,983	11,475	$586,143	4.7	$300,000	yes	05/04/2011
		2010	2,000	7,419	$443,434	9,419	$562,974	5.1	$300,000	yes	
		2009	2,000	5,698	$307,635	7,698	$415,615	3.8	$300,000	yes	
		Change	0	2,056	$40,549	2,056	$23,169	-0.4	None	—	
Claude Mongeau	2003	2011	15,000	20,826	$1,063,792	35,826	$1,829,992	14.6	$300,000	yes	08/08/2008
		2010	15,000	18,054	$1,079,088	33,054	$1,975,638	18	$300,000	yes	
		2009	15,000	15,651	$844,997	30,651	$1,654,847	15.0	$300,000	yes	
		Change	0	2,772	-$15,296	2,772	-$145,646	-3.4	None	—	
Gwyn Morgan	2005	2011	31,000	32,403	$1,655,145	63,403	$3,238,625	11.6	$1,200,000	yes	03/04/2010
		2010	31,000	26,423	$1,579,303	57,423	$3,432,173	12.3	$1,200,000	yes	
		2009	31,000	20,580	$1,111,114	51,580	$2,784,804	9.9	$1,200,000	yes	
		Change	0	5,980	$75,842	5,980	-$193,548	-0.7	None	—	
Michael D. Parker	2010	2011	9,100	3,471	$177,299	12,571	$642,127	5.1	$300,000	yes	08/06/2015
		2010	9,100	972	$58,096	10,072	$602,003	5.5	$300,000	yes	
		2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	—	
		Change	0	2,499	$119,203	2,499	$40,124	-0.4	None	—	
Hugh D. Segal	1999	2011	6,093	8,000	$408,640	14,093	$719,870	5.8	$300,000	yes	08/06/2004
		2010	6,093	6,235	$372,666	12,328	$736,845	6.7	$300,000	yes	
		2009	6,093	4,798	$259,044	10,891	$588,005	5.3	$300,000	yes	
		Change	0	1,765	$35,974	1,765	-$16,975	-0.9	None	—	
Lawrence N. Stevenson	1999	2011	30,750	10,418	$532,151	41,168	$2,102,861	16.8	$300,000	yes	08/06/2004
		2010	30,750	8,615	$514,919	39,365	$2,352,846	21.4	$300,000	yes	
		2009	30,750	7,147	$385,867	37,897	$2,046,059	18.6	$300,000	yes	
		Change	0	1,803	$17,232	1,803	-$249,985	-4.6	None	—	
Total Board 2011		2011	275,184	132,738	$6,780,256	407,922	$20,836,654	N/A	N/A	N/A	
Total Board 2010		2010	263,925	106,105	$6,341,897	327,431	$19,570,552	N/A	N/A	N/A	
Change from 2010		Change	11,259	26,633	$438,359	80,491	$1,266,102	N/A	N/A	N/A	

Notes:

(1) The price of a Common Share of the Corporation as at December 31, 2009 was $53.99, as at December 31, 2010 was $59.77 and as at December 31, 2011 was $51.08, and the value of a D-DSU at such date is equivalent to the average of the closing price for a Common Share on the TSX on the 5 trading days immediately prior to such date calculated at the end of each quarter.

(2) For a breakdown of the various components of the Annual Retainer see Section 4.7 "Annual Retainer and Attendance Fees" of this Management Proxy Circular.

(3) The minimum shareholding requirement for the President and CEO is equal to 6 times his annual base salary and, therefore, will fluctuate yearly based on salary changes.

(4) As an employee Director, Mr. Duhaime did not participate in the D-DSUP. For further details regarding the securities held by Mr. Duhaime, including Common Shares, E-DSUs, PSUs, and total compensation, as well as his minimum shareholding requirements, see Sections 8.2 and 8.8 of this Management Proxy Circular.

4.12 Total Directors' Compensation - Detailed Review of Total Direct Compensation of Non-Employee Directors in 2011, 2010 and 2009

DIRECTOR DETAILED COMPENSATION TABLE

Name	Year	ANNUAL RETAINER								ATTENDANCE FEES			TOTAL		
		Award Directors: $55,000 Chairman of the Board: $225,000			Lump Sum $70,000 for all Directors except Chairman of the Board ($55,000)		Dividends		Additional Annual Retainer Committee Chairs (excl. Board Chairman)	Committee Meetings Attendance Fees	Board Meetings Attendance Fees [1]	Total Fees Earned (Paid in Cash)	Total D-DSUs Credited ("At Risk Compensation")		Value of Total Compensation [2]
		Paid in cash	Credited in D DSUs		Credited in D-DSUs		Credited in D-DSUs		Paid in cash	Paid in cash	Paid in cash				
		($)	(#)	($) value	(#)	($) value	(#)	($) value	($)	($)	($)	($)	(#)	($)	($)
		a	b	c	d	e	f	g	h	i	j	a+h+i+j	b+d+f	c+e+g	a+c+e+g+h+i+j
I.A. Bourne [3]	2011	$27,500	543	$27,500	1,380	$70,000	47	$2,357	–	$15,000	$11,500	$54,000	1,970	$99,857	$153,857
	2010	$27,500	545	$27,500	1,087	$55,000	17	$747	–	$11,875	$12,125	$51,500	1,649	$83,247	$134,747
	2009	–	173	$9,167	173	$9,167	–	–	–	$3,750	$6,000	$9,750	346	$18,334	$28,084
D. Goldman	2011	$41,250	272	$13,750	1,380	$70,000	182	$9,516	$16,000	$15,000	$13,625	$85,875	1,834	$93,266	$179,141
	2010	$41,250	273	$13,750	1,087	$55,000	134	$6,637	$16,000	$19,500	$16,375	$93,125	1,494	$75,387	$168,512
	2009	$41,250	325	$13,750	1,294	$55,000	121	$4,934	$6,348	$17,125	$12,375	$77,098	1,740	$73,684	$150,782
P.A. Hammick	2011	$27,500	543	$27,500	1,380	$70,000	88	$4,533	–	$14,300	$10,625	$52,425	2,011	$102,033	$154,458
	2010	$27,500	545	$27,500	1,087	$55,000	51	$2,484	–	$16,500	$11,750	$55,750	1,683	$84,984	$140,734
	2009	$27,500	648	$27,500	1,294	$55,000	29	$1,152	–	$15,000	$11,125	$53,625	1,971	$83,652	$137,277
P.H. Lessard	2011	$27,500	543	$27,500	1,380	$70,000	221	$11,555	–	$12,000	$10,875	$50,375	2,144	$109,055	$159,430
	2010	$27,500	545	$27,500	1,087	$55,000	164	$8,089	–	$12,000	$9,625	$49,125	1,796	$90,589	$139,714
	2009	$27,500	648	$27,500	1,294	$55,000	148	$6,029	–	$11,125	$9,625	$48,250	2,090	$88,529	$136,779
E.A. Marcoux	2011	$41,250	272	$13,750	1,380	$70,000	147	$7,637	$8,000	$21,000	$11,500	$81,750	1,799	$91,387	$173,137
	2010	$41,250	273	$13,750	1,087	$55,000	104	$5,137	$8,000	$21,000	$12,375	$82,625	1,464	$73,887	$156,512
	2009	$41,250	325	$13,750	1,294	$55,000	89	$3,629	$8,000	$19,500	$11,125	$79,875	1,708	$72,379	$152,254
L.R. Marsden	2011	$27,500	543	$27,500	1,380	$70,000	133	$6,939	–	$11,750	$9,375	$48,625	2,056	$104,439	$153,064
	2010	$27,500	545	$27,500	1,087	$55,000	89	$4,404	–	$12,625	$10,000	$50,125	1,721	$86,904	$137,029
	2009	$27,500	648	$27,500	1,294	$55,000	70	$2,824	–	$9,625	$9,625	$46,750	2,012	$85,324	$132,074
C. Mongeau	2011	–	1,085	$55,000	1,380	$70,000	307	$16,112	–	$6,750	$9,375	$16,125	2,772	$141,112	$157,237
	2010	–	1,087	$55,000	1,087	$55,000	229	$11,378	–	$9,000	$10,875	$19,875	2,403	$121,378	$141,253
	2009	–	1,294	$55,000	1,294	$55,000	208	$8,557	$9,652	$12,000	$8,750	$30,402	2,796	$118,557	$148,959
G. Morgan	2011	–	4,434	$225,000	1,085	$55,000	461	$24,250	–	$6,000	$4,625	$10,625	5,980	$304,250	$314,875
	2010	–	4,439	$225,000	1,087	$55,000	317	$15,793	–	$6,000	$5,875	$11,875	5,843	$295,793	$307,668
	2009	–	5,291	$225,000	1,294	$55,000	250	$10,324	–	$4,500	$3,375	$7,875	6,835	$290,324	$298,199
M.D. Parker [4]	2011	–	1,085	$55,000	1,380	$70,000	34	$1,681	–	$15,000	$11,500	$26,500	2,499	$126,681	$153,181
	2010	–	485	$26,610	485	$26,610	2	$86	–	–	–	$15,625	972	$53,306	$68,931
	2009	–	–	–	–	–	–	–	–	–	–	–	–	–	–
H.D.Segal	2011	$41,250	272	$13,750	1,380	$70,000	113	$5,844	–	$8,500	$9,375	$59,125	1,765	$89,594	$148,719
	2010	$41,250	273	$13,750	1,087	$55,000	77	$3,704	–	$8,750	$10,250	$60,250	1,437	$72,454	$132,704
	2009	$41,250	325	$13,750	1,294	$55,000	59	$2,382	–	$10,875	$8,750	$60,875	1,678	$71,132	$132,007
L.N. Stevenson	2011	$41,250	272	$13,750	1,380	$70,000	151	$7,855	$8,000	$13,500	$10,250	$73,000	1,803	$91,605	$164,605
	2010	$41,250	273	$13,750	1,087	$55,000	108	$5,310	$8,000	$18,000	$11,500	$78,750	1,468	$74,060	$152,810
	2009	–	1,294	$55,000	1,294	$55,000	86	$3,497	$8,000	$20,125	$11,750	$39,875	2,674	$113,497	$153,372
TOTAL	2011	$275,000	9,864	$500,000	14,885	$755,000	1,884	$98,279	$32,000	$138,800	$112,625	$558,425	26,633	$1,353,279	$1,911,704
	2010	$275,000	9,283	$471,610	11,355	$576,610	1,292	$63,769	$32,000	$135,250	$110,750	$568,625	21,930	$1,111,989	$1,680,614
	2009	$206,250	10,971	$467,917	11,819	$504,167	1,060	$43,328	$32,000	$123,625	$92,500	$454,375	23,850	$1,015,412	$1,469,787

Notes:

(1) Includes fees paid for Expanded BIAC meetings

(2) Directors who are required to travel more than 3 hours to attend Board and Committee meetings are paid $1,500 per meeting, totaling $36,000, more particularly: I.A. Bourne (5), P.A. Hammick (4), E.A. Marcoux (5), G. Morgan (5) and M.D. Parker (5) for meetings held in Montreal

(3) The 2009 value of total compensation includes Mr. Bourne's compensation for only a part of 2009 as he joined the Board as a Director on November 5, 2009.

(4) The 2010 value of total compensation includes Mr. Parker's compensation for only a part of 2010 as he joined the Board as a Director on July 7, 2010.

Section 5

DIRECTORS' SELECTION, ASSESSMENT, ORIENTATION AND ONGOING EDUCATION

46 Director Selection

- Selection process is provided in a detailed chart for both current Directors and new candidates
- Skills Matrix is used in the selection process
- Evergreen List of suitable candidates for appointment as Directors is kept and updated
- Re-election of Directors on an annual basis at annual meeting of shareholders
- External consultants may be used by Directors in this process
- Average tenure of Board members is 6.5 years
- Mandatory retirement policy for Directors: the earlier of: the date on which he/she achieves age 72 or the 15^{th} anniversary of his/her initial election to the Board

49 Director Assessment

- Assessment processes are outlined in a detailed chart
- 4 separate evaluation tools are used
- Assessments are done annually

50 Director Orientation

- Program in place includes extensive orientation documentation supplied upon appointment

50 Ongoing Director Education

- List of continuing education opportunities for the Board and individual members are listed in a table format

Section 5 DIRECTORS SELECTION, ASSESSMENT, ORIENTATION AND CONTINUING EDUCATION

5.1 Director Selection

The Governance Committee is responsible for developing, reviewing and monitoring the Evergreen List (criteria and procedures for selecting members of the Board, for keeping track of the Board's needs as well as maintaining a list of suitable candidates for appointment).

On the basis of the general criteria for Director selection set out in Section 3.3.3 "Board Composition" of this Management Proxy Circular, and of the more specific criteria in Section 3 "Nomination Process" of the mandate of the Governance Committee, the Governance Committee exercises independent judgement and recommends to the Board suitable candidates for appointment. To assist the Board in this task, international executive recruitment consulting firms are also retained when deemed necessary.

The Committee seeks out candidates who demonstrate well developed listening, communicating and influencing skills so that they can actively participate in Board discussions and debate as well as those who show the necessary commitment to devote the time, effort and energy necessary to serve effectively as a Director. Candidates are also expected to have demonstrated the highest degree of integrity in their professional career.

5.1.1 Selection Process

The Governance Committee is also responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise. The Governance Committee evaluates the balance of skills, knowledge and experience on the Board by referring to the Skills Matrix and, in light of this evaluation searches for the potential candidates.

The process listed below sets out the steps followed annually in determining whether the Directors presently in office continue to hold the qualifications necessary to qualify as nominees[1].

DETERMINATION OF QUALIFICATIONS OF INCUMBENT DIRECTORS AS NOMINEES

- Perform annual credential review of Board nominees (including, among others, validity of the credentials underlying the appointment of each Director including availability to meet attendance expectations, and change in principal occupation);
- Assess continuing qualifications under the *Canada Business Corporations Act;*
- Review Directors' performance through assessment tools (for details see Section 5.2.1 "Assessment Tools and Process" of this Management Proxy Circular);
- Review Skills Matrix to identify the required and/or missing areas of expertise determined to be essential to ensure appropriate strategic direction and oversight (for details see Section 5.1.3 "Skill Requirements" of this Management Proxy Circular) ;
- Assess qualifications of nominees under applicable securities and corporate law provisions;
- Assess independence of each nominee and address concerns if any;
- Select nominees; and
- Recommend the election of nominees to the shareholders.

[1] NI 58-101-Form 58-101F1, section 6(a), (b) and (c).

The following chart outlines this selection process.

1. REVIEW	2. ASSESS	3. MEET	4. RECOMMEND	5. APPOINT
Review by the Governance Committee of balance of skills, knowledge and experience existing on the Board	Assess expertise and qualifications required based on gaps in the Skills Matrix	Chairman & President and CEO meet with short listed candidates	Governance Committee reconvenes to finalize a recommendation to the Board as to the selected candidate(s)	Once the candidate accepts, Board appoints candidate to Board or shareholders vote on the election of the candidate at the annual meeting
Review of Evergreen List for potential candidates	Assess short list of candidates chosen from the review process		Board approves the Governance Committee recommendation	
Review candidates selected by President and CEO			Chairman contacts the proposed short listed candidates in order to invite them to become a nominee (top choice is contacted first)	
Review external search results from international executive recruitment consultant if such search was requested by the Governance Committee				

5.1.2 Board Succession Planning

The Board Succession Planning process, more fully described below, takes into account the challenges and opportunities facing the Corporation and aims to maintain an appropriate balance of skills and experience on the Board. It also assists the Board with a smooth transition when a Director leaves the Board or when new skills or expertise need to be added. Succession planning also assists with a reasonable level of turnover of Directors and keeps the Board at an appropriate size (large enough to allow Directors to fulfill their mandate on each committee while remaining at a size that allows for open, informal and responsible discussion and debate). This process was used in 2011 in the Board's decision to add an additional member to the Board. The candidate chosen as a result of this succession planning and the selection process that ensued was Mr. Eric D. Siegel.

1. REVIEW	2. ASSESS	3. IDENTIFY	4. DETERMINE	5. RECOMMEND
Governance Committee reviews the skills, knowledge and experience necessary to allow it to meet the business strategy.	Assesses the balance of skills, knowledge and experience already existing on the Board.	Identifies any skills, knowledge and experience not adequately represented on the Board.	Determines how Board performance might be enhanced, both at an individual Director level and for the Board as a whole.	Recommends to the Board the appropriate skills and expertise mix needed for the Board and whether new members need to be added to the Board.
Reviews events that would merit the search for potential candidates.				

5.1.3 Skill Requirements

The Governance Committee's mandate provides for the establishment and update of a Skills Matrix (a table of industry specific experience, business expertise and individual qualifications of Directors in relation to the Board's specific skill requirements, so as to identify any eventual skill gaps on the Board). The Corporation has adopted such a matrix. The skills identified for each Director are set forth in the individual biographies included in Section 3.1 of this Management Proxy Circular.

5.1.4 External Consultant

The Governance Committee's mandate also specifies that it may consider and approve requests from individual Directors or Board Committees for the engagement of outside independent advisors at the expense of the Corporation to, among others, identify candidates for membership to the Board, establish the terms for retaining such firm and determine the appropriate compensation to be paid.

5.1.5 Director Tenure, Term and Retirement

The Corporation considers the retention of quality Directors on its Board as a top priority. As mentioned above, the Corporation's compensation and ongoing development efforts are essential tools in preserving the necessary experience, knowledge and personal skills mix for a balanced Board. To assist the Corporation in achieving this goal, the Board has set the following term and retirement requirements for its Directors:

DIRECTOR TERM AND RETIREMENT REQUIREMENTS

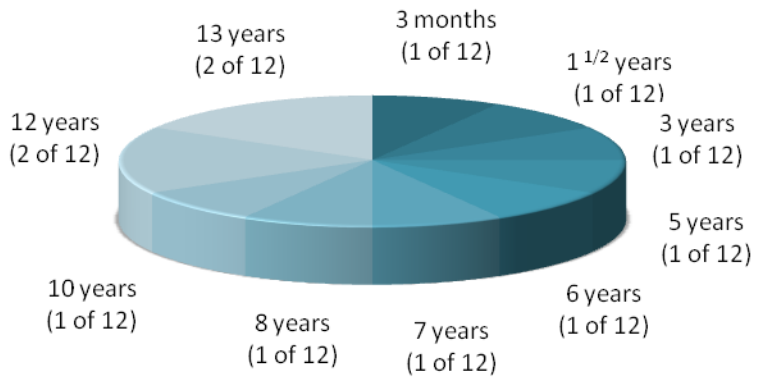
- Term of office of each Director expires upon the election of his/her successor unless he or she resigns his/her office or his/her office becomes vacant by death, removal or other cause;
- Under the new policy, a Director is eligible for re-election until the next annual general meeting of shareholders following the earlier of:
  - The date on which he/she reaches age 72; or
  - The 15th anniversary of his/her initial election to the Board.

In 2011, the Board changed the Directors' Term Limit and Retirement Age Policy to increase the age at which a Director must retire from the Board from 70 years to 72 years and to provide for a maximum term limit of 15 years following a Director's initial election to the Board. These changes were made given the increasing difficulty in recruiting high calibre candidates and maintaining a board that has functional diversity.

However, this policy does not apply to the President and CEO of the Corporation, who shall leave the Board upon his/her retirement. In the case where an incoming President and CEO has been recruited from outside the Corporation, 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.

Given the specific skill mix and synergy which is needed to ensure a balanced Board, many efforts are made to encourage high calibre Board members to stay with the Corporation.

The following chart indicates the number of years the Directors have dedicated to the Corporation's Board as at March 26, 2012:



The Corporation's average Board tenure is 6.5 years.

5.2 Director Assessment[1]

The Board has a formal annual process of rigorous performance evaluation of the Board, its Committees, individual Directors and the Chairman of the Board. The Board believes that there is value in conducting the process internally without using external resources. This allows the Board to develop an appropriately tailored approach and benefit first hand from direct input from individual Directors and management.

The areas covered in the questionnaires and guidelines include, among others, the effectiveness of the Board and its Committees, preparation for and the performance against objectives, preparation for and performance at meetings and overall corporate governance matters and questions related to integrity. The performance review process also assesses the Directors' skills and experiences against the Corporation's strategic plan, environment and needs. These assessment tools include open-ended questions which allow Board members to suggest changes so that the results of the various assessments become an integral part of the Board's efforts to bring improvement and enhance governance practices and procedures within the Corporation.

5.2.1 Assessment Tools and Process

The following chart outlines the assessment tools used and the procedure followed on an annual basis:

1. TOOL	2. PURPOSE	3. COMPLETION PROCEDURE	4. COMPILATION & ANALYSIS	5. TREATMENT	6. RECOMMEN-DATION	7. FOLLOW-UP
ANNUAL BOARD EFFECTIVENESS SURVEY ("ABES")	Individual Directors assess entire Board	Vice-President and Corporate Secretary forwards the ABES to each Director and each Director completes the ABES	Each Director returns the ABES to Vice-President and Corporate Secretary who compiles, analyzes and prepares summary for Governance Committee	Governance Committee reviews ABES summary table	Governance Committee recommends to the Board changes to the Board pursuant to the ABES summary table	Follow-up by Board
ANNUAL DIRECTOR PEER FEEDBACK SURVEY ("ADPFS")	Individual Directors assess each other	Vice-President and Corporate Secretary forwards the ADPFS to each Director, excluding the Chairman of the Board, and each Director completes the ADPFS	Each Director returns ADPFS to the Chairman of the Board who compiles and comments	Chairman contacts individual Directors	Chairman and individual Director agree upon follow-up when necessary	Follow-up by Chairman with individual Director
QUESTIONNAIRE FOR THE ANNUAL REVIEW OF THE PERFORMANCE OF THE CHAIRMAN OF THE BOARD ("QUESTION-NAIRE")	Individual Directors assess Chairman of the Board	Vice-President and Corporate Secretary forwards the Questionnaire to each Director, excluding the Chairman of the Board, and each Director completes the Questionnaire	Each Director returns the Questionnaire to the Chairman of the HR Committee who compiles and analyzes comments	Chairman of HR Committee meets with Chairman of the Board to discuss results	Chairman of HR Committee and Chairman of the Board agree upon follow-up when necessary	Follow-up by Chairman of the Board
GUIDELINES TO EVALUATE THE BOARD COMMITTEES' PERFORMANCE ("GUIDELINES")	Board Committees assess themselves	Vice-President and Corporate Secretary forwards the Guidelines to the members of each Committee	Each Committee forwards its summary report and recommends changes, if deemed necessary, to the Governance Committee	Governance Committee reviews summary reports from Committees	Governance Committee recommends changes if any to the Board based on the summary reports from the Committees	Follow-up by Board Committees with the Board

[1] NI 58-101 Form 58-101F1, section 9 "Assessments".

5.2.2 Assessment Report and Follow Through

Following this comprehensive assessment process, the Directors have concluded that the Board continues to function efficiently and continues to monitor the strategic direction of the Corporation appropriately. The "Annual Director Peer Feedback Survey" confirmed that the Board and Board Committees were led by strong and experienced members who were well informed.

5.3 Director Orientation[1]

The Board ensures that prospective candidates for Board membership understand the roles of the Board and Board Committees and the contribution that individual Directors are expected to make. It is the Board's Governance Committee that is entrusted with approving an appropriate orientation and education program for new recruits to the Board. Upon becoming a member of the Board, every new Director is provided with a substantial package of documents relating to the Corporation's corporate governance system and to its business, and meets with a number of the senior management to better familiarize himself/herself with the Corporation.

As part of the Director orientation program, new Board members are invited to attend, during their first year as a Director, 2 meetings of the Audit Committee and 1 meeting of the other Board Committees, regardless of what Committee they are appointed to.

5.4 Ongoing Director Education[2]

The Corporation and its Board of Directors recognize the importance of ensuring quality motivation and up-to-date information for Directors through ongoing education and the need for the Corporation and each Director to take responsibility for this process. To optimize the ability of the Directors to understand their role and responsibilities within the Corporation as well as keeping their knowledge and understanding of the Corporation's current business, ongoing development efforts form part of the Governance Committee's mandate. Through its assessment and evaluation tools, the Corporation canvasses the Directors to determine their training and education needs and interests. Regular presentations on the Corporation's targeted investments and acquisitions as well as the regulatory environment and specialized aspects of the business are provided by members of the Office of the President and other senior executives. Ongoing site visits by the Directors of the Corporation's facilities and operations is also used as an extremely efficient educational tool for the Directors. Beginning in 2012, Directors must attend at least 1 of the Corporation's international symposiums over a 36-month period.

The Vice-President and Corporate Secretary also provides the Directors with up to date information on conferences and seminars of interest and all Directors have access to and have had the opportunity to view the complete bank of past conference presentations and web cast presentations from Deloitte & Touche's Directors' Series.

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1 NI 58-101, Form 58-101F1, section 4(a).

2 NI 58-101, Form 58-101F1, section 4(b).

In addition to the ongoing development of the Corporation's Directors, procedures are also in place to ensure that the Board is kept up to date, and facilitate timely and efficient access to all information necessary to carry out its duties.

PROCEDURES IN PLACE TO ASSIST THE DIRECTORS IN THEIR DEVELOPMENT

- Directors receive a comprehensive package of documentation 1 week in advance in preparation for Board and Board Committees' meetings, including access to the Corporation's electronic board book website;
- Attend the annual strategic planning meeting;
- Receive regular updates between Board meetings on matters that affect its businesses;
- Obtain reports from each of the Board Committees on their work at their previous Committee meeting;
- Receive reports from the members of the Office of the President on important projects and issues related to the business unit and sectors they are responsible for; and
- Have full access to the Corporation's senior management.

For a list of the ongoing training, courses, conferences and education followed by the Board members in 2011, see Schedule D to this Management Proxy Circular.

For 2012, Directors must attend at least 1 site visit per year as part of the Directors' ongoing efforts to fully understand the Corporation and its specific operations[1].

By providing Directors with direct access to construction site personnel, both employees and contractor employees of the Corporation's subsidiaries and affiliates, visits enable Directors to ask questions regarding health, safety and environmental management on a day to day basis in the field, thus deepening their understanding of health, safety and environmental issues relevant to the Corporation and giving them first-hand comprehension on how the Corporation's health, safety and environmental policies and programs are implemented. Visits by Directors also reinforce the Corporation's health, safety and environmental WE CARE message to field employees and also assist Directors in grasping the nature and complexity of the Corporation's business and operations.

[1] For details of the site visits attended by the Directors in 2011 see Schedule E to this Management Proxy Circular.

Section 6 EXECUTIVE COMPENSATION – LETTER TO SHAREHOLDERS AND HR COMMITTEE REPORT

Section 6 EXECUTIVE COMPENSATION – LETTER TO SHAREHOLDERS AND HR COMMITTEE REPORT

6.1 LETTER TO SHAREHOLDERS

To our shareholders:

As Chairman of the Board and Chairman of the HR Committee, we believe in providing the shareholders of the Corporation with the information required to understand the compensation paid to our executives. In an ongoing effort to improve transparency, we take the opportunity to share with you what we pay our executives, how we pay them and the rationale behind our decisions to pay them what we do. As in 2011, we invite you once again to cast your advisory vote on our approach to executive compensation. The detailed description of our compensation programs and compensation decisions can be found in the Executive Compensation Discussion and Analysis that follows this section of the Management Proxy Circular.

RECENT EVENTS

It is essential to consider recent events involving the Corporation in order to understand the Board of Director's recent compensation decisions. As outlined in detail in the Corporation's press release dated March 26, 2012, an independent review into the facts and circumstances of certain payments in 2010 and 2011 and of certain contracts was voluntarily initiated by the Board of Directors in February 2012. The independent review found that there had been non-compliance with the Corporation's Code of Ethics.

In light of these findings, Mr. Pierre Duhaime was relieved of his duties as President and CEO of the Corporation. Accordingly, Mr. Duhaime no longer has any responsibility for the management of the business and affairs of the Corporation or any of its divisions or for any policy-making function in respect thereof. The Board of Directors was careful to consider a range of factors in structuring the terms and conditions for the former President and CEO's departure. See Section 8.1.1 of this Management Proxy Circular for a discussion of these arrangements.

Ian A. Bourne has been appointed Vice-Chairman and Interim CEO, and a succession process is being undertaken by the Board. His compensation will consist of salary only and that amount, to be paid monthly, will include the retainer he receives for serving as a director of the Corporation. For details on Mr. Bourne's compensation see Section 8.1.3 of this Management Proxy Circular.

HIGHLIGHTS OF 2011 PERFORMANCE AND NEO COMPENSATION

Our philosophy of paying for performance is reflected in our decisions this year. The Corporation's net income for 2011 was $387 million, falling short of the overall company threshold of $447 million. As a result, the overall company results factor was zero for purposes of calculating the 2011 MIP awards, and would have been so even before the impact of the payments which were subject to the independent review discussed above.

In the aggregate, 2011 compensation for the former President and CEO decreased approximately 50% from 2010, even with the value of stock options granted to him in May 2011. In light of the financial performance for 2011 and of the findings referred to above, the Board of Directors exercised its discretion to determine that the former President and CEO would neither receive a MIP award nor any other long-term incentive (whether PSUs or E-DSUs) for 2011.

The Board of Directors has also decided, given the circumstances outlined in the independent review, that there would be no MIP award for 2011 and no increase in salary in 2012 from 2011 for the CFO. Long-term incentives (PSUs and E-DSUs) for 2011 were awarded to the CFO in accordance with the provisions of the respective plans.

A portion of the calculated MIP awards for other NEOs is based upon factors such as individual performance and the financial results of their business unit. However, the resulting MIP awards for all NEOs (including 0% awards for the former President and CEO and the CFO) are on average approximately 63% below 2010 as a result of the 2011 overall company results factor being zero.

In addition to the 2011 MIP awards being lower as a result of poor financial performance in 2011, we note that the stock options issued to the current NEOs in 2010 and 2011 have a proxy value of $4,610,790 as at December 31, 2011 based on the binomial lattice valuation model. Their current in-the-money value is zero, which is consistent with the recent decline in our share price.

The Board of Directors has chosen not to penalize employees for the actions of a few. As such, in spite of the findings referred to above, all of the long-term incentives were awarded to NEOs (excluding the former President and CEO) and other employees in accordance with the respective plans.

The Corporation's net income for 2010 has been corrected by a $17.9 million reduction. The Board of Directors has decided that the Corporation's Executive Compensation Clawback Policy is applicable to the former Executive Vice-President, Mr. Riadh Ben Aïssa (NEO in 2010), and that the clawback provision of the former President and CEO's employment agreement is also applicable. To this end, the MIP awards for 2010 were recalculated using the corrected 2010 net income. The former President and CEO and the former Executive Vice-President, Mr. Riadh Ben Aïssa (NEO in 2010) are required to reimburse the Corporation the difference between what they received as a MIP award for 2010 and the recalculated MIP award. Accordingly, the amounts owed to the Corporation are $184,000 by the former President and CEO and $42,800 by Mr. Ben Aïssa. The 2010 MIP award disclosed in the following sections has been updated to reflect the recalculated 2010 MIP amount for the former President and CEO.

PRUDENT RISK TAKING

In 2011, the HR Committee expanded its risk oversight and introduced 2 new practices in its mandate to foster direct experience in executive compensation and better coordination of risks related to compensation. At least 1 member of the HR Committee shall have a minimum of 5 years of experience as a CEO or as a member of a compensation committee of a publicly-traded company and at least 1 member of the Audit Committee shall sit on the HR Committee and vice versa.

To mitigate excessive risk taking, the Corporation has many long-standing practices in place and has recently adopted new ones. Recently adopted practices include the introduction of an Executive Compensation Clawback Policy that requires reimbursement of performance-based compensation in specific situations and a 1-year hold period of shares equal to the share ownership requirement for the President and CEO upon his retirement.

CONTINUED COMMITMENT

The challenges of 2011 and 2012 notwithstanding, the Corporation continues to believe that the compensation programs provide an appropriate balance between fixed and variable compensation, short-term and long-term incentives, and risk and reward. The HR Committee remains committed to ensuring that the programs in place are aligned with the corporate strategy and the interests of shareholders. The compensation programs are reviewed on an ongoing basis to ensure that this alignment is achieved.

We invite you to read the following Executive Compensation Discussion and Analysis.

Lawrence N. Stevenson (*signed)*
Chairman of the HR Committee

Gwyn Morgan (*signed)*
Chairman of the Board

6.2 REPORT OF THE HR COMMITTEE

				
P.A. Hammick (Independent)	P.H. Lessard (Independent)	L.R. Marsden (Independent)	H.D. Segal (Independent)	L.N. Stevenson (Chairman-Independent)

Mandate

The HR Committee is responsible for:

- Reviewing and advising the Board on policies and plans relating to employment;
- Succession planning for senior executives[1];
- Compensation, benefit and retirement plans for employees, including officers of the Corporation ; and
- Risks associated to the above.

The HR Committee is authorized to:

- Engage, at its sole discretion, legal counsel and other advisors to help it fulfill its mandate; and
- Oversee the appointment, compensation and oversight of the work of such legal counsel and advisors.

In order to help achieve the above-mentioned goals in 2011, the HR Committee retained the services of Hugessen Consulting Inc. to provide advice on compensation programs for the President and CEO, and key officers. In 2011, Hugessen Consulting Inc.'s work raised no conflicts of interest. The Corporation also retained the services of Towers Watson to provide advice on compensation for non-employee directors and the Chairman of the Board as well as the President and CEO and members of the Office of the President, and to provide recommendations thereon[2].

The mandate of the HR Committee provides for at least 1 member to sit on the Audit Committee and vice versa in order to maintain the link between pay and performance, both financial and individual, and thus mitigate risks. Ms. Patricia A. Hammick is currently sitting on both the HR and Audit Committees.

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1 Except for the President and CEO (which is performed by the Governance Committee). For a complete copy of the HR Committee mandate, see the Corporation's website (www.snclavalin.com), under "About Us"/"Corporate Governance".

2 For more information on the mandate of Hugessen Consulting Inc. and Towers Watson as well as the total amount of fees paid by the Corporation for their services, see Section 7.3 "Advice on Compensation" of this Management Proxy Circular.

Key Matters Addressed

The Committee addressed the following key matters throughout the course of 2011:

- Reviewed executive compensation plans and programs to verify that they were based on effective risk management and to ensure that their design did not create an incentive for excessive risk taking;
- Reviewed Comparator Group used in positioning the Corporation's executive compensation plans;
- Reviewed and updated the Executive Compensation Policy to reflect changes in the allocation of stock option grants to the President and CEO as well as to the members of the Office of the President;
- Amended the RSUP, the MSOP and the E-DSUP to delegate to management the right to grant RSUs within a preapproved pool, so as to allow the President and CEO to invite participants under the MSOP and to allow the Committee to make special grants under the E-DSUP;
- Approved a 105,000 RSU pool to be available for distribution in 2011;
- Compliance with the Corporation's Code of Ethics;
- Succession planning and leadership development.

Forward Agenda

The following is an outline of the Forward Agenda used by the Committee throughout the year:

Forward Agenda

President and CEO Performance, Evaluation and Compensation

- Review objectives of the President and CEO
- Review performance of the President and CEO
- Review compensation of the President and CEO

Members of the Office of the President Performance, Evaluation and Compensation

- Review objectives of the members of the Office of the President
- Review performance of the members of the Office of the President
- Review compensation of the members of the Office of the President

Executive Total Compensation

- Review EMRIP
- Review Harvest Plus Retirement Savings Program
- Review MIP
- Review MSOP
- Review PSUP
- Review E-DSUP

Succession Planning

- Review succession planning for key executive positions other than President and CEO

Employee Total Compensation

- Review Annual Salary Budget for Canada and abroad
- Review Salaries for Management Committee
- Review retirement plans
- Review stock option grants
- Review RSU grants
- Review ESOP
- Review Harvest Retirement Savings Program

Other Duties and Responsibilities

- Ensure that human resources risks are identified and that the measures to mitigate and manage such risks are implemented
- Review financial targets and structure for the coming year
- Review of the HR Committee Compensation Consultant
- Review Compliance reports on Code of Ethics
- Review Human Resources Section of the Corporate Governance Handbook
- Review HR Committee mandate and Forward Agenda on an annual basis
- Conduct self-evaluation of the Committee on an annual basis and make recommendations to the Governance Committee as required
- Review Management Proxy Circular
- Review general employee information statistics

Human Resources and Compensation Experience and Knowledge

Given the increased complexity of compensation, the Committee ensures it has a clear understanding of the link between financial performance and compensation and has the necessary degree of financial literacy to apply this knowledge to the review of executive compensation plans. Committee members communicate regularly at Committee meetings with the senior executives responsible for compensation policies and overall company financial risk management to ensure that the compensation system does not inadvertently encourage unintended risk taking.

In 2011, in order to comply with continuous disclosure obligations, members of the HR Committee were asked to complete a questionnaire regarding their experience, level of education and skill in the fields of human resources and executive compensation. According to the mandate of the HR Committee, at least 1 member shall have a minimum of 5 years of experience either as a CEO or as a member of a compensation committee of a publicly-traded company.

- **Ms. Patricia A. Hammick** has experience in overseeing executive human resources aspects. She is a former Senior Vice-President of Columbia Energy Group and Vice-President of Natural Gas Supply Association. Ms. Hammick has extensive experience in hiring, retention plans, performance reviews, compensation and benefits programs. She also attended various executive education programs, was a lead director and an *ex officio* member of the Human Resources Committee of Dynegy Inc. and is a former member of the Human Resources Committee of Consol Energy Inc.
- **Mr. Pierre H. Lessard** served as President and CEO of Metro Inc. for 18 years. Throughout his career he acquired extensive experience in human resources and compensation fields. He is also a former member of the Human Resources Committee of TD Bank Financial Group.
- **Ms. Lorna R. Marsden** was President and Vice-Chancellor of York University and Wilfrid Laurier University and has held a senior executive position at the University of Toronto where she dealt with various human resources matters. She also acted as director in charge of the labour relations academic program at the University of Toronto and worked in employment equity fields at both federal and provincial levels. Ms. Marsden currently sits on the Management Resources and Compensation Committee of Manulife Financial Corporation. She is also a former member of the Human Resources Committee of Gore Mutual Insurance Company.
- **Mr. Hugh D. Segal** chaired the compensation committee of a Canadian public company for more than 7 years. He currently sits on the Management Resources Committee of Sun Life Financial Inc. and on the Compensation, Human Resources, Health, Safety and Environmental Committee of Just Energy Group Inc. He is also a former member of the Compensation Committee of Holcim Canada Inc., Gulskin Sheff & Associates Inc. and CPI Plastics Group.
- **Mr. Lawrence N. Stevenson** has extensive experience in human resources and compensation matters acquired during his career as President and CEO of 3 publicly-traded companies. He sat on the Human Resources Committee of 3 publicly-traded companies, on 2 of which he acted as Chairman. Mr. Stevenson is also the Chairman of the HR Committee of CAE Inc. and sat on the HR Committee of Sobeys Inc.

Section 7 EXECUTIVE CD&A

NEOs:

For 2011, the Named Executive Officers are:

Pierre Duhaime, former President and CEO

Gilles Laramée, Executive Vice-President and CFO

Patrick Lamarre, Executive Vice-President

Charles Rate, Executive Vice-President

Feroz Ashraf, Executive Vice-President

The NEOs are members of the Office of the President. In 2011, the following appointments were made to the Office of the President:

- On August 3, 2011, Mr. Andrew Mackintosh was appointed as Executive Vice-President, Hydrocarbons and Chemicals.
- On December 22, 2011, Mr. Christian Jacqui was appointed as Executive Vice-President, Europe, effective January 2, 2012.

59 President and CEO Succession Planning

59 Executive Compensation

In 2011, changes were made to the Executive Compensation Policy to reflect recommendations made by the HR Committee with respect to the stock option plan allocation so as to change it from a fixed grant to a percentage of base salary.

63 Importance of Share Ownership

- Within 5 years of appointment to the position of President and CEO, the President and CEO is required to hold a minimum of 6 times his annual base salary in Common Shares of the Corporation.
- The share ownership requirement for the other NEOs as well as the other members of the Office of the President is 3 times their annual base salary within 5 years of their appointment to the Office of the President.

63 Advice on Compensation

In 2011, the HR Committee continued to retain the services of Hugessen Consulting Inc. as independent compensation consultant to provide advice and guidance to the HR Committee.

64 Comparator Group and Market Positioning

The Comparator Group used in positioning the Corporation's executive compensation plans was reviewed by the HR Committee.

67 Employees who Participate in Compensation Plans

In addition to the NEOs, several key employee groups also participate in the compensation plans provided under the Executive Compensation Policy.

68 Components of the Executive Compensation Policy

The fixed and variable (at risk) components of the Executive Compensation Policy include both short-term and long-term components.

70 Fixed Compensation – Comprised of 4 key elements

71 Performance-Based (Variable) Compensation – Comprised of 5 key elements

Section 7 EXECUTIVE CD&A

INTRODUCTION

The responsibility for determining the principles for compensation of executives and other key employees of the Corporation rests with the Board. The Board establishes an HR Committee, which has among its responsibilities, the mandate of administering the Executive Compensation Policy. The HR Committee approves objectives for the President and CEO and other members of the Office of the President and makes appropriate recommendations to the Board for the compensation of executive officers and other key employees after independent consultation, followed by in-depth review and analysis.

President and CEO Succession Planning

In the course of its work, the Governance Committee gives full consideration to President and CEO succession planning. This process, more fully described below, takes into consideration the challenges and opportunities facing the Corporation and the evolving skills and expertise needed from the President and CEO.

1. REVIEW

Review by the Governance Committee of the qualifications required for President and CEO's position

Review of the capabilities of the Corporation's executive officers

Review of Evergreen List for potential outside successor candidates

2. ASSESS

Assess whether there is a readiness to fill potential vacancies with qualified people

3. MEET

Chairman & President and CEO meet with short listed candidates

4. RECOMMEND

Governance Committee reconvenes to finalize a recommendation to the Board as to the selected candidates

Board approves the Governance Committee recommendation

Moreover, as part of its mandate, the HR Committee holds succession planning sessions twice a year for all key executive positions and adjusts its strategy to develop talent as required.

In light of the departure of Mr. Pierre Duhaime, Mr. Ian A. Bourne has been appointed Vice-Chairman and Interim CEO and the process described above will be followed as the Corporation begins its search for a new President and CEO.

7.1 Executive Compensation

7.1.1 Executive Compensation Policy

The Executive Compensation Policy supports the Corporation's vision, mission and values and reinforces corporate and business unit strategies by:

- Aligning the overall Corporation's and business units' goals and key performance measures and by strengthening relationships between these businesses;
- Promoting stock ownership by key executives;
- Facilitating the recruitment and retention of high performing talent for key positions;
- Motivating executives to achieve and to exceed the Corporation's financial objectives; and
- Providing excellent rewards for superior performance through both individual and corporate results over the short and long term.

Moreover, the nature of the business and the competitive environment in which the Corporation operates require some level of risk taking to achieve growth and desired outcomes in the best interest of shareholders. Therefore, the intrinsic objective of the Executive Compensation Policy is to seek to encourage behaviours directed to increase long-term value while limiting incentives that promote excessive risk taking.

The risk management oversight of the Executive Compensation Policy is linked with the philosophy that guides the HR Committee in the design and review of the policy which seeks to:

- Strengthen and maintain the link between pay and performance, both financial and individual;
- Defer a significant portion of variable compensation to keep executives focused on sustained long-term performance;
- Provide a significant portion of total compensation that is variable and at risk; and
- Provide total compensation that is competitive to attract and retain talented executives while discouraging excessive risk taking.

The Executive Compensation Policy links pay with the Corporation's performance and increased shareholder value, taking into account roles, responsibilities and performance. This Policy establishes the remuneration levels, which reflect the role of the incumbent and the responsibilities of the job and which are in line with market practices for equivalent positions in industry.

The Corporation has a pay-for-performance philosophy which is reflected in the Corporation's Executive Compensation Policy. Total compensation is designed to reward the achievement of individual and business unit performance for which executive employees are responsible, and over which they have control. However, to strengthen relationships among business units, total compensation also rewards corporate performance.

The Executive Compensation Policy is reviewed and approved by the HR Committee on an annual basis. In 2011, the HR Committee approved changes to the Executive Compensation Policy as follows:

- The calculation of the stock option grants for members of the Office of the President was changed from a fixed grant to a percentage of base salary.
- The grant percentage is a range that takes into consideration the total compensation value of all long-term incentives, so as to ensure that they are at market median when compared to the Comparator Group.
- The positioning within this range is based on an individual's performance assessment.

7.1.2 Alignment of Executive Compensation and Risk

The HR Committee annually reviews the application of the Executive Compensation Policy to ensure it is still appropriately aligned to support its stated objectives described in Section 7.1.1. Past reviews have allowed the HR Committee to make adjustments to the Executive Compensation Policy to strengthen the link between pay and performance and introduce measures to mitigate risk. There were no new risk mitigation measures introduced in 2011.

The Corporation's compensation programs include safeguards to mitigate risk as follows:

- **Independedent Advisor -** The HR Committee uses the services of an executive compensation advisor independent from the Corporation's compensation advisors.
- **Balanced Compensation Mix** - The Corporation offers multiple incentive programs to its executives which have a blend of both short and long-term incentives. In addition, the incentive programs use different financial metrics or are simply time-based.
- **Share Ownership Requirement -** All executives have a share ownership requirement to align their interests with that of shareholders.
- **Equity-Based Awards –** The Corporation offers a balanced mix of security awards in the form of stock options, PSUs and E-DSUs.
- **Succession Planning -** Succession planning sessions are held twice a year to review the succession plans for all key executive positions and adjust the strategy to develop talent, as required.
- **MIP** - Awards under the MIP are capped at 2 times target to provide upper payout boundaries. The components of the program include both a financial performance factor and a personal performance factor that are additive, allowing for bonus payments under special circumstances if financial targets are not met.
- **PSUP** - The multiplier used to determine the payout under the PSUP is based on 3-year cumulative growth in earnings per share and payments under the PSUP are capped at 2 times target.
- **Stock Option Plans** – The share ownership requirement of the executive must be met for 1 year prior to exercising stock options.
- **Clawback Policy** – A clawback policy exists for all executive officers that requires the reimbursement of performance-based incentive compensation in certain situations.
- **Anti-Monetization and Anti-Hedging Policy** (a prohibition on hedging and trading in derivatives) – Anti-monetization and anti-hedging provisions exist for all insiders of the Corporation, including Directors and NEOs of the Corporation.
- **One-Year Hold of Shares for President and CEO Post-Employment** – In addition to the share ownership requirement for the exercise of stock options, the President and CEO is also subject to a minimum share ownership requirement for 1 year following retirement.

In 2011, the HR Committee formally introduced human resources risk oversight as part of its official mandate. Prior to setting any financial metrics in the compensation programs or the introduction of a new compensation program, the HR Committee assesses the compensation risk associated with such measures or plan design. Risk mitigation is a continuous work-in-progress. The Corporation continues to consider new ways to improve its risk oversight.

The HR Committee is satisfied that the current Executive Compensation Policy provides the necessary framework and governance to align the interests of executives and other key employees, the Corporation and the shareholders. In 2011, there were no risks identified in the Executive Compensation Policy and compensation practices themselves that could have had a material adverse effect on the Corporation.

7.1.3 Use of Discretion

Although some of the compensation programs outlined in the Executive Compensation Policy produce formula-driven performance awards, the HR Committee retains the right to use its discretion when granting such awards. The HR Committee has determined that fixed formulas may lead to unwanted results that do not truly reflect the actual performance of an executive. The Committee may rely on the experience of the Board of Directors to use its discretion in such circumstances.

Examples of such discretion include the grant size of an award of E-DSUs exceeding guidelines where an executive substantially increased his backlog. Conversely, an award under the MIP can be decreased if the executive failed to address succession planning even though his/her business unit's results exceeded financial targets.

For 2011, the HR Committee used its discretion when determining the MIP awards for 3 NEOs. The former President and CEO and the CFO's MIP awards were determined to be zero regardless of certain personal objectives being achieved. In addition, the MIP award for 1 NEO was increased by $20,000 due to a substantial increase in backlog. Adjustments to the MIP awards were made in accordance with the terms of the 2011 MIP.

7.1.3 Executive Compensation Positioning

The following table presents the positioning for 2011 under the Executive Compensation Policy of each Compensation Component (described in Section 7.6 of this Management Proxy Circular) versus the Comparator Group (described in Section 7.4 of this Management Proxy Circular):

Fixed Compensation Component	**Positioning vs. Comparator Group**
Base Salary	100% of Median
Benefits and Perquisites	Competitive with similar sized Canadian companies
Retirement Programs	Competitive with similar sized Canadian companies
Performance-Based (Variable) Compensation Component	
Annual Incentive Program (MIP)	Level required to position total cash compensation at the Median
Long-Term Incentives (Stock Options, MSOP, E-DSUP, PSUP)	Level required to be at target on total compensation
Target Cash Compensation	100% of Median
Total Compensation	100% of Median (or higher in the case of superior performance)

7.1.4 Clawback Policy

Performance-based incentive compensation awarded to executive officers is subject to the Clawback Policy. The policy provides that the Board may, in its sole discretion, to the extent it determines that it is in the Corporation’s best interest to do so, require the reimbursement of all or a portion of any performance-based incentive compensation awarded after May 7, 2009, if:

- the performance-based incentive 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 Corporation’s financial statements; and

- 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.

The former President and CEO’s employment agreement provides that in certain circumstances the Corporation may demand the return of any performance-based compensation awarded, if it is later found that such compensation was in fact accorded, in whole or in part, on the basis of factual or financial information which avers to be false or substantially inaccurate due to the officer’s wilfully misleading conduct or through his negligence.

7.2 Importance of Share Ownership

The Corporation believes that share ownership by key employees contributes to the Corporation's success. Accordingly, the Corporation requires that its key executive officers hold, within 5 years of appointment to the position of President and CEO or to the Office of the President, Common Shares of the Corporation having a minimum total value as presented in the following table and continue to hold such Common Shares throughout their tenure as President and CEO or as a member of the Office of the President.

Share ownership requirements (1)(2)		
Executive	**During employment**	**Post-employment**
President and CEO	6 times annual base salary	1 year
Executive Vice-Presidents (Office of the President)	3 times annual base salary	n/a
Members of the Management Committee	1 time annual base salary	n/a

(1) Holdings can be in Common Shares, E-DSUs or PSUs under the former PSUP.

(2) The value of the share ownership requirement is determined by reference to the greater of the actual cost incurred of buying Common Shares of the Corporation plus the market value all Common Shares represented by vested shares units not redeemed under the E-DSUP and former PSU and the market value of all Common Shares of the Corporation then held and all Common Shares of the Corporation then represented by all the then vested shares units under the E-DSUP and former PSUP.

In order to exercise stock options granted while President and CEO or a member of the Office of the President or a member of the Management Committee, the required ownership level must have been met for 1 year preceding the date of exercise, even after retirement.

7.2.1 Prohibition on Hedging and Trading in Derivatives by NEOs

The Board of Directors has adopted a Prohibition on Hedging and Trading in Derivatives Policy applicable to the Corporation's insiders (which include, among others, the NEOs). Specifically, insiders may not engage in short-selling, trading in puts or calls of Common Shares of the Corporation or any other type of equity monetization procedure.

7.3 Advice on Compensation

In 2011, the HR Committee continued to retain the services of Hugessen Consulting Inc., a consulting firm which provides independent advice on executive compensation and related governance issues since 2008. Hugessen Consulting Inc. does not provide any services to the Corporation directly. Any services that Hugessen Consulting Inc. would provide to the Corporation would require approval by the HR Committee. In 2011, Hugessen Consulting Inc. did not provide any services to the Corporation directly. The total amount of fees paid by the Corporation to Hugessen Consulting Inc. for its services for the year 2011 (and comparable information for 2010) is provided in the following table:

Fees paid to Hugessen Consulting Inc. for the years ended December 31, 2011 and December 31, 2010		
Nature of work	**2011**	**2010**
Executive Compensation – Related Fees	$72,825	$89,389
All Other Fees	$0	$0

In 2011, Towers Watson continued to be retained by the Corporation to benchmark compensation and to provide advice on the appropriateness and competitiveness of compensation programs for the Corporation's executives. In addition, during 2011, the Corporation retained Towers Watson to perform a detailed audit of the Corporation's worldwide total reward programs. The total amount of fees paid by the Corporation to Towers Watson for its services for the year 2011 (and comparable information for 2010) is provided in the following table:

Fees paid to Towers Watson for the years ended December 31, 2011 and December 31, 2010		
Nature of work	**2011**	**2010**
Executive Compensation – Related Fees	$129,991	$206,142
All Other Fees:		
• Benefit and Retirement Plans	$107,576	$193,983
• Worldwide Audit	$588,559	$0
Total	**$826,126**	**$400,125**

On an annual basis, Management presents the HR Committee with a schedule of the services Towers Watson is expected to render in the upcoming year together with an estimated fee schedule for the HR Committee to review and approve. Hugessen Consulting Inc. submits a schedule of services and estimated fees directly to the HR Committee for its review and approval.

7.4 Comparator Group and Market Positioning

The Corporation's executive compensation components are designed in such a way that executives and other key employees are compensated below market when the Corporation's financial performance does not compare favourably with that of the Comparator Group and above market when this comparison is favourable.

In 2011, the HR Committee decided to keep the same companies (18 Canadian companies and 23 U.S. companies) that were used for the 2010 compensation benchmarking. The weighting used to position executive compensation for the President and CEO and the Office of the President is 50% Canadian / 50% U.S.

The selection criteria for inclusion in the Comparator Group were as follows:

- Publicly-traded "common stock" parent company;
- Headquartered in North America;
- Revenues between $1 billion and $20 billion;
- Market capitalization between $1 billion and $20 billion;
- Participant in Towers Watson's Compensation Data Bank; and
- Global Industry Classification Standard (GICS) Sub-industries similar to the Corporation.

In setting the selection criteria, the HR Committee's objective is to achieve a comparator group that is as similar in nature to the Corporation as it possibly can, given that there are few global engineering and construction companies in the world.

Publicly-traded companies are sought as their annual filings would be similar to those of the Corporation and information on their NEOs can easily be obtained. Companies headquartered in North America are required to ensure that the compensation components are meaningful and comparative, as companies outside of North America have significantly different compensation structures and components. Revenues and market capitalization are used to find companies similar in size to the Corporation. GICS Sub-Industries are used so that the companies chosen are in similar lines of business as the Corporation and would represent companies that the Corporation recruits from or loses employees to. Finally, participation in Towers Watson's Compensation Data Bank is mandatory so that positions below the NEO level can be benchmarked as well.

The Comparator Group is reviewed annually by the HR Committee to ensure it represents the most appropriate and reliable sample possible. During these reviews, the HR Committee verifies that companies already included in the Comparator Group continue to meet the selection criteria and may select new companies, as required, following changes in data.

The Comparator Group used to review executive compensation and director compensation is the same (refer to Section 4.6 "Directors' Comparator Group" of this Management Proxy Circular). In 2011, the following companies were included in the Canadian and U.S. Comparator Groups:

	Relevant Criteria				
Canadian Comparator Group	**Publicly-traded "common stock" parent company ticker**	**Revenues (1) ($M)**	**Employees ('000)**	**Market Cap (1) ($M)**	**Industry**
Agrium Inc.	TSX:AGU	10,829	11.2	14,580	Fertilizers and Agricultural Chemicals
Atco Ltd	TSX:ACO.X	3,484	7.5	3,526	Multi-Utilities
Bombardier Inc.	TSX:BBD.B	17,887	58.4	9,679	Aerospace and Defense
CAE Inc.	TSX:CAE	1,634	7.5	3,110	Aerospace and Defense
Canadian Pacific Railway Ltd	TSX:CP	5,013	16.0	11,323	Railroads
Canfor Corp	TSX:CFP	2,415	5.2	1,635	Forest Products
CGI Group Inc.	TSX:GIB.A	3,736	31.0	4,847	IT Consulting and Other Services
Domtar Corp	NYSE:UFS	6,037	10.0	3,360	Paper Products
Enbridge Inc.	TSX:ENB	15,539	6.0	21,390	Oil and Gas Storage and Transportation
Finning International Inc.	TSX:FIT	4,643	12.9	4,846	Trading Companies and Distributors
Kinross Gold Corp	TSX:K	3,349	5.5	19,009	Gold
Methanex Corp	TSX:MX	1,992	0.9	2,712	Commodity Chemicals
Nexen Inc.	TSX:NXY	5,840	4.6	12,643	Oil and Gas Exploration and Production
ShawCor Ltd	TSX:SCL.A	1,041	5.0	2,502	Oil and Gas Equipment and Services
Talisman Energy Inc.	TSX:TLM	8,347	2.9	23,369	Oil and Gas Exploration and Production
Teck Resources Ltd	TSX:TCK.B	10,450	9.0	36,706	Diversified Metals and Mining
TransAlta Corp	TSX:TA	2,846	2.2	4,839	Independent Power Producers and Energy Traders
TransCanada Corp	TSX:TRP	8,158	4.0	25,965	Oil and Gas Storage and Transportation
SNC-Lavalin Group Inc. (2)	**TSX:SNC**	**6,328**	**22.0**	**9,012**	**Construction and Engineering**
	25th Percentile	2,972	4.7	3,401	
	Median	**4,828**	**6.8**	**7,263**	
	75th Percentile	8,300	10.9	17,902	

(1) USD currency has been considered at par with CAD currency. Information as at January 17, 2011

(2) Reported under Canadian GAAP

U.S. Comparator Group	Relevant Criteria				
	Publicly-traded "common stock" parent company ticker	Revenues [1] ($M US)	Employees ('000)	Market Cap ($M US) [1]	Industry
AECOM Technology Corp	NYSE:ACM	6,546	48.1	3,300	Construction and Engineering
Air Products and Chemicals Inc.	NYSE:APD	9,026	18.1	19,028	Industrial Gases
Alliant Techsystems Inc.	NYSE:ATK	4,842	18.0	2,535	Aerospace and Defense
Cabot Corp	NYSE:CBT	2,893	3.9	2,731	Diversified Chemicals
Cameron International Corp	NYSE:CAM	6,135	18.1	12,669	Oil and Gas Equipment and Services
Eastman Chemical Co	NYSE:EMN	5,842	10.0	6,691	Diversified Chemicals
EMCOR Group Inc.	NYSE:EME	5,121	25.0	2,000	Construction and Engineering
Exterran Holdings Inc.	NYSE:EXH	2,462	11.1	1,538	Oil and Gas Equipment and Services
Fluor Corp.	NYSE:FLR	20,849	36.2	12,728	Construction and Engineering
Foster Wheeler AG	NASDAQ:FWLT	4,068	13.4	4,643	Construction and Engineering
Freeport-McMoran Copper & Gold Inc.	NYSE:FCX	18,982	28.6	55,743	Diversified Metals and Mining
Goodrich Corp	NYSE:GR	6,967	24.0	11,358	Aerospace and Defense
Jacobs Engineering Group Inc.	NYSE:JEC	9,916	38.5	6,436	Construction and Engineering
KBR Inc.	NYSE:KBR	10,099	51.0	4,835	Construction and Engineering
McDermott International Inc.	NYSE:MDR	2,404	29.0	4,795	Industrial Conglomerates
Mosaic Company (The)	NYSE:MOS	6,759	7.5	37,017	Fertilizers and Agricultural Chemicals
Murphy Oil Corp	NYSE:MUR	23,345	5.8	14,264	Integrated Oil and Gas
NRG Energy Inc.	NYSE:NRG	8,849	4.6	5,003	Independent Power Producers and Energy Traders
PPG Industries Inc.	NYSE:PPG	13,423	39.9	13,553	Diversified Chemicals
Rockwell Collins Inc.	NYSE:COL	4,665	20.0	9,642	Aerospace and Defense
RRI Energy Inc.	NYSE:RRI	1,825	2.2	1,477	Independent Power Producers and Energy Traders
Shaw Group Inc. (The)	NYSE:SHAW	7,001	27.0	3,179	Construction and Engineering
URS Corp	NYSE:URS	9,177	46.5	3,504	Construction and Engineering
SNC-Lavalin Group Inc. [2]	**TSX:SNC**	**6,328**	**22.0**	**9,012**	**Construction and Engineering**
	25th Percentile	4,754	10.6	3,239	
	Median	**6,759**	**20.0**	**5,003**	
	75th Percentile	9,546	32.6	12,699	

(1) Information at January 17, 2011

(2) In $M CAD, reported under Canadian GAAP

The HR Committee follows the formal process illustrated below, which culminates in the recommendation of compensation for the President and CEO and other executives that is then presented to the Board of Directors for its approval.

1. CONSULT	2. BENCHMARK & REPORT	3. REVIEW & ANALYZE	4. RECOMMEND	5. APPROVE
HR Committee consults with Hugessen Consulting Inc. on President and CEO and executive compensation	Towers Watson benchmarks President and CEO and executive compensation against the Comparator Group, which has been reviewed and approved by the HR Committee and Hugessen Consulting Inc. Towers Watson produces a report for the HR Committee on President and CEO and executive compensation	HR Committee reviews Towers Watson's report and seeks input, as required, from Hugessen Consulting Inc. to develop recommendations for President and CEO compensation and to consider recom-mendations from President and CEO for executive compensation	HR Committee recommends President and CEO and executive compensation	Board approves President and CEO and executive compensation

In 2008, the HR Committee retained the services of Hugessen Consulting Inc. to assist with executive compensation decisions and act as independent executive compensation advisors to the HR Committee. The HR Committee continues to use Hugessen Consulting Inc. as independent executive compensation advisor. In 2011, Hugessen Consulting Inc. assisted with the review of the compensation of the Corporation's former President and CEO and other executives in order to determine incentive awards for 2011 and set salary, incentive pay opportunities and performance conditions for 2012. To do so, the HR Committee obtained market data to evaluate the competitiveness of compensation. In this regard, Towers Watson proposed a Comparator Group (described in Section 7.4 of this Management Proxy Circular) which was reviewed and approved by the HR Committee and Hugessen Consulting Inc., after which Towers Watson conducted a compensation benchmarking review. The results of this market analysis were reviewed by the Chair of the HR Committee, in consultation with Hugessen Consulting Inc., and the results were provided to the full Committee. The Chair of the Board of Directors and the Chair of the HR Committee utilized this information to develop recommendations for the former President and CEO compensation. The former President and CEO utilized this market analysis as a reference point in developing recommendations for executive compensation for consideration and approval by the HR Committee and the Board.

7.5 Employees Who Participate in Compensation Plans

The compensation plans provided under the Executive Compensation Policy also apply to employees other than the NEOs (as defined below). The following key employee groups participate in some or all of the Corporation's compensation plans:

- **NEOs**

  The names of the NEOs are listed at the beginning of Section 7.

- **Members of the Office of the President**

  The members of the Office of the President are responsible for one or several operating sectors. As at December 31, 2011, the Office of the President was comprised of 12 members, including the former President and CEO and the NEOs.

- **Members of the Management Committee**

  The Management Committee is composed of executives responsible for the administrative and operational units of the Corporation. As at December 31, 2011, the Management Committee consisted of approximately 90 executives from across the Corporation's business units worldwide.

7.6 Components of the Executive Compensation Policy

The Corporation's executive compensation components are classified under 2 categories: fixed and variable (or at risk). The fixed component includes base salary, benefits and perquisites, the ESOP and retirement programs. The variable (or at risk) component is related to the financial performance of the Corporation and individual performance and includes the MIP and long-term incentives in the form of stock options, a Corporation-matched MSOP, the E-DSUP and the PSUP.

FIXED				**VARIABLE (AT RISK)**			
Short term	*Short term*	*Long term*	*Long term*	*Short term*	*Long term*	*Long term*	*Long term*
Base Salary	Benefits & Perquisites	ESOP	Pension	MIP	MSOP	E-DSUP/PSUP	Stock Options
				at risk cash award	at risk equity award		

The following table lists the plans under each of the fixed and variable (at risk) compensation components and is followed by a description of each component:

Component	Compensation Period	Plan Determination	Short-Term	Long-Term	Objectives
FIXED					
Base salary	1 year	Based on market competitiveness. Reflects level of responsibility, skills and experience.	X		Retention.
Benefits (group life and health insurance program) and Perquisites	1 year	Based on market competitiveness.	X		Retention.
ESOP	3 years	Based on market competitiveness.		X	Promotes importance of share ownership.
Retirement Programs: ➢ EMRIP has been closed to new entrants since 2002 OR ➢ Harvest Plus	Benefit accrues annually	Based on market competitiveness.		X X	Retention.

Component	Compensation Period	Plan Determination	Short-Term	Long-Term	Objectives
VARIABLE (at risk)					
MIP (non-equity incentive plan)	1 year	Award based on combination of operational and individual performance.	X		Rewards the individual's contribution to the performance of the business unit and the Corporation.
Stock options: ➢ 2004 Stock Option Plan No future options available to be granted under 2004 Stock Option Plan ➢ 2007 Stock Option Plan No future options available to be granted under the 2007 Stock Option Plan ➢ 2009 Stock Option Plan No future options available to be granted under the 2009 Stock Option Plan ➢ 2011 Stock Option Plan	6-year term, 100% vesting 2 years from date of grant 5-year term with options vesting 1/3 after 2 years from date of grant, 1/3 after 3 years and 1/3 after 4 years	Awarded annually, based on individual performance and responsibilities.		X X X X	Rewards contribution to long-term performance of the Corporation and creates incentive to enhance shareholder value. Retention. Creates incentive to enhance shareholder value.
MSOP	Vests over 5 years	Awarded annually, based on MIP award.		X	Rewards performance and promotes share ownership. Retention.
E-DSUP	Vests over 5 years	Awarded annually, based on a percentage of annual base salary.		X	Retention.
PSUP ➢ Up to 2009 ➢ Since 2010	Vests over 5 years Vests over 3 years	Awarded annually, based on a percentage of annual base salary subject to the attainment of individual objectives. Units awarded annually, based on a percentage of annual base salary. Actual number of units at vesting date adjusted to reflect EPS growth since date of grant.		X X	Rewards performance and creates incentive to enhance shareholder value. Increased incentive to enhance shareholder value. Retention.

In 2012, the HR Committee will be changing the financial performance weightings under the MIP for executives in corporate roles. The change in weightings will be implemented to ensure that employees in corporate roles are not advantaged or disadvantaged by certain accounting allocations done at the corporate level (and not at the business unit level). Changes have no impact on the MIP awards determined for 2011. No further changes to the Executive Compensation Policy or components of the compensation programs are being considered at this time.

7.7 Fixed Compensation

7.7.1 Base Salary (Short-Term)

Executive salaries are targeted at the median salaries in the Comparator Group. These salaries are established by comparing competitive benchmark positions within the Comparator Group. Individual base salaries take into account experience, responsibilities and skills. The NEOs are compensated in accordance with the Executive Compensation Policy. The total compensation for executives and the President and CEO is reviewed by the HR Committee during the first quarter of each calendar year.

7.7.2 Benefits and Perquisites (Short-Term)

The Corporation's executive employee benefit program includes life, medical, dental and disability insurance. Perquisites consist of an automobile allowance and reimbursement for club memberships and medical and financial services. Such benefits and perquisites are designed to be competitive overall with equivalent positions in comparable Canadian organizations and are reviewed periodically by the HR Committee. The Corporation does not have a corporate aircraft and tax gross-ups are not provided to executives.

7.7.3 ESOP (Long-Term)

The ESOP is a voluntary share purchase plan available to the vast majority of Canadian employees, as well as to employees in a number of business units outside Canada. It provides for a matching contribution by the Corporation of 35% (paid in 2 instalments over a 2-year period), on employee contributions of up to 10% of base salary. As at December 31, 2011, approximately 6,600 employees were participants in the ESOP compared to 5,400 as at December 31, 2010. Through this Plan, these employees held 4,370,526 shares representing approximately 2.9% of all Common Shares outstanding as at December 31, 2011. This Plan emphasizes the Corporation's belief that share ownership by employees contributes to the Corporation's success.

7.7.4 Retirement Programs (Long-Term)

The NEOs participate in either the EMRIP, which provides benefits on a defined benefit basis, or the Harvest Plus, which provides benefits on a defined contribution basis.

7.7.4.1 EMRIP

The EMRIP was closed to new entrants, effective January 1, 2002. At that time, and from time to time thereafter, existing members had the opportunity to transfer the value of their accrued benefits to the Harvest Plus.

As at December 31, 2011, the EMRIP had 6 active members and 49 retirees. The EMRIP provides for retirement benefits of up to 2% for each year of service (to a maximum of 60%) multiplied by final average earnings (average of the annual base salary over the 3 consecutive years of highest earnings in the last 10 years of employment). The Plan is a registered defined benefit pension plan and provides retirement benefits up to the allowable limit under the *Income Tax Act (Canada)*. Retirement benefits in excess of the allowable limit are provided through a supplemental arrangement. As at December 31, 2011, 2 of the NEOs were members of the EMRIP. No additional years of service have been granted to any of the NEOs.

The retirement pension is payable at normal retirement age (65). Should the executive retire between the ages of 62 and 65, no early retirement reduction applies; for retirement between the ages of 60 and 62, the retirement pension is reduced by 0.5% per month prior to age 62; for retirement between the ages of 55 and 60, an actuarial reduction is applied to the retirement pension for the periods before age 60 and 0.5% per month prior to age 62. The following Pension Plan Table shows the estimated pension payable annually at normal retirement age (65) under the Plan, based on final average earnings and years of credited service under the Plan:

Final Average Earnings	Years of Credited Service			
	15	20	25	30
$300,000	$90,000	$120,000	$150,000	$180,000
$400,000	$120,000	$160,000	$200,000	$240,000
$500,000	$150,000	$200,000	$250,000	$300,000
$600,000	$180,000	$240,000	$300,000	$360,000
$700,000	$210,000	$280,000	$350,000	$420,000
$800,000	$240,000	$320,000	$400,000	$480,000
$900,000	$270,000	$360,000	$450,000	$540,000
$1,000,000	$300,000	$400,000	$500,000	$600,000

7.7.4.2 Harvest Plus

The Harvest Plus was implemented January 1, 2002 as a result of the closing of the EMRIP. It provides benefits on a defined contribution basis in excess of the maximum contributions permitted under the *Income Tax Act (Canada)* made in respect of participating NEOs under the Harvest, which is a group registered retirement savings plan/deferred profit sharing plan available to all employees. As at December 31, 2011, 3 of the NEOs participated in the Harvest Plus.

The Corporation contributes 20% of the participating NEO's annual base salary to the Harvest. Contributions in excess of the maximum allowed under the *Income Tax Act (Canada)* are credited to a notional account under the Harvest Plus, which is guaranteed through a letter of credit with a major financial institution. The contributions attributed to the notional account accrue interest as if they were invested in long-term Government of Canada bonds or the moderate balanced portfolio under the Harvest, 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 5 or 10 years, at the participant's option.

7.8 Performance-Based (Variable) Compensation

7.8.1 MIP (Short-Term – At Risk)

The objective of the MIP is to reward key employees for reaching strategic milestones and short-term operational goals. It is designed to encourage the attainment of superior results according to financial and individual objectives approved annually by the Board and to produce a potential target incentive level of between 15% and 90% of base salary depending on the individual's role and responsibilities. In any given year, depending on performance, the calculated award paid varies from zero to twice the target bonus as outlined in the following table:

	Threshold	Target MIP Award as a % of Base Salary	Maximum Bonus[1] as a % of Base Salary (twice the target bonus)	Financial Performance Weightings
President and CEO	0%	90%	180%	100% Overall Company Results
Executive Vice-President and CFO, NEOs responsible for certain corporate services	0%	50% to 60%	100% to 120%	100% Overall Company Results
NEOs (other than the Executive Vice-President and CFO and NEOs responsible for certain corporate services) and other members of the Office of the President	0%	60%	120%	50% Overall Company Results and 50% Business Unit Results
Members of the Management Committee and other executives and key employees	0%	15% to 35%	30% to 70%	25% Overall Company Results and 75% Business Unit Results, or 100% Overall Company Results

Note:

(1) The calculated award may be increased or decreased to take into consideration special circumstances based on recommendations by the President and CEO and subject to approval by the HR Committee and the Board.

Assuming target performance is achieved, target MIP awards are positioned to provide key employees with median target total cash compensation when compared to the Comparator Group. MIP awards also affect the value of payments under the MSOP.

On an annual basis, the Board approves financial objectives at which no bonus, target bonus (i.e. between 15% and 90% of base salary), and maximum bonus (twice the target bonus) will be paid under the MIP.

7.8.1.1 2011 MIP Objectives

For 2011, the overall Company financial objectives and results were the following:

	Threshold	Target	Maximum	2011 Actual Results
Corporate Net Income (in '000s) *	$447,233	$526,156	$605,079	$387,342

*Corporate Net Income includes income from Infrastucture Concession Investments, but excludes income attributable to non-controlling interests.

Financial objectives of the business units have not been disclosed as the Corporation has over 50 business units. By disclosing the threshold, target and maximum financial objectives of each business unit, the Corporation would be divulging sensitive information to its competitors. Such information would highlight the Corporation's detailed business strategy and would reveal in which markets the Corporation has chosen to focus.

The 2011 MIP award is based on overall financial performance and individual performance, calculated as follows:

Financial Performance

Annual Base Salary	X	MIP award Target percentage for CEO (90%) NEO (60%) Others (15%-60%)	X	Overall Company / Business Unit Results (0.0-2.0)	X	2/3	=	Calculated Bonus Based on Financial Performance

PLUS

Individual Performance

Annual Base Salary	X	MIP award Target percentage for CEO (90%) NEO (60%) Others (15%-60%)	X	Individual Objectives (0.0-2.0)	X	1/3	=	Calculated Bonus Based on Individual Performance

MIP bonuses are awarded based on two performance factors:

(i) Financial performance (2/3 of total bonus) based on the following criteria:

- Overall company results; the weighting of this measure to obtain the financial performance factor will range from 25% to 100% depending on the responsibilities of the employee; and/or
- Business unit results; the weighting of this measure will range from 0% to 75%.

For the President and CEO, the CFO, and other MIP participants in corporate roles, the financial performance factor is entirely based on the financial results of the Corporation as a whole (overall company results). For other MIP participants, this factor is weighted equally between the financial results of the Corporation as a whole and those of the business units for which they are responsible (overall company results and business unit results). For other key employees who participate in the MIP and are not in corporate roles, this factor is weighted 25% on the overall company results and 75% on business unit results; and

(ii) Individual performance (1/3 of bonus) based on the achievement of personal objectives for 2011 and assessment of five competencies.

7.8.1.2 Financial and Individual Performance

Financial Performance

The Corporation's reward philosophy rests substantially on the achievement of an adequate return to shareholders. As such, the financial performance factor carries more weight.

The Corporation's net income for 2011 was $387 million, falling short of the overall company threshold of $447 million. As a result, the overall company results factor was 0 for the purpose of calculating the 2011 MIP awards.

If minimum financial targets of the overall Corporation and/or the specific business unit(s) for which the executive is responsible for are not achieved, no bonuses are paid for financial performance.

Bonuses are paid at up to twice the target percentage when all performance measures corresponding to the maximum targets are achieved or surpassed. Proportionate bonus amounts are paid for intermediate results.

The maximum amount of MIP award an NEO (other than the President and CEO and the CFO) can receive for business unit results is 2/3 of target bonus, or 80% of base salary. For 2011, the financial performance results for the undisclosed business unit metrics were as follows:

Gilles Laramée - no MIP awarded, please refer to Section 8.1.4 of this Management Proxy Circular.

Patrick Lamarre - exceeded maximum; amount awarded for undisclosed financial metrics represents approximately 11% of his total compensation.

Charles Rate - between target and maximum; amount awarded for undisclosed financial metrics represents approximately 7% of his total compensation.

Feroz Ashraf - between threshold and target; amount awarded for undisclosed financial metrics represents approximately 2% of his total compensation.

The targets for both disclosed and undisclosed financial metrics are generally more difficult to attain each year in order to promote continuous stretch and performance improvements year over year. In addition, the threshold business unit metric is generally equal to or higher than the previous year's actual business unit results.

Individual Performance

The individual performance of each NEO is determined based on the achievement of personal objectives and assessment of 5 competencies.

Each NEO has personal objectives that support the Corporation's strategic pillars:

- Operational Excellence
- Improved Competitiveness
- Stronger Relationships with Customers
- Geographical Diversification and Growth of Markets and Services
- Attract and Retain Talent
- Financial Strength
- Corporate Social Responsibility

In addition, each NEO is assessed on the following 5 competencies:

The HR Committee assesses the individual performance of the President and CEO; the President and CEO evaluates the individual performance of the NEOs and other members of the Office of the President based on the above-mentioned criteria. An individual program rating between 0-2 is determined and used in the calculation of the MIP award as outlined in Section 7.8.1.1 of this Management Proxy Circular.

The maximum amount of MIP award an NEO can receive for individual performance is 2/3 of his target bonus, or 40% of base salary. When setting personal objectives and assessing competencies, it is expected that the NEO will meet expectations.

Gilles Laramée - no MIP awarded, please refer to section 8.1.4 of this Management Proxy Circular.

Patrick Lamarre - amount awarded for individual performance represents approximately 8% of his total compensation.

Charles Rate - amount awarded for individual performance represents approximately 6% of his total compensation.

Feroz Ashraf - amount awarded for individual performance represents approximately 9% of his total compensation.

7.8.2 Stock Options (Long-Term – At Risk)

Stock options are granted on an annual basis to key employees, including the NEOs. They are granted to reward contribution to long-term performance of the Corporation and create an incentive to enhance shareholder value. As part of its review of the total compensation of the President and CEO and other executives of the Corporation, the Board of Directors approves stock option grants for the President and CEO and members of the Office of the President. On an annual basis, each member of the Office of the President makes recommendations for the granting of stock options to key employees in his/her business unit(s). These recommendations are reviewed by the President and CEO and submitted to the Board of Directors for approval.

The total number of authorized and unissued Common Shares available for options under the 2011 Stock Option Plan is 2,300,000. The grant of options under the 2011 Stock Option Plan takes effect on the 6th trading day (the "**Date of Effect**") following the date of such grant. The exercise price per Common Share, in respect of any option granted under the 2011 Plan, is the greater of: (i) the average closing price per Common Share for a board lot (100 shares) of the Common Shares traded on the TSX for the 5 trading days immediately preceding the Date of Effect; or (ii) the closing price per Common Share on the 1st trading day immediately preceding the Date of Effect.

Each option may be exercised only during a period commencing on the 1st day of the 3rd year following the Date of Effect of the option and expiring on the last day of the 5th year following the Date of Effect (the "**Option Exercise Period**"). Each option may be exercised during the Option Exercise Period in accordance with the following schedule: (i) during the 1st year of the Option Exercise Period, an optionee may exercise up to 33.33% of the number of options initially granted; (ii) during the 2nd year of the Option Exercise Period, the optionee may exercise up to 33.33% of the number of options initially granted, plus the number of options with respect to which he/she has not exercised the option during the 1st year of the Option Exercise Period; and (iii) during the 3rd year of the Option Exercise Period, the optionee may exercise the options up to the balance (including all) of the options initially granted.

The 2004 Stock Option Plan provided for 100% vesting of options granted 2 years from the date of grant. Under the 2007, 2009 and 2011 Stock Option Plans, vesting over 4 years from the date of grant was introduced to increase the time horizon associated with decisions made by key employees for the long-term success of the Corporation and to add a retention element to the Plan.

2004 Stock Option Plan

- As at December 31, 2011, there were 131,500 options outstanding under the 2004 Stock Option Plan, varying in price from $29.20 to $32.50 per Common Share. At the close of business on February 23, 2007, the effective date of the 2007 Stock Option Plan, no additional options could be granted under the 2004 Stock Option Plan.
- No options have been granted under the 2004 Stock Option Plan since the adoption of the 2007 Stock Option Plan and all options that had not been granted at that date were cancelled.

2007 Stock Option Plan

- As at December 31, 2011, there were 2,702,644 options outstanding under the 2007 Stock Option Plan, varying in price from $31.59 to $55.10 per Common Share. At the close of business on March 6, 2009, the effective date of the 2009 Stock Option Plan, no additional options could be granted under the 2007 Stock Option Plan.
- No options have been granted under the 2007 Stock Option Plan since the adoption of the 2009 Stock Option Plan and all options that had not been granted at that date were cancelled.

2009 Stock Option Plan	• As at December 31, 2011, there were 1,411,671 options outstanding under the 2009 Stock Option Plan, varying in price from $37.53 to $57.07 per Common Share. At the close of business on March 4, 2011, the effective date of the 2011 Stock Option Plan, no additional options could be granted under the 2009 Stock Option Plan. • No options have been granted under the 2009 Stock Option Plan since the adoption of the 2011 Stock Option Plan and all options that had not been granted at that date were cancelled.
2011 Stock Option Plan	• 1,119,200 options were granted in 2011 under the 2011 Stock Option Plan as shown in the following table. • As at December 31, 2011, there were 1,111,700 options outstanding under the 2011 Stock Option Plan, varying in price from $51.55 to $54.07 per Common Share. • As at December 31, 2011, there were 1,188,300 options available to be granted. This amount includes options granted in May 2011 which were cancelled due to employees having left the Corporation. Such options were added back to the pool of options available to be granted.

The following table presents information concerning the stock options granted over the last 5 years, totalling 6,301,195.

	2007	**2008**	**2009**	**2010**	**2011**
Number of Stock Options Granted	1,262,200	1,382,500	1,426,795	1,110,500	1,119,200
Number of Employees who were Granted Stock Options	425	537	566	279	300
Number of Stock Options Outstanding as at Year End	4,036,670	4,319,100	5,073,954	5,126,117	5,357,515
Average Weighted Exercise Price of Stock Options Outstanding	$26.92	$34.48	$35.57	$40.61	$44.57
Number of Stock Options Granted as a % of Outstanding Shares	0.84%	0.92%	0.94%	0.74%	0.74%
Number of Stock Options Exercised	1,231,930	827,920	538,393	902,465	820,216

The number of stock options awarded in 2011 and 2010 was less than in previous years as a result of the introduction of a RSUP in 2010. Most of the employees who were awarded RSUs in 2010 and 2011 were below the executive level. In 2011, a total of 764 employees received either stock options or RSUs. These plans reflect the Corporation's desire to reward the contribution of key employees to the long-term performance of the Corporation and create an incentive to enhance shareholder value.

Specifically, the number of options granted by the Board of Directors in 2011, under the 2011 Stock Option Plan, can be broken down as follows:

Date of Grant	**Number of Employees Granted Options**	**Number of Options Granted**	**Exercise Price at which Options were Granted**
March 5, 2011 (2011 Stock Option Plan)	299	1,114,200	$54.07 per Common Share
August 5, 2011 (2011 Stock Option Plan)	1	5,000	$51.55 per Common Share
TOTAL:	**300**	**1,119,200**	

The total number of options exercised in 2011 under the 2009, 2007 and 2004 Stock Option Plans is as follows:

Number of Optionees Having Exercised Options	Number of Stock Options Exercised	Exercise Price
2009 Stock Option Plan		
65 employees	13,899	$37.53
2007 Stock Option Plan		
106 employees	64,190	$31.59
105 employees	216,571	$37.64
3 employees	3,666	$42.358
83 employees	72,410	$46.29
Total	**356,837**	
2004 Stock Option Plan		
26 employees	85,100	$24.27
1 employee	6,000	$24.33
44 employees	342,480	$29.20
11 employees	15,900	$32.50
Total	**449,480**	
GRAND TOTAL	**820,216**	

7.8.3 MSOP (Long-Term – At Risk)

The MSOP offers key executives an additional opportunity to increase their participation in the shareholding of the Corporation and thereby align their interests with those of shareholders. Through the MSOP, the Board encourages its executives to develop and implement business strategies that will increase shareholder value. In addition, the MSOP aims to retain those executives who make an important contribution to the success of the Corporation.

In a calendar year, the MSOP allows selected participants to contribute 25% of their gross bonus payment under the MIP towards the purchase of Common Shares of the Corporation. The Corporation will make, in equal instalments over a period of 5 years, a total contribution equal to the participant's contribution, which will be used to purchase Common Shares of the Corporation, provided that, during this time, the participant remains an employee of the Corporation and does not sell the underlying Common Shares. A participant can sell shares in the MSOP at any time; however, if this occurs prior to the 5 equal instalments having been made by the Corporation, these future employer contributions are forfeited.

In 2011, 10 members of the Office of the President, including the NEOs, participated in the MSOP.

7.8.4 E-DSUP (Long-Term – At Risk)

The Corporation's E-DSUP is intended to increase the alignment between the interests of participants and shareholders as the redemption price for vested units is based on the Corporation's share price. The plan also includes a retention component as units granted do not fully vest until 5 years from the date of grant. The following describes the main provisions of the E-DSUP.

Grant date value	• 37.5% of annual base salary, 75% of annual base salary for the President and CEO. • For the purposes of determining the number of E-DSUs granted, each E-DSU is attributed the notional value equivalent to the greater of either the average closing price of the Corporation's shares over the 5 business days following the E-DSU grant date, or the closing price of the Corporation's shares on the 5th business day following the E-DSU grant date. This methodology is consistent with the approach used when granting stock options and PSUs.
Vesting schedule	• E-DSUs vest at a rate of 20% per year in respect of each grant and on each anniversary of such grant.
Value of vested units	• For the purpose of redemption, the value of an E-DSU is equivalent to the average of the closing price per share on the date 1 year following the participant's last day of employment, and on the last trading day of each of the 12 weeks preceding 1 year following the participant's last day of employment. A 12-week average is used to lessen the impact of potential share price fluctuations.
Termination provisions	• In the event of death, retirement, voluntary termination due to long-term disability, or termination without cause by the Corporation, all E-DSUs vest immediately. • In the event of voluntary termination of employment, unvested E-DSUs expire on the date of termination. In the event of termination of employment with cause, vested and unvested E-DSUs expire on the date of termination. • Vested E-DSUs will be redeemed for cash within 30 days after 1 year following the participant's last day of employment. In the event the participant's last day of employment was in December, the deemed date of termination of employment shall be December 1st. • In the event of termination of employment by the Corporation or resignation by the participant due to a change of control, all E-DSUs vest immediately.

For 2011, the Board approved the granting of E-DSUs to 11 members of the Office of the President, including the NEOs who received E-DSUs valued at 37.5% of base salary. In the case of the former President and CEO, no E-DSUs were granted. A special E-DSUP award in the amount of $100,000 was granted to Patrick Lamarre for the successful acquisition of Atomic Energy of Canada Limited.

7.8.5 PSUP (Long-Term – At Risk)

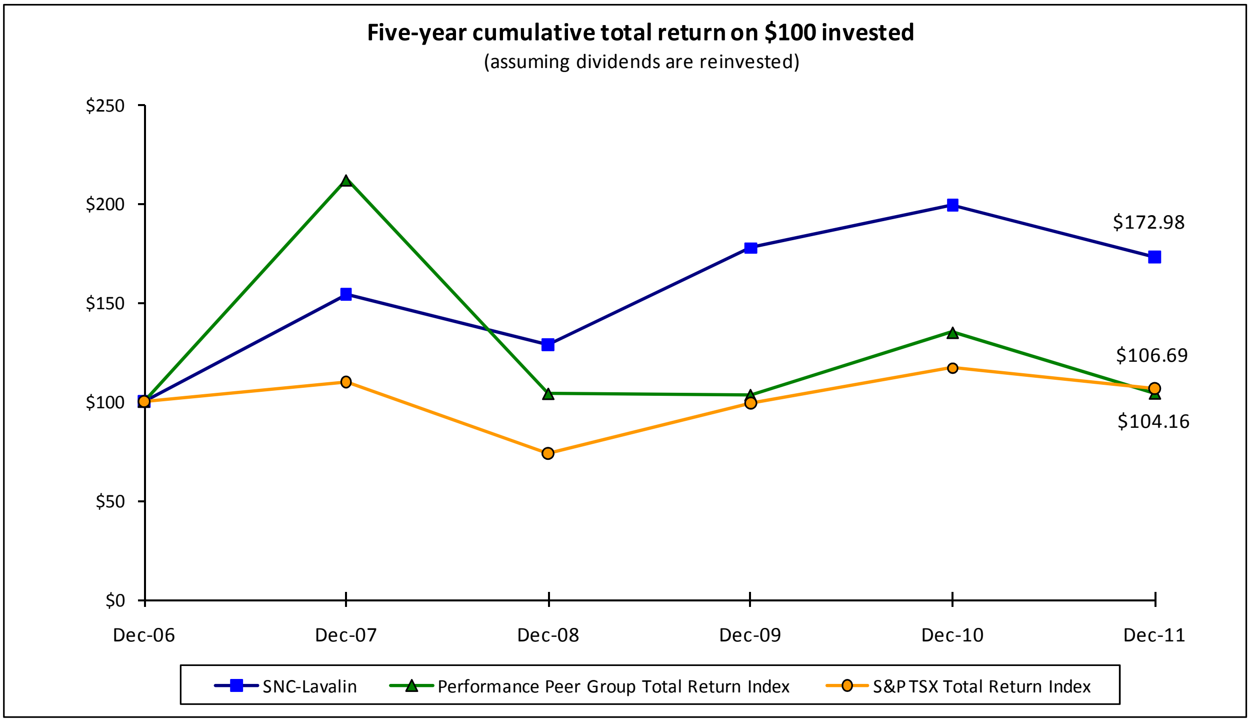
The purpose of the PSUP is to align executive compensation to the long-term objectives of the Corporation. The value of units paid out is a function of the Corporation's share price and the number of units granted is adjusted on the vesting date by a multiplier that is based on 3-year cumulative EPS growth. No cash payment is made before the vesting date, which increases the level of compensation directly linked to long-term (3-year) performance.

Grant date value	• 37.5% of annual base salary, 75% of annual base salary for the President and CEO. • For the purposes of determining the number of PSUs granted, each PSU is attributed the notional value equivalent to the greater of either the average closing price of the Corporation's shares for the 5 business days following the date of grant, or the closing price of the Corporation's shares on the 5th business day following the date of grant. This methodology is consistent with the approach used when granting stock options and E-DSUs.
Vesting date	• PSUs fully vest at the end of the 3rd calendar year following the date of grant.
Value of vested units	• At the vesting date, the number of units granted shall be adjusted by a payout multiplier based on the 3-year cumulative growth of EPS. • The redemption price is based on the average closing price per share at the vesting date and the 4 trading days preceding such date.
Conversion option	• Participants have the option to convert their PSUs to E-DSUs at the time of redemption. PSUs converted into E-DSUs will be payable as set forth in the E-DSUP, as if they were all vested on the redemption date.
Termination provisions	• In the event of death, retirement (defined as age 55 with 10 years of service), long-term disability, or termination without cause by the Corporation, all granted PSUs vest immediately. However, no payment shall be made until the vesting date. • In the event of voluntary termination of employment by the participant, or in the event of termination with cause, PSUs will expire immediately on the date of termination. • In the event of termination of employment by the Corporation or resignation by the participant related to a change of control, PSUs fully vest and the maximum payout multiplier shall apply.

For 2011, the Board approved the granting of PSUs to 11 members of the Office of the President, including the NEOs who received PSUs valued at 37.5% of base salary. In the case of the former President and CEO, no PSUs were granted.

7.8.6 Performance Graphs

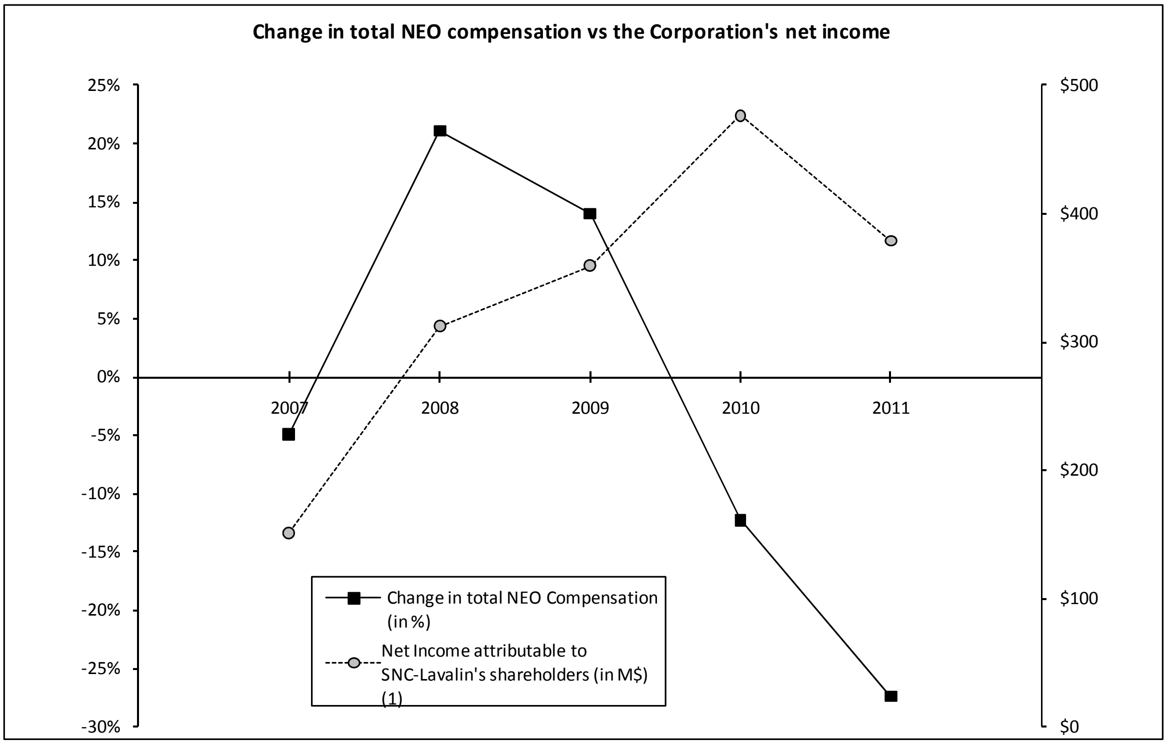
The following performance graph illustrates the 5-year cumulative total return assuming $100 was invested on December 31, 2006 in Common Shares of the Corporation, in the S&P/TSX Composite Total Return Index and in the Performance Peer Group composed of the following engineering and construction companies: Fluor Corporation, Foster Wheeler Corporation, Jacobs Engineering Group Inc., The Shaw Group Inc. and URS Corporation.



Financial Years	Dec-06	Dec-07	Dec-08	Dec-09	Dec-10	Dec-11
SNC-Lavalin	100.00	154.36	128.61	177.55	199.26	172.98
Performance Peer Group Total Return Index	100.00	211.96	103.99	103.35	134.87	104.16
S&P TSX Total Return Index	100.00	109.83	73.58	99.38	116.87	106.69

Value of $100 invested on December 31, 2006 (assumes dividends are reinvested)

The next performance graph illustrates the trend in the total compensation of the NEOs over the same 5-year period as the preceding graph.



Financial Years	2007	2008	2009	2010	2011
Change in total NEO Compensation (in %)	-4.9%	21.1%	14.0%	-12.3%	-27.4%
Net Income attributable to SNC-Lavalin's shareholders (in M$) (1)	151	313	359	477	379

Note:

(1) 2007 to 2009 net income was prepared in accordance with Canadian Generally Accepted Accounting Principles (''**GAAP**'') while 2010 and 2011 net income was prepared in accordance with International Financial Reporting Standards (''**IFRS**''). The most significant impacts for the Corporation of adopting IFRS related to: i) the presentation of the net income attributable to the Corporation's shareholders separately from the net income attributable to non-controlling interests; ii) the accounting for its jointly controlled entities, accounted for under IAS 31; and iii) the accounting for the Corporation's Infrastructure Concession Investments that are accounted for under the IFRIC Interpretation 12, *Service Concession Arrangements.* The transition to IFRS has a limited impact on the Corporation's other activities. See Note 35 to the Corporation's 2011 audited annual consolidated financial statements for quantitative reconciliations between Canadian GAAP and IFRS.

This graph illustrates how the trend in NEO compensation varied through 2007 as did the Corporation's net income. In 2008 and 2009, the Corporation's pay-for-performance philosophy was demonstrated as the Corporation's net income increased as did the NEO compensation. In 2010, although the Corporation's net income continued to increase, NEO compensation decreased due to the transition to the position of President and CEO, which took place in May 2009. In 2011, the Corporation's net income decreased as did the NEO compensation.

For the 12-month period ending December 31, 2011, the S&P/TSX Composite Index decreased by 1,488 points or 11.1% to 11,955 points from 13,443, and the S&P/TSX 60 Index (an index the Corporation is a part of) decreased by 87 points or 11.4%, while the Corporation's share price decreased by 14.5% to $51.08 from $59.77.

For each year shown, total NEO compensation is based on the compensation of the NEOs as reported in the Corporation's Management Proxy Circulars filed with the Canadian securities commissions across Canada and available on SEDAR (**www.sedar.com**).

Section 8 EXECUTIVE COMPENSATION DISCLOSURE

Section 8 EXECUTIVE COMPENSATION DISCLOSURE

8.1 Compensation of NEOs

8.1.1 President and CEO Compensation

In light of the Corporation's financial results and the matters identified in the independent review, the Board has decided that Mr. Pierre Duhaime should not be awarded a MIP payout or any E-DSUs or PSUs in respect of 2011. Mr. Duhaime did receive a grant of 77,100 stock options in May 2011 before the independent review was carried out.

As noted in the Letter to Shareholders, Mr. Duhaime has been relieved of his duties as an officer of the Corporation. While Mr. Duhaime will maintain the status of active employee until June 27, 2012, he has no responsibilities for the management of the business and affairs of the Corporation or any of its divisions, and does not perform any policy-making function in respect thereof.

In evaluating and structuring the terms of the departure arrangement for Mr. Duhaime, the Board of Directors carefully considered the best interests of the Corporation in the circumstances while taking into account a range of relevant factors.

The terms of the departure arrangement are consistent with Mr. Duhaime's existing employment agreement, indemnification and related arrangements (including in case of termination other than for cause), the Corporation's customary practices in these circumstances, and applicable law. The arrangement also provides for certain continuing obligations of Mr. Duhaime to the Corporation, including (i) non-competition with the Corporation (for periods of either 12 months or 24 months beginning June 28, 2012), (ii) non-solicitation of clients, investors or business partners of the Corporation (12 months beginning June 28, 2012), (iii) non-solicitation of the Corporation's employees (24 months beginning June 28, 2012), (iv) confidentiality (24 months beginning June 28, 2012), and (v) non-disparagement (no limitations of term). Mr. Duhaime has also provided a full and complete liability release in favour of the Corporation. The departure arrangement also sets out the vesting schedule in respect of previously granted stock options and PSUs as well as the payment terms of previously granted DSUs, in each case, in accordance with the provisions of the applicable plans. The following table outlines the financial terms of the departure arrangement.

Departure Arrangement Components	**Value**
Salary Continuance[(1)]	$1,900,000
Benefits and Perquisites [(1)]	$115,500
MIP[(1)]	$1,710,000
MSOP[(1)]	$200,050
ESOP	$66,500
EMRIP (Present Value of Additional Defined Benefit Obligation)[(2)]	$921,000
Professional Development and Transition Assistance	$55,000
Total Value	$4,968,050

Notes:

(1) These amounts are payable progressively over a two (2) year period beginning June 28, 2012, as opposed to a lump sum payment at such date. The MIP award is based upon a target award of 90%, which is customary in cases of terminations for reasons other than cause. As disclosed in our prior filings, MIP awards for the members of the Office of the President have generally been significantly higher than target.

(2) Two (2) years of credited service with pension payable starting at age 60 in June 2014.

8.1.2 President and CEO Employment Agreement

Mr. Duhaime entered into an Executive Employment Agreement with the Corporation when he became President and CEO on May 7, 2009. The Agreement covered the various aspects of his duties, including interaction with the Board. More specifically, it covered subjects such as compensation components, termination of employment, non-solicitation, and confidentiality. The other NEOs are not covered by a written employment agreement.

8.1.3 Vice-Chairman and Interim CEO Compensation for 2012

The Board has determined that the Vice-Chairman and Interim CEO's total annual compensation (including board retainer received as Vice-Chairman) will be the same as the former President and CEO's 2011 base salary of $950,000. This amount will be paid in cash on a monthly basis until such time a new President and CEO is appointed.

8.1.4 Other NEOs Compensation

The former President and CEO recommended that the HR Committee approve and submit to the Board for approval, the MIP for each NEO, the awards under the E-DSUP, PSUP and the stock option grants. The amount for each individual NEO can be found in the Summary Compensation Table in Section 8.7 and the Total Compensation Tables in Section 8.8 of this Management Proxy Circular. In determining the amounts to be awarded to each NEO, the individual performance of the NEO was considered.

As a result of the financial results falling short of the performance threshold and the findings of the independent review, the Board determined that the CFO would not receive a MIP award for 2011. The CFO received his 2011 E-DSU, PSU and stock option grants in accordance with the provisions of the plan.

For 2011, Mr. Patrick Lamarre received a MIP award in the amount of $254,900 representing 117% of target. Although the overall Corporation results were not attained, his business unit results produced a maximum divisional MIP score. He received his 2011 E-DSU, PSU and stock option grants in accordance with the provisions of the plan, as well as, a special award of $100,000 in E-DSUs which were granted to Mr. Lamarre for the successful acquisition of Atomic Energy of Canada Limited.

For 2011, Mr. Charles Rate received a MIP award in the amount of $157,100 representing 73% of target. Although the overall Corporation results were not attained, his business unit results were between target and maximum. The E-DSU, PSU and stock option grants were in accordance with the provisions of the plans.

For 2011, Mr. Feroz Ashraf received a MIP award in the amount of $142,400 representing 69% of target. Although the overall Corporation results were not attained, his business unit results were between threshold and target. The E-DSU, PSU and stock option grants were in accordance with the provisions of the plans.

8.2 Share Ownership

The following table summarizes the required ownership levels of each NEO as of December 31, 2011. Each one satisfies the applicable share ownership requirement with the exception of Mr. Patrick Lamarre. Mr. Lamarre has until 2013 to attain his shareholding requirement.

Name	Required Ownership Levels	Ownership Requirement ($)	Shares Held(1)	Value as at December 31, 2011(2)	Meets Requirements
Pierre Duhaime	6 x annual base salary	$5,700,000	157,051	$8,022,165	Yes
Gilles Laramée	3 x annual base salary	$1,470,000	376,336	$19,223,243	Yes
Patrick Lamarre	3 x annual base salary	$1,089,000	20,004	$1,021,804	In process
Charles Rate	3 x annual base salary	$1,075,350	28,088	$1,434,735	Yes
Feroz Ashraf	3 x annual base salary	$1,036,800	25,037	$1,278,890	Yes

Notes:

(1) Shares held include Common Shares privately held, ESOP, MSOP and vested share units not redeemed under the E-DSUP and former PSUP.

(2) The value as at December 31, 2011 was based on a closing share price of $51.08.

8.3 Option-based and Share-based Awards

8.3.1 Stock Options Granted in 2011

The following table contains information concerning the stock options granted, under the Corporation's 2011 Stock Option Plan, to NEOs during the 2011 fiscal year.

Name	Number of Securities Under Options Granted	Date of Grant	% of Total Options Granted to Employees in Financial Year	Exercise or Base Price ($/Security)	Expiration Date
Pierre Duhaime	77,100	May 5, 2011	6.9%	$54.07	May 13, 2016
Gilles Laramée	25,800	May 5, 2011	2.3%	$54.07	May 13, 2016
Patrick Lamarre	23,100	May 5, 2011	2.1%	$54.07	May 13, 2016
Charles Rate	23,500	May 5, 2011	2.1%	$54.07	May 13, 2016
Feroz Ashraf	22,400	May 5, 2011	2.0%	$54.07	May 13, 2016

8.3.2 E-DSUs and PSUs Granted for 2011

On March 23, 2012, E-DSUs and PSUs were granted to 4 of the 5 NEOs for the 2011 fiscal year under the Corporation's E-DSUP and PSUP:

Name	Value(1)(2)(3)	
	E-DSUs	PSUs
Pierre Duhaime	$0	$0
Gilles Laramée	$183,750	$183,750
Patrick Lamarre	$246,394	$136,125
Charles Rate	$140,124	$134,419
Feroz Ashraf	$147,856	$129,600

Notes:

(1) For the purposes of determining the number of E-DSUs and PSUs granted, each E-DSU and PSU is attributed the notional value equivalent to the greater of either the average closing price of the Corporation's Common Shares over the 5 business days following the E-DSU and PSU grant date or the closing price of the Corporation's Common Shares on the 5th business day following the E-DSU and PSU grant date.

(2) The value of the E-DSUs and PSUs granted is calculated based on a maximum of up to 37.5% of the participant's annual base salary. In the case of the former president and CEO, he did not receive E-DSUs under the E-DSUP and did not receive PSUs under the PSUP with respect to the calendar year preceding the date of grant.

(3) As part of the March 23, 2012 allocation, Patrick Lamarre was granted an additional value of $100,000 in E-DSUs for the successful acquisition of Atomic Energy of Canada Limited. Moreover, in May 2011, Patrick Lamarre received 190 E-DSUs, Charles Rate received 106 E-DSUs and Feroz Ashraf received 338 E-DSUs in the form of a special grant as an adjustment to their stock option grant.

8.3.3 Incentive Plan Awards - Value Vested or Earned During the Year

The following table provides the dollar value which would have been realized had stock options granted to NEOs on May 4, 2007, March 6, 2008, March 6, 2009, under the 2007 Stock Option Plan and May 7, 2009 under the 2009 Stock Option Plan, and which vested during the 2011 fiscal year, been exercised on the vesting date. It also provides the dollar value of the portion of E-DSUs and PSUs as at the date they vested during the 2011 fiscal year and the MIP award paid relative to 2011 performance.

Name	Option-based Awards - Value Vested During the Year(1) ($)	Share-based Awards - Value Vested During the Year(2) ($)	Non-equity Incentive Plan Compensation - Value Vested During the Year(3) ($)
Pierre Duhaime	$646,706	$475,581	$0
Gilles Laramée	$368,200	$280,293	$0
Patrick Lamarre	$330,850	$118,056	$254,900
Charles Rate	$276,900	$121,035	$157,100
Feroz Ashraf	$145,095	$39,485	$142,400

Notes:

(1) Based on a closing share price of $54.58 for options that vested on March 15, 2011, $54.20 for options that vested on March 16, 2011 and $54.24 for options that vested on May 15, 2011.

(2) Based on a closing share price, on the vesting date, of $55.67 for PSUs that vested on March 5, 2011 and $51.08 for E-DSUs that vested on December 31, 2011.

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

8.3.4 Outstanding Share-based Awards and Option-based Awards

The following table sets forth information with respect to the NEOs concerning unexercised stock options, PSUs and E-DSUs held as at December 31, 2011.

	Option-based Awards					Share-based Awards		
Name	**Date of Grant**	**Number of securities Underlying unexercised options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of Unexercised In-the-money Options (1) ($)**	**Number of PSUs and E-DSUs that have not vested (#)**	**Market Value of Share-based Awards that have not vested (2) ($)**	**Market Value of Share-based Awards vested not paid out or distributed (2) ($)**
Pierre Duhaime	May 4, 2007	24,000	$37.64	May 15, 2012	$322,560	40,207	$2,053,773	$2,723,075
	March 6, 2008	24,000	$46.29	March 15, 2013	$114,960			
	March 6, 2009	18,000	$31.59	March 16, 2014	$350,820			
	May 7, 2009	56,000	$37.53	May 15, 2014	$758,800			
	March 5, 2010	75,000	$52.40	March 15, 2015	$0			
	May 5, 2011	77,100	$54.07	May 13, 2016	$0			
Total		**274,100**			**$1,547,140**	**40,207**	**$2,053,773**	**$2,723,075**
Gilles Laramée	May 4, 2007	24,000	$37.64	May 15, 2012	$322,560	13,865	$708,225	$4,644,245
	March 6, 2008	24,000	$46.29	March 15, 2013	$114,960			
	March 6, 2009	18,000	$31.59	March 16, 2014	$350,820			
	May 7, 2009	6,000	$37.53	May 15, 2014	$81,300			
	March 5, 2010	24,000	$52.40	March 15, 2015	$0			
	May 5, 2011	25,800	$54.07	May 13, 2016	$0			
Total		**121,800**			**$869,640**	**13,865**	**$708,225**	**$4,644,245**
Patrick Lamarre	May 4, 2007	17,250	$37.64	May 15, 2012	$231,840	11,259	$575,110	$199,416
	March 6, 2008	24,000	$46.29	March 15, 2013	$114,960			
	March 6, 2009	18,000	$31.59	March 16, 2014	$350,820			
	May 7, 2009	6,000	$37.53	May 15, 2014	$81,300			
	March 5, 2010	24,000	$52.40	March 15, 2015	$0			
	May 5, 2011	23,100	$54.07	May 13, 2016	$0			
Total		**112,350**			**$778,920**	**11,259**	**$575,110**	**$199,416**
Charles Rate	March 6, 2008	24,000	$46.29	March 15, 2013	$114,960	11,610	$593,039	$205,138
	March 6, 2009	18,000	$31.59	March 16, 2014	$350,820			
	May 7, 2009	6,000	$37.53	May 15, 2014	$81,300			
	March 5, 2010	24,000	$52.40	March 15, 2015	$0			
	May 5, 2011	23,500	$54.07	May 13, 2016	$0			
Total		**95,500**			**$547,080**	**11,610**	**$593,039**	**$205,138**
Feroz Ashraf	May 4, 2007	6,000	$37.64	May 15, 2012	$80,640	6,333	$323,489	$53,174
	March 6, 2008	8,000	$46.29	March 15, 2013	$38,320			
	March 6, 2009	6,000	$31.59	March 16, 2014	$116,940			
	May 7, 2009	8,000	$37.53	May 15, 2014	$108,400			
	March 5, 2010	24,000	$52.40	March 15, 2015	$0			
	May 5, 2011	22,400	$54.07	May 13, 2016	$0			
Total		**74,400**			**$344,300**	**6,333**	**$323,489**	**$53,174**

Notes:

(1) This amount is calculated based on the difference between the closing share price of $51.08 on December 31, 2011 and the option exercise price.

(2) This amount is calculated based on the closing share price of $51.08 on December 31, 2011.

8.3.5 Stock Option Gains Realized Upon Exercise

The following table shows the value of gains realized following the exercise of stock options in 2011 and 2010 for the NEOs.

Name	**Stock Option Gains Realized Upon Exercise**	
	2011	**2010**
Pierre Duhaime	$464,321	$841,999
Gilles Laramée	$514,160	$732,829
Patrick Lamarre	$535,000	$80,200
Charles Rate	$216,045	$321,420
Feroz Ashraf	$311,101	$0

8.4 Retirement Plans

8.4.1 EMRIP

The credited years of service under the EMRIP as of December 31, 2011 (and projected to age 65) for the NEOs were as follows: Mr. Duhaime 12.8 (20.3) years and Mr. Laramée 20.8 (34.8) years. Certain NEOs also have credited years of service in prior plans.

DEFINED BENEFIT PLAN TABLE[1]

		Annual Benefits Payable[2] $ (c)					
Name	Number of Years of Credited Service (#)	At Year End	At Age 65	Opening present value of defined benefit obligation[3] $	Compensatory Change[4] $	Non-compensatory Change[5] $	Closing present value of defined benefit obligation [6] $
(a)	(b)	(c1)	(c2)	(d)	(e)	(f)	(g)
Pierre Duhaime	12.8	$183,200	$353,900	$2,256,000	$631,600	$977,600	$3,865,200
Gilles Laramée	20.8	$153,900	$294,000	$2,051,300	$456,400	$1,304,600	$3,812,300

Notes:

(1) The amounts shown include pension benefits payable under the EMRIP and supplemental arrangement.

(2) The amounts shown are based on current compensation and credited service to the earlier of December 31, 2011 or age 65.

(3) The opening present value is the present value of the projected pension earned for service up to December 31, 2010.

(4) The compensatory change is the current service cost and the value of the projected pension earned for the period from January 1, 2011 to December 31, 2011, including any differences between actual and estimated earnings.

(5) Non-compensatory change in the obligation in 2011 includes the impact of changes in actuarial assumptions and other experienced gains and losses. It includes the impact of the transition to IFRS. Opening present value obligation is determined using an interest rate of 5.25% for EMRIP and 5.00% for supplemental arrangement and a UP94 mortality table with a 26 year projection. To be in line with IFRS, actuarial assumptions for the closing present value of defined benefit obligation were changed as described in note (6).

(6) The closing present value is the present value of the projected pension earned for service up to December 31, 2011. This amount increases with age and is significantly impacted by changes in the discount interest rate. The following assumptions were used to calculate the present value as at December 31, 2011: interest rate of 3.25% for both the EMRIP and the supplemental arrangement; future salary increases of 6.00% per year; increase in the maximum defined benefit limit at a rate of 3.25%; post-retirement indexation rate of 2.50%; and the UP94 mortality table with an infinite projection.

8.4.2 Harvest Plus

The EMRIP has been closed to new participants since 2002. The following NEOs currently participate in the Harvest Plus:

Name	Accumulated Value at Start of Year $	Compensatory Change[1] $	Accumulated Value at Year End $
(a)	(b)	(c)	(d)
Patrick Lamarre	$375,600	$72,300	$458,000
Charles Rate	$444,100	$71,500	$528,800
Feroz Ashraf	$449,600	$70,600	$504,900

Notes:

(1) Includes the Corporation's contributions to P. Lamarre's, C. Rate's and F. Ashraf's notional accounts under the Harvest Plus and contributions to their Harvest accounts.

8.5 Termination of Employment

An individual employment agreement was in place for the former President and CEO (see Section 8.1.2 of this Management Proxy Circular). In the event of termination of employment initiated by the Corporation for reasons other than cause, the agreement stipulated that any amounts payable would be determined in accordance with applicable law.

No individual written employment agreements were entered into with the other NEOs. In the event of termination of their employment initiated by the Corporation for reasons other than cause, any amounts payable would also be determined in accordance with applicable law.

8.6 Change of Control and Retirement

8.6.1 Change of Control

The Corporation has a double-trigger change of control agreement in place for the President and CEO and members of the Office of the President. In the event of involuntary termination of employment within the 24-month period following a change of control of the Corporation, the following conditions will apply to the President and CEO and the other NEOs. The tables which follow describe and set out the incremental amounts which would have been payable had a change of control of the Corporation occurred on December 31, 2011 and resulted in involuntary termination of employment initiated by the Corporation.

Severance	Benefits and Perquisites	MIP	Stock Options	MSOP	ESOP	PSUP (Former Plan)	PSUP and E-DSUP
2 times the sum of the annual base salary plus the average of the last 2 bonuses paid under the MIP.	Pension benefits continue to accrue for 2 years plus a lump sum payment representing the value of perquisites for a 2-year severance period.	The target annual bonus for the year will be paid as a lump sum, prorated for the period of employment in that year.	All granted, unvested options fully vest and can be exercised in accordance with the terms of the respective stock option plan. Any stock ownership requirements are suspended.	Future contributions required to be made under the terms of the Program, but not yet made, are accelerated in order for all outstanding matching contributions to be paid by the Corporation.	Future contributions required to be made under the terms of the Plan, but not yet made, are accelerated in order for all outstanding matching contributions to be paid by the Corporation.	All granted PSUs fully vest and are redeemable for cash within 3 months at the redemption price in accordance with the Plan provisions. Any stock ownership requirements are suspended.	All granted PSUs and E-DSUs fully vest and are redeemable for cash in accordance with the Plan provisions. For purpose of the PSUP, the maximum payout multiplier is used.

Change of Control	Pierre Duhaime	Gilles Laramée	Patrick Lamarre	Charles Rate	Feroz Ashraf
Severance	$3,783,000	$1,833,800	$1,342,300	$1,218,900	$1,054,700
Benefits and Perquisites	$791,900	$484,300	$208,529	$206,542	$200,930
MIP	$855,000	$294,000	$217,800	$215,070	$207,360
Non-vested Stock Options(1)	$778,062	$326,400	$326,400	$326,400	$162,992
MSOP	$412,550	$191,510	$131,110	$109,100	$87,200
ESOP	$48,971	$25,426	$5,771	$9,596	$18,432
Value of Non-vested PSUs	$1,300,905	$507,838	$420,031	$433,056	$179,699
Value of Non-vested E-DSUs	$752,868	$200,387	$155,079	$159,983	$143,790
Total Incremental Payment	$8,723,256	$3,863,661	$2,807,020	$2,678,647	$2,055,103

Note:

(1) This amount is calculated based on the difference between the closing share price of $51.08 on December 31, 2011 and the option exercise price ($46.29 in the case of stock options granted in 2008, $31.59 in the case of stock options granted in March 2009, $37.53 in the case of stock options granted in May 2009, $52.40 in the case of stock options granted in March 2010 and $54.07 in the case of stock options granted in May 2011).

8.6.2 Retirement

In the event of retirement, all granted PSUs fully vest and are redeemable for cash in accordance with the Plan provisions. The following table sets out the incremental amounts which would have been payable under the Plan had retirement occurred on December 31, 2011.

Retirement	Pierre Duhaime	Gilles Laramée	Patrick Lamarre	Charles Rate	Feroz Ashraf
Value of Non-vested PSUs	$1,300,905	$507,838	$420,031	$433,056	$179,699
Value of Non-vested E-DSUs	$752,868	$200,387	$155,079	$159,983	$143,790
Total Incremental Payment	$2,053,773	$708,225	$575,110	$593,039	$323,489

8.7 Summary Compensation Table

For Summary Compensation Tables related to previous years, please refer to the Corporation's Management Proxy Circulars filed with the Canadian securities commissions and available on SEDAR (**www.sedar.com**).

The following table sets forth, for the fiscal years ended December 31, 2011, December 31, 2010 and December 31, 2009, the compensation paid by the Corporation to the NEOs for services rendered in all capacities.

2011 SUMMARY COMPENSATION TABLE(1)

					Non-equity Incentive Plan Compensation ($)				
Name and principal position	Year	Salary ($)	Share-based Awards ($)	Option-based Awards(2) ($)	Annual Incentive Plans (3)	Long-term Incentive Plans	Pension Value ($)	All Other Compensation(4) ($)	Total Compensation ($)
(a)	(b)	(c)	(d)	(e)	(f1)	(f2)	(g)	(h)	(i)
Pierre Duhaime Former President and CEO	2011	$950,000	$146,600	$880,000	$0	-	$631,600	$86,621	$2,694,821
	2010	$800,000	$1,295,350	$1,161,750	$1,116,000	-	$329,400	$85,695	$4,788,195
	2009	$583,662	$1,119,500	$751,880	$767,000	-	$737,000	$72,438	$4,031,480
Gilles Laramée Executive Vice-President/CFO	2011	$490,000	$448,440	$294,000	$0	-	$456,400	$13,896	$1,702,736
	2010	$420,000	$388,250	$371,760	$473,800	-	$171,700	$13,299	$1,838,809
	2009	$380,000	$354,250	$220,380	$380,000	-	$83,900	$12,396	$1,430,926
Patrick Lamarre Executive Vice-President	2011	$363,000	$432,834	$264,000	$254,900	-	$72,300	$3,263	$1,390,297
	2010	$330,000	$281,900	$371,760	$368,300	-	$65,700	$3,034	$1,420,694
	2009	$297,000	$247,150	$220,380	$248,000	-	$59,200	$2,740	$1,074,470
Charles Rate Executive Vice-President	2011	$358,450	$314,818	$268,000	$157,100	-	$71,500	$5,560	$1,175,428
	2010	$335,000	$280,345	$371,760	$297,500	-	$66,800	$5,236	$1,356,641
	2009	$305,200	$251,440	$220,380	$204,000	-	$60,849	$4,248	$1,046,117
Feroz Ashraf Executive Vice-President	2011	$345,600	$313,381	$256,000	$142,400	-	$70,600	$10,105	$1,138,086
	2010	$320,000	$267,750	$371,760	$228,500	-	$63,700	$8,660	$1,260,370
	2009	$280,000	$163,500	$137,240	$135,000	-	$48,408	$7,393	$771,541

Notes:

(1) Reconciliation Table

Column	Terms Used In Security Legislation and in Table Above	Terms Used In this Management Proxy Circular
(c)	Salary	Base Salary
(d)	Share-based Awards	E-DSUs, PSUs, MSOP
(e)	Option-based Awards	Stock Options
(f1)	Annual Incentive Plans	MIP
(f2)	Long-term Incentive Plans	Not applicable
(g)	Pension Value	Compensatory Change as defined in section 8.4.1 ''EMRIP'' and 8.4.2 ''Harvest Plus'' of this Management Proxy Circular
(h)	All Other Compensation	Benefits and perquisites (where the aggregate value exceeds the lower of $50,000 or 10% of base salary) and employer contribution to the ESOP

(2) At the time of grant, the value of stock options awarded to each NEO was based on a percentage of salary. The amount presented in the Summary Compensation Table is this value. The number of stock options awarded was determined using the binomial lattice valuation model with a $11.41 option value. The HR Committee uses this methodology since it is applied consistently in its consultants' competitive market benchmarking. The accounting value for the purposes of financial statements is calculated using the Black-Scholes model (non-amortized). A weighted average fair value of stock options granted under the 2011 Stock Option Plan of the Corporation (described in Section 7.8.2 "Stock Options" of this Management Proxy Circular), in the amount of $15.04 is used. The main assumptions that were used in determining such value are described in the following table:

	Binomial Lattice	Black-Scholes
Expected dividend yield ratio	1.4%	1.0%
Expected stock price volatility	30.9%	34.78%
Expected option life	5 years	4 years
Risk-free interest rate	2.3%	2.15%

The accounting value is therefore 31.8% higher than the fair value presented in the Summary Compensation Table.

(3) Bonus amounts earned in 2011 and paid in 2012 under the MIP.

(4) This amount reflects the amounts received as executive benefits and perquisites in 2011. Each of the NEOs received benefits and perquisites of which the aggregate value was less than the lower of $50,000 or 10% of their respective base salary, with the exception of Mr. Duhaime who received, in 2011, a total of $62,965 in perquisites and benefits ($20,500 as an automobile allowance, $15,759 for club memberships, $7,715 for medical services, $5,750 for financial services and executive benefits valued at $13,241). This column also includes employer contributions to the ESOP (described in section 7.7.3 "ESOP").

The following table provides details of the share-based awards:

2011 SUMMARY COMPENSATION TABLE[1]

		Share-based Awards ($)			
Name and principal position	**Year**	**E-DSU [1]**	**PSU [2]**	**MSOP**	**Total**
(a)	**(b)**	**(d)**	**(d)**	**(d)**	
Pierre Duhaime	2011	$0	$0	$146 600	$146 600
Former President and CEO	2010	$600 000	$600 000	$95 350	$1 295 350
	2009	$525 000	$525 000	$69 500	$1 119 500
Gilles Laramée	2011	$183 750	$183 750	$80 940	$448 440
Executive Vice-President/CFO	2010	$157 500	$157 500	$73 250	$388 250
	2009	$142 500	$142 500	$69 250	$354 250
Patrick Lamarre	2011	$246 394	$136 125	$50 315	$432 834
Executive Vice-President	2010	$123 750	$123 750	$34 400	$281 900
	2009	$111 375	$111 375	$24 400	$247 150
Charles Rate	2011	$140 124	$134 419	$40 275	$314 818
Executive Vice-President	2010	$125 625	$125 625	$29 095	$280 345
	2009	$114 450	$114 450	$22 540	$251 440
Feroz Ashraf	2011	$147 856	$129 600	$35 925	$313 381
Executive Vice-President	2010	$120 000	$120 000	$27 750	$267 750
	2009	$70 000	$70 000	$23 500	$163 500

Notes:

(1) This amount represents the value of E-DSUs granted as a percentage of 2011 base salary. The number of units is established using the greater of the average price of the Corporation's Common Shares over the 5 business days following the grant date or the closing price of the Corporation's Common Shares on the 5th business day following the grant date.

(2) This amount represents the value of PSUs granted as a percentage of 2011 base salary. The number of units is established using the greater of the average price of the Corporation's Common Shares over the 5 business days following the grant date or the closing price of the Corporation's Common Shares on the 5th business day following the grant date.

8.8 Total Compensation Tables (2009 – 2011)

The following tables show the total direct compensation for Mr. Duhaime and for the other NEOs in the last 3 calendar years (2009, 2010 and 2011).

Pierre Duhaime

Former President and CEO

Age: 57

Joined SNC-Lavalin: 1989

Pierre Duhaime joined SNC-Lavalin Group Inc.'s Industrial Division in 1989 as a Project Manager. He was promoted to Director of Technology for the Division in 1991 and appointed its Vice-President of Projects and Technology in 1997. Mr. Duhaime assumed increasingly senior positions in the Industrial Division, as well as responsibility for the Company's Aluminum Division. In 2003, he was appointed Executive Vice-President responsible for SNC-Lavalin's Mining and Metallurgy activities worldwide. In May 2009, Mr. Duhaime was named President and CEO of SNC-Lavalin Group Inc. In March 2012, Mr. Duhaime elected to retire from SNC-Lavalin Group Inc.

Three-Year Compensation 2009 - 2011					
Fixed Compensation					
Year	Base Salary (short-term)	Employee Share Ownership Plan (long-term)	Benefits and Perquisites (short-term)(1)	Pension Value (long-term)(2)	Total Fixed
2011	$950,000	$23,656	$62,965	$631,600	$1,668,221
2010	$800,000	$16,684	$69,011	$329,400	$1,215,095
2009	$583,662	$12,804	$59,634	$737,000	$1,393,100

Variable Compensation								
					PSUP (7)			
Year	Stock Options (long-term)(3)	MIP (short-term) (4)	MSOP (long-term) (5)	E-DSUP (long-term)(6)	Cash Award (short-term)	Value of Granted Units (long-term)	Total Variable	Total Compensation
2011	$880,000	$0	$146,600	$0	N/A	$0	$1,026,600	$2,694,821
2010	$1,161,750	$1,116,000	$95,350	$600,000	N/A	$600,000	$3,573,100	$4,788,195
2009	$751,880	$767,000	$69,500	$525,000	N/A	$525,000	$2,638,380	$4,031,480

Aggregate Holding of E-DSUs, PSUs and Stock Options							
E-DSUs (8)				PSUs (Prior to 2010) (9)			
Vested		Non-Vested		Vested		Non-Vested	
Number	Value	Number	Value	Number	Value	Number	Value
6,190	$316,185	14,739	$752,868	47,120	$2,406,890	4,539	$231,852
PSUs (Since 2010) (10)				Stock Options(11)			
Vested		Non-Vested		Exercisable		Unexercisable	
Number	Value	Number	Value	Number	Value	Number	Value
-	-	20,929	$1,069,053	64,667	$769,078	209,433	$778,062

FIXED					VARIABLE				
Short term	*Short term*	*Long term*	*Long term*		*Short term*	*Long term*	*Long term*	*Long term*	
Base Salary	Benefits & Perquisites	ESOP	Pension	Total	MIP	MSOP	E-DSU/PSU	Stock Options	Total
35.25%	2.33%	0.88%	23.44%	61.90%	0.00%	5.44%	0.00%	32.66%	38.10%
					at risk cash award	at risk equity award			

Gilles Laramée

Executive Vice-President and CFO

Age: 51

Joined SNC-Lavalin: 1986

Responsibilities: Administration, Finance, Internal Audit, Investor Relations, Legal Affairs, Mergers and Acquisitions, Risk and Insurance, SNC-Lavalin Capital, Taxation, Travel Services and Treasury

Gilles Laramée is a chartered accountant with more than 28 years experience in business acquisitions, corporate and project financing, financial reporting and controls, independent auditing, investment, asset management and taxation. He has a Bachelor of Business Administration, with a major in Public Accounting from the University of Montreal's School of Business Administration, HEC, and has completed the Advanced Management Program at Harvard University. He is also a Fellow of the Order of Chartered Accountants of Quebec.

In his 25 years with SNC-Lavalin, Mr. Laramée has occupied increasingly senior positions including Senior Accountant; Analyst, Reporting and Control; Chief Accountant; Assistant Treasurer; Treasurer; Senior Vice-President; Controller; and as of 1999, Executive Vice-President and CFO. As such, he has played a key role in many aspects of the Company's financial operations. Included under Mr. Laramée's responsibilities are Infrastructure Concession Investments, Administration, Finance, Internal Audit, Investor Relations, Legal, Mergers & Acquisitions, Risk & Insurance, Taxation, Travel Services and Treasury.

Three-Year Compensation 2009 - 2011

Fixed Compensation					
Year	Base Salary (short-term)	Employee Share Ownership Plan (long-term)	Benefits and Perquisites (short-term)[1]	Pension Value (long-term)[2]	Total Fixed
2011	$490,000	$13,896	$33,573	$456,400	$993,869
2010	$420,000	$13,299	$31,324	$171,700	$636,323
2009	$380,000	$12,396	$29,100	$83,900	$505,396

Variable Compensation								
					PSUP[7]			
Year	Stock Options (long-term)[3]	MIP (short-term)[4]	MSOP (long-term)[5]	E-DSUP (long-term)[6]	Cash Award (short-term)	Value of Granted Units (long-term)	Total Variable	Total Compensation
2011	$294,000	$0	$80,940	$183,750	N/A	$183,750	$742,440	$1,736,309
2010	$371,760	$473,800	$73,250	$157,500	N/A	$157,500	$1,233,810	$1,870,133
2009	$220,380	$380,000	$69,250	$142,500	N/A	$142,500	$954,630	$1,460,026

Aggregate Holding of E-DSUs, PSUs and Stock Options

E-DSUs[8]				PSUs (Prior to 2010)[9]			
Vested		Non-Vested		Vested		Non-Vested	
Number	Value	Number	Value	Number	Value	Number	Value
1,661	$84,844	3,923	$200,387	89,260	$4,559,401	4,358	$222,607

PSUs (Since 2010)[10]				Stock Options[11]			
Vested		Non-Vested		Exercisable		Unexercisable	
Number	Value	Number	Value	Number	Value	Number	Value
-	-	5,584	$285,231	48,000	$543,240	73,800	$326,400

FIXED					VARIABLE				
Short term	*Short term*	*Long term*	*Long term*		*Short term*	*Long term*	*Long term*	*Long term*	
Base Salary	Benefits & Perquisites	ESOP	Pension	Total	MIP	MSOP	E-DSU/PSU	Stock Options	Total
28.22%	1.93%	0.80%	26.29%	57.24%	0.00%	4.66%	21.17%	16.93%	42.76%
					at risk cash award	at risk equity award			

Patrick Lamarre

Executive Vice-President

Age: 40

Joined SNC-Lavalin: 1995

Responsibilities: Industrial – Ontario, U.S., Infrastructure – Ontario, Power Generation, Transmission and Distribution

Geographical responsibilities: Manitoba, Saskatchewan, Angola and India

Patrick Lamarre has more than 17 years of experience in project financing, operations management, project design, engineering and on all aspects of mega projects.

Mr. Lamarre graduated in 1995 with a Bachelor of Applied Science degree in Chemical Engineering from the University of Waterloo. He is also a graduate of the Advanced Management Program at the Harvard School of Business.

Since joining SNC-Lavalin in 1995, Mr. Lamarre has worked in Montreal and Toronto, Canada and on projects in Chile, Cuba, Venezuela and Australia. Mr. Lamarre assumed the position of President and CEO of SNC-Lavalin Nuclear in 2004 and was responsible for SNC-Lavalin's global nuclear and power operations, as well as for all SNC-Lavalin's industrial and infrastructure operations in Ontario, Manitoba, Saskatchewan, Pittsburgh and Chicago. In 2008, Mr. Lamarre was appointed Executive Vice-President in charge of global power generation which includes nuclear, coal, gas, thermal, hydro, and the transmission and distribution of electricity, as well as SNC-Lavalin's industrial and infrastructure operations in Ontario, Manitoba and Saskatchewan.

Mr. Lamarre is a director on the Board of the Canadian Nuclear Association and a member of the Professional Order of Engineers for both Ontario and Quebec. In 2007, Mr. Lamarre was named one of Canada's "Top 40 under 40".

Three-Year Compensation 2009 - 2011					
Fixed Compensation					
Year	Base Salary (short-term)	Employee Share Ownership Plan (long-term)	Benefits and Perquisites (short-term)(1)	Pension Value (long-term) (2)	Total Fixed
2011	$363,000	$3,263	$28,620	$72,300	$467,183
2010	$330,000	$3,034	$31,649	$65,700	$430,383
2009	$297,000	$2,740	$27,879	$59,200	$386,819

Variable Compensation								
					PSUP (7)			
Year	Stock Options (long-term) (3)	MIP (short-term) (4)	MSOP (long-term) (5)	E-DSUP (long-term)(6)	Cash Award (short-term)	Value of Granted Units (long-term)	Total Variable	Total Compensation
2011	$264,000	$254,900	$50,315	$246,394	N/A	$136,125	$951,734	$1,418,917
2010	$371,760	$368,300	$34,400	$123,750	N/A	$123,750	$1,021,960	$1,452,343
2009	$220,380	$248,000	$24,400	$111,375	N/A	$111,375	$715,530	$1,102,349

Aggregate Holding of DSUs, PSUs and Stock Options							
E-DSUs (8)				PSUs (Prior to 2010) (9)			
Vested		Non-Vested		Vested		Non-Vested	
Number	Value	Number	Value	Number	Value	Number	Value
1,340	$68,447	3,036	$155,079	2,564	$130,969	3,847	$196,505
PSUs (Since 2010) (10)				Stock Options(11)			
Vested		Non-Vested		Exercisable		Unexercisable	
Number	Value	Number	Value	Number	Value	Number	Value
-	-	4,376	$223,526	41,250	$452,520	71,100	$326,400

FIXED					VARIABLE				
Short term	*Short term*	*Long term*	*Long term*		*Short term*	*Long term*	*Long term*	*Long term*	
Base Salary	Benefits & Perquisites	ESOP	Pension	Total	MIP	MSOP	E-DSU/PSU	Stock Options	Total
25.58%	2.02%	0.23%	5.10%	32.93%	17.96%	3.55%	26.96%	18.60%	67.07%

at risk cash award

at risk equity award

Charles Rate

Executive Vice-President

Age: 61

Joined SNC-Lavalin: 1978

Responsibilities: Logistics and In-Service Support, Operations and Maintenance

Charles Rate is Executive Vice-President of SNC-Lavalin responsible for the company's Operations and Maintenance sector. With over 30 years of leadership roles, he is President of SNC-Lavalin O&M, and is responsible for leading one of Canada's largest operations and maintenance services providers.

Mr. Rate's experience includes various roles, such as Project Manager and Director of Engineering and Construction on major crown projects in the Defence and Telecommunications sectors. While working extensively on infrastructure development projects in Canada, Asia and Europe, his experience is further complemented by a wide variety of design, construction, and operations and maintenance activities in mission critical environments and facilities.

In 2007, he was named President and CEO of SNC-Lavalin O&M and promoted to Executive Vice-President, responsible for SNC-Lavalin O&M's activities in the facilities and property management, industrial, transportation and logistics sectors.

Mr. Rate has a Bachelor of Science degree in Civil Engineering from the University of Edinburgh, United Kingdom.

Mr. Rate also sits on a number of boards and committees, including Habitat for Humanity Toronto Chair's Advisory Council, as well as the boards of Protrans BC and CANCAP. He is committed to promoting SNC-Lavalin's culture of continuous improvement and collaboration, and in providing innovative solutions to clients, helping them to succeed in the delivery of their core business.

Three-Year Compensation 2009 - 2011

Fixed Compensation

Year	Base Salary (short-term)	Employee Share Ownership Plan (long-term)	Benefits and Perquisites (short-term)(1)	Pension Value (long-term) (2)	Total Fixed
2011	$358,450	$5,560	$33,815	$71,500	$469,325
2010	$335,000	$5,236	$37,337	$66,800	$444,373
2009	$305,200	$4,248	$30,875	$60,849	$401,172

Variable (Performance-Based) Compensation

Year	Stock Options (long-term) (3)	MIP (short-term) (4)	MSOP (long-term) (5)	DSUP (long-term)(6)	PSUP (7) Cash Award (short-term)	PSUP (7) Value of Granted Units (long-term)	Total Variable	Total Compensation
2011	$268,000	$157,100	$40,275	$140,124	N/A	$134,419	$739,918	$1,209,243
2010	$371,760	$297,500	$29,095	$125,625	N/A	$125,625	$949,605	$1,393,978
2009	$220,380	$204,000	$22,540	$114,450	N/A	$114,450	$675,820	$1,076,992

Aggregate Holding of DSUs, PSUs and Stock Options

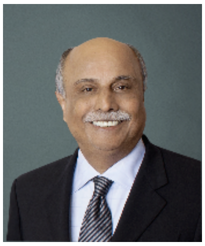
E-DSUs (8)				PSUs (Prior to 2010) (9)			
Vested		Non-Vested		Vested		Non-Vested	
Number	Value	Number	Value	Number	Value	Number	Value
1,357	$69,316	3,132	$159,983	2,659	$135,822	3,989	$203,758

PSUs (Since 2010) (10)				Stock Options(11)			
Vested		Non-Vested		Exercisable		Unexercisable	
Number	Value	Number	Value	Number	Value	Number	Value
-	-	4,489	$229,298	24,000	$220,680	71,500	$326,400

FIXED					VARIABLE				
Short term	Short term	Long term	Long term		Short term	Long term	Long term	Long term	
Base Salary	Benefits & Perquisites	ESOP	Pension	Total	MIP	MSOP	E-DSU/PSU	Stock Options	Total
29.64%	2.80%	0.46%	5.91%	38.81%	12.99%	3.33%	22.71%	22.16%	61.19%

at risk cash award

at risk equity award



Feroz Ashraf

Executive Vice-President

Age: 59

Joined SNC-Lavalin: 1979

Responsibilities: Mine Claims, Mining and Metallurgy, Sulphuric Acid

Geographical responsibilities: Toronto, Montreal, Vancouver, Saskatoon, Australia, Brazil, Chile, Indonesia, Peru, Romania and South Africa

Feroz Ashraf is Executive Vice-President of the Global Mining and Metallurgy business unit. Mr. Ashraf has 15 years of executive-level experience in the development and implementation of large engineering construction of industrial and mining and metallurgy projects worldwide.

Mr. Ashraf began his career at SNC-Lavalin in 1979 in the Technical Development department, holding positions of increasing responsibility, including Senior Vice-President and General Manager, Industrial (Ontario) and Senior Vice-President, Commercial & Strategic Development, Global Mining & Metallurgy. He negotiated and actively participated in the awards of various multi-million contracts, and has been involved in over half a dozen strategic acquisitions.

In 2009, Mr. Ashraf was named Executive Vice-President and is now responsible for SNC-Lavalin's Global Mining and Metallurgy, and Sulphuric Acid divisions. At the same time, he was appointed to the Office of the President.

Mr. Ashraf holds a Masters of Engineering from the Department of Chemical Engineering and a Diploma in Management from McGill University, Montreal.

Mr. Ashraf is a member of l'Ordre des ingénieurs du Québec and Professional Engineers of Ontario (PEO).

Three-Year Compensation 2009 - 2011					
Fixed Compensation					
Year	Base Salary (short-term)	Employee Share Ownership Plan (long-term)	Benefits and Perquisites (short-term)[1]	Pension Value (long-term) [2]	Total Fixed
2011	$345,600	$10,105	$31,711	$70,600	$458,016
2010	$320,000	$8,660	$31,779	$63,700	$424,139
2009	$280,000	$7,393	$20,728	$48,408	$356,529

Variable Compensation								
					PSUP [7]			
Year	Stock Options (long-term) [3]	MIP (short-term) [4]	MSOP (long-term) [5]	E-DSUP (long-term)[6]	Cash Award (short-term)	Value of Granted Units (long-term)	Total Variable	Total Compensation
2011	$256,000	$142,400	$35,925	$147,856	N/A	$129,600	$711,781	$1,169,797
2010	$371,760	$228,500	$27,750	$120,000	N/A	$120,000	$868,010	$1,292,149
2009	$137,240	$135,000	$23,500	$70,000	N/A	$70,000	$435,740	$792,269

Aggregate Holding of E-DSUs, PSUs and Stock Options							
E-DSUs [8]				PSUs (Prior to 2010) [9]			
Vested		Non-Vested		Vested		Non-Vested	
Number	Value	Number	Value	Number	Value	Number	Value
1,041	$53,174	2,815	$143,790	0	$0	0	$0
PSUs (Since 2010) [10]				Stock Options[11]			
Vested		Non-Vested		Exercisable		Unexercisable	
Number	Value	Number	Value	Number	Value	Number	Value
-	-	3,518	$179,699	16,001	$181,308	58,399	$162,992

FIXED					VARIABLE				
Short term	Short term	Long term	Long term		Short term	Long term	Long term	Long term	
Base Salary	Benefits & Perquisites	ESOP	Pension	Total	MIP	MSOP	E-DSU/PSU	Stock Options	Total
29.54%	2.71%	0.86%	6.04%	39.15%	12.17%	3.07%	23.72%	21.89%	60.85%

at risk cash award

at risk equity award

Notes:

(1) This amount represents the employer contribution with respect to executive benefit programs and perquisites.

(2) This amount represents the compensatory change as calculated for the purpose of the Summary Compensation Table in Section 8.7 of this Management Proxy Circular.

(3) This amount represents the value of the stock options at the time of grant, using the Black-Scholes option-pricing model (non-amortized) in accordance with the accounting treatment.

(4) The MIP is described in Section 7.8.1.

(5) The MSOP is described in Section 7.8.3.

(6) The E-DSUP is described in Section 7.8.4.

(7) The PSUP is described in Section 7.8.5.

(8) The E-DSUs were valued using the price of $51.08 for a Common Share of the Corporation as at December 31, 2011.

(9) The PSUs granted prior to 2010 were valued using the price of $51.08 for a Common Share of the Corporation as at December 31, 2011.

(10) The PSUs granted since 2010 were valued using the price of $51.08 for a Common Share of the Corporation as at December 31, 2011.

(11) The stock options were valued using the difference between the closing share price of $51.08 on December 31, 2011 and the option exercise price.

The following table indicates the total compensation for the NEOs, as well as the total compensation as a percentage of operating income before taxes and as a percentage of shareholder equity.

	Total Compensation[1] for Named Executive Officers[2]	**Total Compensation for Named Executive Officers as a % of Operating Income Before Taxes**	**Total Compensation for Named Executive Officers as a % of Shareholder Equity**
2011	$8,229,087	1.7%	0.4%
2010	$11,332,592	1.9%	0.6%
Change	($3,103,505)	(0.2)%	(0.2%)

Notes:

(1) Total compensation consists of fixed and variable compensation as shown in the tables in Section 8.8 "Total Compensation Tables (2009-2011)" of this Management Proxy Circular.

(2) For each year shown, compensation for NEOs is based on the compensation of the NEOs as reported in the Corporation's Management Proxy Circular filed with the Canadian Securities Commissions and available on SEDAR (**www.sedar.com**).

8.9 Approval of the Report on Executive Compensation

It is the responsibility and duty of the HR Committee to determine, in accordance with the Executive Compensation Policy noted above, the principles for establishing specific compensation levels for the NEOs and other key executives. In carrying out these duties, the Committee reviews the compensation plans, programs and policies, approves objectives for the President and CEO and members of the Office of the President, monitors their performance and compensation and makes appropriate recommendations to the Board of Directors.

The HR Committee, whose members' names are set out below, has reviewed and approved the remuneration of executive officers as described under Sections 7 and 8 of this Management Proxy Circular. The HR Committee was appointed by the Board of Directors and is composed of Directors who meet the legislative and regulatory standards governing independence, and none of whom have any indebtedness towards the Corporation.

The following is the list of the members of the HR Committee:

Patricia A. Hammick

Pierre H. Lessard

Lorna R. Marsden

Hon. Hugh D. Segal

Lawrence N. Stevenson (Chairman)

Section 9 GENERAL AND ADDITIONAL INFORMATION

9.1 Directors' and Officers' Insurance

The Corporation maintains liability insurance, for a total amount of $70,000,000 for all Directors and officers of the Corporation and its subsidiaries. Under the terms of this insurance, the cost incurred in 2011 was $403,302 (tax included) and was fully paid by the Corporation.

9.2 Indebtedness of Directors and Officers

As of December 31, 2011, there was no indebtedness of current and former Directors and officers and employees of the Corporation and its subsidiaries, whether entered into in connection with the purchase of Common Shares of the Corporation or otherwise.

9.3 Additional Information

Financial information is provided in the Corporation's annual and quarterly financial statements and annual and quarterly MD&A. The Corporation 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 annual Management Proxy Circular and AIF with the various securities commissions in such provinces. The Corporation's most recent AIF, audited financial statements, MD&A, quarterly financial statements and quarterly MD&A subsequent to the audited financial statements, and Management Proxy Circular may be viewed on the Corporation's website (**www.snclavalin.com**) and on SEDAR (**www.sedar.com**) under the name of SNC-Lavalin Group Inc., and paper copies may be obtained on request from the Vice-President and Corporate Secretary of the Corporation. The Corporation 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 Corporation, unless the Corporation 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.

9.4 Approval of Directors

The contents and mailing of this Management Proxy Circular have been approved by the Directors of the Corporation.

9.5 Website References

Information contained in or otherwise accessible through any website mentioned in this Management Proxy Circular does not form part of this Circular. Any reference in this Circular to any website is an inactive textual reference only.

ARDEN R. FURLOTTE (*signed*)
Vice-President and Corporate Secretary

Montreal, Quebec, March 26, 2012

Schedule A.1

MANDATE OF THE BOARD OF DIRECTORS

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for supervising the management of the Corporation's business and its affairs. It has the statutory authority and obligation to protect and enhance the assets of the Corporation in the interest of all of its shareholders.

Although Directors may be elected by the shareholders to bring a special expertise or point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interest of the Corporation must be paramount at all times.

The involvement and commitment of Directors is evidenced by regular Board and Committee attendance, preparation and active participation in setting goals, and requiring performance in the interest of shareholders.

Management of the Corporation's business is done through the President and CEO, who is charged with the day-to-day management of the Corporation. The Board approves the goals of the business, the objectives and policies within which it is managed, and then steps back and evaluates management performance. Reciprocally, management keeps the Board fully informed of the progress of the Corporation towards the achievement of its established goals and of all material deviations from the goals or objectives and policies established by the Board in a timely and candid manner.

The Board may delegate certain tasks to its Committees. The Board's principal duties fall into the following 8 categories.

1. BOARD ORGANIZATION AND SELECTION, RETENTION AND SUCCESSION OF MANAGEMENT

a) Subject to the Articles and By-Laws of the Corporation, the Board manages its own affairs, including planning its composition, selecting its Chairman, who shall not be the CEO, nominating candidates for election to the Board, appointing the members of its Committees, establishing the terms of reference and duties of its Committees, determining Board compensation and assessing the performance of the Board, Board Committees, Chairman of the Board and individual Directors.

b) The Board has responsibility for the appointment and replacement of the CEO, for monitoring CEO performance, and for determining CEO compensation.

c) The Board has the responsibility for approving the appointment and remuneration of all corporate officers, acting upon the advice of the CEO, and for ensuring that adequate provision has been made for management succession.

d) The Board shall provide an orientation and induction program for new Directors and shall encourage and provide opportunities for all Directors to continually update their skills as well as their knowledge of the Corporation, its business and its senior management.

2. STRATEGY DETERMINATION

a) The Board has the responsibility to participate directly or through its Committees, in developing and approving the mission of the Corporation's business, its objectives and goals, and the strategy for their achievement. The Board shall, among other assessment processes, evaluate management's analysis of the strategies of the Corporation's competitors or of companies of a scale similar to that of the Corporation.

b) The Board has the responsibility to ensure congruence between shareholders' expectations, the Corporation's plans and management performance.

c) The Board holds a special meeting with management to review the Corporation's annual strategic plan with senior management prior to the commencement of each year and to approve the plan. The plan shall take into account, among other things, the opportunities and risks of the Corporation's business.

3. RISK EVALUATION

The Board has the responsibility to identify the principal risks of the Corporation's business and ensure the implementation of appropriate systems to manage such risks.

4. MONITORING AND ACTING

a) The Board has the responsibility to monitor the Corporation's progress towards its goals, and to revise and alter its direction in light of changing circumstances. At every regularly scheduled meeting, the Board shall review recent developments, if any, that impact upon the Corporation's strategy. The Board shall, as part of its annual strategic planning process, conduct a review of human, technological and capital resources required to implement the Corporation's strategy and of the regulatory, cultural or governmental constraints on the Corporation's business.

b) The Board has the responsibility to provide advice and counsel to the CEO, and to take action when performance falls short of its goals or other special circumstances warrant.

c) The Board monitors the general application of the corporate governance practices described in the Corporation's Corporate Governance Handbook and reviews the updates that may be required to be made from time to time to the main mandates, policies and procedures contained in such Handbook.

5. POLICIES AND PROCEDURES

a) The Board has the responsibility to approve and monitor compliance with all significant policies and procedures by which the Corporation is operated, including the Environmental Policy and the Occupational Health and Safety Policy. In particular, the Environmental Committee and the Occupational Health and Safety Committee, which have been established by management, shall report to the HS&E Committee of the Board of Directors on their respective activities once a year.

b) The Board has the particular responsibility to ensure that the Corporation operates at all times within applicable laws and regulations, and ethical and moral standards.

c) The Board has responsibility for monitoring compliance with the Corporation's written Code of Ethics, granting any waivers from compliance for Directors and officers and causing disclosure of any such waivers to be made in the Corporation's next quarterly report, including the circumstances and rationale for granting the waiver.

6. DISCLOSURE TO SHAREHOLDERS AND OTHERS

a) The Board has responsibility for ensuring that the performance of the Corporation 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.

b) The Board has responsibility for ensuring that timely disclosure is made by press release of any development that results in, or may reasonably be expected to result in, a significant change in the value or market price of the Corporation's listed securities.

c) The Board is responsible for reviewing and approving the Corporation's annual information forms and management proxy circulars.

d) In relation to communications with shareholders, the Board is responsible for approving resolutions to call meetings of shareholders, renewing the normal course issuer bid, and reviewing and approving the general content of the documents disclosed or filed by the Corporation in relation to such meetings of shareholders.

e) The Board reviews the Corporation's communication policy governing the Corporation's communications with analysts, investors and the public.

7. FINANCIAL MATTERS AND INTERNAL CONTROLS

a) The Board is responsible for (i) reviewing and approving the Corporation's unaudited quarterly financial statements and accompanying notes, together with the related management's discussion and analysis and press release, and (ii) ensuring that the Corporation's audited annual financial statements are presented fairly and in accordance with generally accepted accounting standards and reviewing and approving such financial statements and accompanying notes, together with the related management's discussion and analysis and press release.

b) The Board approves the annual budget and the issuance of securities.

c) The Board approves the declaration of dividends.

8. GENERAL LEGAL OBLIGATIONS

a) To supervise the management of the business and affairs of the Corporation.

b) To act honestly and in good faith with a view to the best interest of the Corporation.

c) To exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

d) To act in accordance with the *Canada Business Corporations Act*, securities, environmental and other relevant legislation and the Corporation's Articles and By-Laws.

e) To consider as the full Board and not delegate to a Committee:

   i) any submission to the shareholders of a question or matter requiring the approval of the shareholders;

   ii) the filling of a vacancy among the Directors;

   iii) the manner and the terms of the issuance of securities;

   iv) the declaration of dividends;

   v) the purchase, redemption or any other form of acquisition of shares issued by the Corporation;

   vi) the approval of a management proxy circular;

   vii) the approval of any take-over bid circular or Directors' circular;

   viii) the approval of the annual financial statements of the Corporation; or

   ix) the adoption, amendment or repeal of By-Laws of the Corporation.

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Schedule A.2

Forward Agenda

Board Appointments, Assessments and Reports

- Appoint members of Board Committees
- Receive Chairman of the HR Committee's reports
- Receive Chairperson of HS&E Committee's reports
- Receive Chairman of Governance Committee's reports
- Receive Chairman of the Audit Committee's reports
- Determine adequacy of all Committee mandates
- Review the results of evaluations of the Chairman of the Board, the Board, individual Directors and Board Committees

Financial and Operational Performance

- Review and approve the Strategic Plan for the next 5 years
- Review and approve annual meeting of shareholders (resolution to call, Management Proxy Circular, etc.)
- Review and approve Annual Information Form (AIF)
- Review and approve the renewal of the normal course issuer bid for the upcoming year
- Review and approve the renewal of the shareholder rights plan every 3 years
- Review and approve the budget for the upcoming year
- Review and approve annual and quarterly financial statements, MD&A, press releases and declaration of dividends
- Review and approve summary financial statements
- Review and approve reports from management on investor relations
- Review and approve important investments, acquisitions and divestitures

President and CEO

- Receive President and CEO reports on the status of bids, investments, acquisitions, divestitures, major projects and key prospects
- Receive Chairman of the Board and Chairman of the HR Committee's report on President & CEO's performance
- Plan CEO succession

Risk and Strategy

- Perform risk oversight
- Perform strategic planning oversight
- Review status of risk management processes being implemented by management

Other Duties and Responsibilities

- Report on Site Visits
- Appoint officers
- Review HR Committee findings on compliance with the Code of Ethics
- Amend the Corporate Governance Handbook upon recommendation by the Governance Committee
- Review and approve schedules of meetings (3 years in advance)

Schedule B

POSITION DESCRIPTIONS

Position Descriptions[1]

The Corporation's Board is led by an independent, non-management Chairman and is made up of experienced Directors, whose authority is exercised in accordance with the Corporation's Articles of Incorporation, By-Laws and Corporate Governance Handbook, the *Canada Business Corporations Act* as well as other applicable laws, regulations and rules, including those adopted by the CSA and those of the TSX, on which the Corporation's Common Shares are listed.

1. Mandate of the Chairman of the Board[2]

The Chairman of the Board's main responsibility is to lead and manage the Board, ensuring that it discharges its legal and regulatory responsibilities effectively and fully. The Board has adopted a formal mandate for the Chairman of the Board, which states that he is responsible for the management, development and effective performance of the Board of Directors and for providing leadership to the Board for all aspects of the Board's work. The Chairman of the Board acts as a liaison between the Board and management, which involves maintaining open communication with the Corporation's President and CEO. In consultation with the Corporation's HR Committee and the Board, the Chairman of the Board ensures that succession plans are in place at senior executive levels.

2. Mandate of the Chairmen of the Board Committees[3]

The Board has adopted general terms describing the responsibilities of the Chairmen of the Board Committees, namely those of presiding Committee meetings, and overseeing the way in which each Board Committee carries out its mandate. The Chairman of a Board Committee is required, following a meeting of such Committee, to report to the Board at the next regularly scheduled meeting of the Board.

3. Mandate of the President and CEO[4]

The Board appoints the President and CEO of the Corporation who is responsible for the management of the Corporation's business and affairs. His key responsibilities involve articulating the vision of the Corporation, focusing on creating value for shareholders, and developing and implementing a plan that is consistent with the Corporation's vision and its long term strategy. The President and CEO is supported by the Executive Vice-Presidents of the Office of the President and a number of members of management.

The President and CEO is accountable to the Board and Board Committees and his performance is reviewed once a year by the Board. The Board has also established clear levels of authority for the President and CEO and senior management that are outlined in the Corporate Governance Handbook's Policy "Levels of Authority and Risk Evaluation". The last update of this Policy took place in March 2009.

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1 NI 58-101, Form 58-101F1, section 3.

2 A copy of the mandate of the Chairman of the Board is posted on the Corporation's website (**www.snclavalin.com**), under "About Us"/"Corporate Governance" and a paper copy may also be obtained on request from the Vice-President and Corporate Secretary.

3 The general terms concerning the responsibilities of the Chairmen of the Board Committees are set out in the document entitled "Committees of the Board of Directors - General", which is posted on the Corporation's website (**www.snclavalin.com**), under "About Us"/"Corporate Governance" and a paper copy of which may be obtained on request from the Vice-President and Corporate Secretary.

4 The Board has adopted a description of the role of the President and CEO that lists his specific duties and responsibilities. A copy of the mandate of the President and CEO is posted on the Corporation's website (**www.snclavalin.com**), under "About Us"/"Corporate Governance" and a paper copy of which may also be obtained on request from the Vice-President and Corporate Secretary.

Schedule C

SAY ON PAY RESOLUTION

"**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 Corporation's Management Proxy Circular delivered in advance of the 2012 annual meeting of shareholders of the Corporation."

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Schedule D

ONGOING DIRECTOR EDUCATION

The following table provides details on the ongoing training initiatives for 2011.

DATE		TOPIC	PRESENTATION BY:	PRESENTATION Internal = I External = E	DIRECTORS PRESENT
1.	2011	International Financial Reporting Standards ("IFRS")	Management with Deloitte & Touche LLP To: Audit Committee	I	Ian A. Bourne David Goldman Patricia A. Hammick Edythe A. Marcoux Claude Mongeau Michael D. Parker
2.	2011	Oracle Financial and Human Resources Systems	Management To: Audit Committee	I	Ian A. Bourne David Goldman Patricia A. Hammick Edythe A. Marcoux Claude Mongeau Lawrence N. Stevenson
3.	2011	Various Projects: Board members were provided with over 50 presentations on various global projects	Management To: Board of Directors	I	Gwyn Morgan Ian A. Bourne Pierre Duhaime David Goldman Patricia A. Hammick Pierre H. Lessard Edythe A. Marcoux Lorna R. Marsden Claude Mongeau Michael D. Parker Hon. Hugh D. Segal Lawrence N. Stevenson
4.	2011	Global Issues and Acquisition Strategies: India Australia Brazil (Consultants) Libya S.E. Asia	Management To: Board of Directors	I	Gwyn Morgan Ian A. Bourne Pierre Duhaime David Goldman Patricia A. Hammick Pierre H. Lessard Edythe A. Marcoux Lorna R. Marsden Claude Mongeau Hon. Hugh D. Segal Lawrence N. Stevenson

5.	2011	Statistics on Women in the Work Force and Employee Turnover	Management To: HR Committee	I	Patricia A. Hammick Pierre H. Lessard Lorna R. Marsden Hon. Hugh D. Segal Lawrence N. Stevenson
6.	2011	Tax Filing Compliance	Management To: Audit Committee	I	Pierre Duhaime [1] David Goldman Patricia A. Hammick Edythe A. Marcoux Claude Mongeau Michael D. Parker
7.	2011	Strategic Planning and Risk, as Relates to Health, Safety and Environment	Management To: HS&E Committee	I	Ian A. Bourne Patricia A. Hammick Edythe A. Marcoux Lorna R. Marsden Hon. Hugh D. Segal
8.	2011	Mergers and Acquisitions	Management To: Board of Directors	I	Gwyn Morgan Ian A. Bourne Pierre Duhaime David Goldman Patricia A. Hammick Pierre H. Lessard Edythe A. Marcoux Lorna R. Marsden Claude Mongeau Hon. Hugh D. Segal Lawrence N. Stevenson
9.	2011	Continuing Education on IFRS		E	Edythe A. Marcoux
10.	2011	Specific Education on Compensation Matters (particularly CD&A)	Meridian Compensation Partners	E	Edythe A. Marcoux
11.	2011	Governance for Women	By and To: E. A. Marcoux (in association with the University of Alberta as "executive professor")	E	Edythe A. Marcoux
12.	2011	Executive Compensation	Hugessen Consulting Inc.	E	Lawrence N. Stevenson
13.	2011	12 seminars of 2 hours each on: Governance, Compensation, Audit Committees and Risk Management	Institute of Corporate Directors, Public Accounting Firms and Compensation Consultants	E	Ian A. Bourne
14.	2011	One day conference on corporate governance	Institute of Corporate Directors	E	Ian A. Bourne

Note:

(1) Mr. Duhaime attended these Board Committee meetings on a non-voting basis.

Ms. Edythe A. Marcoux is also working with the University of Alberta where she has been a keynote speaker on effective governance as well as a speaker and participant at the University's Annual Conference on Corporate Governance for Women. She has also been a part of a group of directors working with PricewaterhouseCoopers to organize specific topics of interest and education for directors.

The Board of Directors also had access to a series of conferences, webcasts and documentation provided by Deloitte & Touche LLP on the following subjects:

- Preparing for year-end Audit committee meetings
- The talent side of risk intelligence
- Social and environmental issues in the boardroom
- Beyond compliance – Preparing for year-end audit committee meetings

Schedule E

2011 SITE VISITS BY BOARD MEMBERS

The following site visits were organized in 2011.

Site	Director	Date
Montreal Symphony Orchestra Concert Hall, Montreal, Quebec	Mr. Pierre Duhaime	January, April and June, 2011
Montreal Symphony Orchestra Concert Hall, Montreal, Quebec	Mr. Ian A. Bourne Mr. David Goldman Ms. Patricia A. Hammick Ms. Lorna R. Marsden Mr. Claude Mongeau Mr. Michael D. Parker Hon. Hugh D. Segal Mr. Lawrence Stevenson	August, 2011
Lower Churchill Project, Newfoundland and Labrador	Mr. Pierre Duhaime	April and December, 2011
McGill University Health Centre (MUHC), Montreal, Quebec	Mr. Pierre Duhaime	April, July and October, 2011
CentrePort Canada Way Project Site, Winnipeg, Manitoba	Mr. Pierre Duhaime	October, 2011
Ambatovy Project, Madagascar	Ms. Edythe A. Marcoux	September, 2011
Reims Tramway Project, France	Ms. Edythe A. Marcoux	June, 2011
Canada Line Rapid Transit Project, Vancouver, British Columbia	Ms. Edythe A. Marcoux	2011
Stoney Trail Ring Road Site, Calgary, Alberta	Mr. Ian A. Bourne	January 2011
Calgary West Light Rapid Transit Extension Project, Calgary, Alberta	Mr. Ian A. Bourne	January 2011
McGill University Health Centre (MUHC), Montreal, Quebec	Mr. Ian A. Bourne Ms. Lorna R. Marsden	March, 2011

Schedule F

SUMMARY OF 2004 STOCK OPTION PLAN

On March 5, 2004, subject to the approvals from certain regulatory authorities and from the Corporation's shareholders, which approvals were subsequently obtained, the Board of Directors of the Corporation adopted the 2004 Stock Option Plan (the "**2004 Plan**") in favour of key employees of the Corporation and its subsidiaries and other corporations in which the Corporation has an equity interest.

The 2004 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 2004 Plan is equal to 3,651,000 which, together with the number of options outstanding (i.e., granted but not exercised) as at March 19, 2004 under previous stock option plans, totals less than 5% of the Common Shares of the Corporation outstanding as at the same date. The Board of Directors of the Corporation shall select the optionees and will establish the number of Common Shares under each option. The option price is equal to the closing price of a board lot of Common Shares (100 Common Shares) traded on the Toronto Stock Exchange on the trading day immediately preceding the date on which the option is granted. The option price is payable in full at the time of exercise of the option. Each option may be exercised only during a period commencing on the 1st day of the 3rd year and expiring on the last day of the 6th year following the date of granting the option (the "**Option Period**"). The 2004 Plan prohibits any modification of the option exercise price and of the number of unexercised options, except in the limited circumstances of a declaration of a stock dividend or of a cash dividend other than in the ordinary course of business, or a subdivision, consolidation, reclassification or other change with respect to the Common Shares. In these limited circumstances, the Board may make the modifications that it deems appropriate to the exercise price and to the number of unexercised options, subject always to the approval of the Toronto Stock Exchange.

An optionee may exercise his/her options, in whole or in part, at any time during the Option Period. An optionee who is a member of the Management Committee when he/she receives options, however, is required, in order to exercise his/her options, to have owned, throughout the 1-year period immediately preceding such exercise, Common Shares having a value at least equal to his/her annual base salary at the time of such exercise. In the case of a member of the Office of the President, the required value is at least 2 times his/her annual base salary and, in the case of the President and/or CEO, the required value is at least 3 times his/her annual base salary. The value of the Common Shares is calculated by multiplying the number of Common Shares held by the optionee by the closing price per Common Share for a board lot (100 Common Shares) of the Common Shares traded on the Toronto Stock Exchange, on the trading day immediately preceding the date on which such option is exercised.

At its meeting of August 6, 2004, the Board approved certain non-material changes to the 2004 Plan, which have been reviewed and approved by the Toronto Stock Exchange. Further to these changes, the optionees can henceforth exercise their options before having fulfilled the above-mentioned shareholding requirements providing, however, that the following conditions are met: the after-tax benefit of the exercise (as determined by the Corporation on the basis of the difference between the sale price and the exercise price, less applicable taxes) must immediately be remitted to a custodian, who will use the amount of the benefit to purchase shares on behalf of the optionee; these shares must be held in a separate account for the optionee and cannot be sold or transferred until the optionee's shareholding requirements are met.

An optionee who retires must exercise his/her options within a period of 2 years of his/her retirement or before the expiration of the 2004 Plan Option Period, whichever comes first. The Board has created a specific Retiree category. A "Retiree" means an optionee who, upon his/her last day of work as a full-time regular employee, has reached 55 years of age and has completed a minimum of 10 years of continuous service with the Corporation. For the calculation of the value of the Common Shares, which a Retiree is required to hold when he/she wishes to exercise his/her options, his/her annual base salary in effect at the time of his/her retirement shall be deemed to be his/her annual base salary at the time of such exercise.

On March 26, 2012, there were 36,700 options outstanding under the 2004 Plan, representing 0.02% of the total number of Common Shares of the Corporation outstanding (i.e. 151,143,903) on that date.

Under the 2004 Plan, (i) the number of Shares reserved for issuance pursuant to options granted to insiders under the 2004 Plan and other share compensation arrangements of the Corporation shall be less than 5% of the issued shares, and (ii) the number of Shares which may be issued under the 2004 Plan and other share compensation plans of the Corporation in a 1-year period shall be less than (a) 5% of the issued Shares, and (b) to any one insider and such insider's associates, 2.5% of the issued Shares.

Under the 2004 Plan, an Optionee may exercise all or any portion of his/her options at any time after the occurrence of any of the following events: (i) a person or a group 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 Corporation; (ii) a person or a group of persons acting jointly or in concert launches a take-over bid or an exchange bid for 50% or more of the shares of a class of voting shares of the Corporation; (iii) the persons who are directors of the Corporation cease at any time to constitute a majority of the members of the Board, except in certain limited circumstances.

Under the 2004 Plan, the Board may at any time and from time to time by resolution amend, subject to prior regulatory approval where required, or terminate the 2004 Plan, but no such amendment or termination shall, except with the written consent of the Optionees concerned, respectively, affect the terms and conditions of options previously granted under the 2004 Plan to the extent that they have not then been exercised, unless the rights of such Optionees shall then have terminated in accordance with the 2004 Plan.

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Schedule G

SUMMARY OF 2007 STOCK OPTION PLAN

On February 23, 2007, subject to the approvals from certain regulatory authorities and from the Corporation's shareholders, which approvals were subsequently obtained, the Board of Directors of the Corporation adopted the 2007 Stock Option Plan (the "**2007 Plan**") in favour of key employees of the Corporation and its subsidiaries and other corporations in which the Corporation has an equity interest.

The 2007 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 2007 Plan is equal to 3,500,000 which, together with the number of options outstanding (i.e., granted but not exercised) as at March 5, 2007 under previous stock option plans, totaled less than 5% of the Common Shares of the Corporation outstanding as at the same date. The Board of Directors of the Corporation shall select the optionees (the "**Optionees**") and shall establish the number of Common Shares under each option. The grant of options under the 2007 Plan shall take effect on the 6th trading day (the "**Date of Effect**") following the date of such grant. The exercise price per Common Share, in respect of any option granted under the 2007 Plan, shall be the greater of: (i) the average closing price per Common Share for a board lot (100 Shares) of the Common Shares traded on the TSX for the 5 trading days immediately preceding the Date of Effect; and (ii) the closing price per Common Share on the 1st trading day immediately preceding the Date of Effect. Each option may be exercised only during a period commencing on the 1st day of the 3rd year following the Date of Effect of the option and expiring on the last day of the 5th year following the Date of Effect (the "**Option Period**"). Each option may be exercised during the Option Period in accordance with the following schedule (i) during the 1st year of the Option Period, an Optionee may exercise up to 33.33% of the number of Common Shares initially under option; (ii) during the 2nd year of the Option Period, the Optionee may exercise up to 33.33% of the number of Common Shares initially under option, plus the number of Common Shares with respect to which he/she has not exercised the option during the 1st year of the Option Period; and (iii) during the 3rd year of the Option Period, the Optionee may exercise the option up to the balance (including all) of the Common Shares initially under option. The 2007 Plan prohibits any modification of the option exercise price and of the number of unexercised options, except in the limited circumstances of a declaration of a stock dividend or of a cash dividend other than in the ordinary course of business, or a subdivision, consolidation, reclassification or other change with respect to the Common Shares. In these limited circumstances, the Board may make the modifications that it deems appropriate to the exercise price and to the number of unexercised options, subject always to the approval of the TSX.

An Optionee who is a member of the Management Committee when he/she receives options is required, in order to exercise his/her options, to have owned, throughout the 1- year period immediately preceding such exercise, Common Shares having a value at least equal to his/her annual base salary at the time of such exercise. In the case of a member of the Office of the President, the required value is at least 3 times his/her annual base salary and, in the case of the President and/or CEO, the required value is at least 6 times his/her annual base salary. The value of the Common Shares is calculated by multiplying the number of Common Shares held by the Optionee by the closing price per Common Share for a board lot (100 Shares) of the Common Shares traded on the TSX, on the trading day immediately preceding the date on which such option is exercised.

Under the 2007 Plan, the Optionees can exercise their options before having fulfilled the above-mentioned shareholding requirements providing, however, that the following conditions are met: the after-tax benefit of the exercise (as determined by the Corporation on the basis of the difference between the sale price and the exercise price, less applicable taxes) must immediately be remitted to a custodian, who will use the amount of the benefit to purchase shares on behalf of the Optionee; these shares must be held in a separate account for the Optionee and cannot be sold or transferred until the Optionee's shareholding requirements are met.

The 2007 Plan includes the following quantitative restrictions: (i) the number of Common Shares issuable to insiders, at any time, under the 2007 Plan and other share compensation arrangements of the Corporation must be less than 5% of the issued Common Shares; (ii) the number of Common Shares issued under the 2007 and other share compensation arrangements of the Corporation (a) to insiders, within any 1-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 1-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 person under the 2007 Plan must be less than 2.5% of the issued Common Shares.

An Optionee who becomes a Retiree before the expiration of the Option Period may exercise his/her options as per 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 10 years of continuous service with the Corporation. For the calculation of the value of the Common Shares, which a Retiree is required to hold when he/she wishes to exercise his/her options, his/her annual base salary in effect at the time of his/her retirement shall be deemed to be his/her annual base salary at the time of such exercise(1). 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 Corporation, as more fully described in the 2007 Plan, his/her options will end, effective upon his/her last day of work as a full-time regular employee of the Corporation.

If an Optionee is granted authorized leave of absence for sickness or other reasons, the Optionee will be entitled to exercise his/her options during his/her leave of absence according to the provisions of the 2007 Plan. Similarly, if an Optionee dies before the expiration of the Option Period, his/her legal representatives will be entitled to exercise his/her options according to such provisions.

Under the 2007 Plan, an Optionee may exercise all or any portion of his/her options at any time after the occurrence of any of the following events: (i) a person or a group of persons holds or exercises control over, directly or indirectly, 50% or more of the shares of a class of voting shares of the Corporation; (ii) a person or a group of persons launches a take-over-bid or an exchange bid for 50% or more of the shares of a class of voting shares of the Corporation; or (iii) the persons who are directors of the Corporation cease at any time to constitute a majority of the members of the Board, except in certain limited circumstances.

The 2007 Plan includes an amendment procedure pursuant to which the Board may amend the 2007 Plan or amend the terms of any then outstanding award of options under the 2007 Plan, provided, however, that the Corporation shall obtain shareholder approval for: (i) any amendment to the number of Common Shares issuable under the 2007 Plan, except for certain adjustments in the case of changes affecting the Common Shares ("**Shares Adjustment**"); (ii) any change which would allow non-employee directors to participate under the 2007 Plan; (iii) any amendment which would permit any option granted under the 2007 Plan to be transferable or assignable other than by will or pursuant to the laws of succession; (iv) the addition of a cashless exercise feature, payable in cash or Common Shares, which does not provide for a full deduction of the number of underlying securities from the 2007 Plan reserve; (v) the addition of provisions which results in employees receiving Common Shares while no cash consideration is received by the Corporation; (vi) any reduction in the exercise price of an option after the option has been granted, except in the case of Shares Adjustment; (vii) any extension to the term of an option beyond the original expiry date; (viii) any increase to the number of Common Shares that may be granted to insiders under the 2007 Plan and other share compensation arrangements of the Corporation, except in the case of Shares Adjustment; (ix) the addition of any form of financial assistance for Optionees in the 2007 Plan; and (x) a change to the vesting provisions of an option or of the 2007 Plan.

On March 26, 2012, there were 2,635,932 options outstanding under the 2007 Plan, representing 1.74% of the total number of Common Shares of the Corporation outstanding (i.e. 151,143,903) on that date.

The Board may, in its sole discretion, make all other amendments to the 2007 Plan, including: (i) amendments of a "housekeeping" or clerical nature as well as any amendment clarifying any provision of the 2007 Plan; (ii) a change to the termination provisions of an option or the 2007 Plan which does not entail an extension beyond the original expiry date; (iii) any Shares Adjustment; and (iv) suspending or terminating the 2007 Plan.

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(1) Given the fact that the vesting of stock options continues after retirement it is, therefore, not necessary to include a hold period within the stock option plan as this hold period is implicit.

Schedule H

SUMMARY OF 2009 STOCK OPTION PLAN

On March 6, 2009, subject to the approvals from certain regulatory authorities and from the Corporation's shareholders, which approvals were subsequently obtained, the Board of Directors of the Corporation adopted the 2009 Stock Option Plan (the "**2009 Plan**") in favour of key employees of the Corporation and its subsidiaries and other corporations in which the Corporation has an equity interest.

The 2009 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 2009 Plan is equal to 2,000,000 which, together with the number of options outstanding (i.e., granted but not exercised) as at March 6, 2009 under previous stock option plans, totaled less than 5% of the Common Shares of the Corporation outstanding as at the same date. The Board of Directors of the Corporation shall select the optionees (the "**Optionees**") and shall establish the number of Common Shares under each option. The grant of options under the 2009 Plan shall take effect on the 6th trading day (the "**Date of Effect**") following the date of such grant. The exercise price per Common Share, in respect of any option granted under the 2009 Plan, shall be the greater of: (i) the average closing price per Common Share for a board lot (100 Shares) of the Common Shares traded on the TSX for the 5 trading days immediately preceding the Date of Effect; and (ii) the closing price per Common Share on the 1st trading day immediately preceding the Date of Effect. Each option may be exercised only during a period commencing on the 1st day of the 3rd year following the Date of Effect of the option and expiring on the last day of the 5th year following the Date of Effect (the "**Option Period**"). Each option may be exercised during the Option Period in accordance with the following schedule (i) during the 1st year of the Option Period, an Optionee may exercise up to 33.33% of the number of Common Shares initially under option; (ii) during the 2nd year of the Option Period, the Optionee may exercise up to 33.33% of the number of Common Shares initially under option, plus the number of Common Shares with respect to which he/she has not exercised the option during the 1st year of the Option Period; and (iii) during the 3rd year of the Option Period, the Optionee may exercise the option up to the balance (including all) of the Common Shares initially under option. The 2009 Plan prohibits any modification of the option exercise price and of the number of unexercised options, except in the limited circumstances of a declaration of a stock dividend or a subdivision, consolidation or reclassification, other change or action affecting the Common Shares. In these limited circumstances, the Board may make the modifications that it deems appropriate to the exercise price and to the number of unexercised options, subject always to the approval of the TSX.

An Optionee who is a member of the Management Committee when he/she receives options is required, in order to exercise his/her options, to have owned, throughout the 1-year period immediately preceding such exercise, Common Shares having a value at least equal to his/her annual base salary at the time of such exercise. In the case of a member of the Office of the President, the required value is at least 3 times his/her annual base salary and, in the case of the President and/or CEO, the required value is at least 6 times his/her annual base salary. The value of the Common Shares is calculated by multiplying the number of Common Shares held by the Optionee by the closing price per Common Share for a board lot (100 Shares) of the Common Shares traded on the TSX, on the trading day immediately preceding the date on which such option is exercised.

Under the 2009 Plan, the Optionees are precluded from exercising any options until their minimum shareholding requirements have been met.

The 2009 Plan includes the following quantitative restrictions: (i) the number of Common Shares issuable to insiders, at any time, under the 2009 Plan and other share compensation arrangements of the Corporation must be less than 5% of the issued Common Shares; (ii) the number of Common Shares issued under the 2009 and other share compensation arrangements of the Corporation (a) to insiders, within any 1-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 1-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 person under the 2009 Plan must be less than 2.5% of the issued Common Shares.

An Optionee who becomes a Retiree before the expiration of the Option Period may exercise his/her options as per 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 10 years of continuous service with the Corporation and is 55 years of age or older. For the calculation of the value of the Common Shares, which a Retiree is required to hold when he/she wishes to exercise his/her options, his/her annual base salary in effect at the time of his/her retirement shall be deemed to be his/her annual base salary at the time of such exercise(1). 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 Corporation, as more fully described in the 2009 Plan, his/her options will end, effective upon his/her last day of work as a full-time regular employee of the Corporation.

If an Optionee is granted authorized leave of absence for sickness or other reasons, the Optionee will be entitled to exercise his/her options during his/her leave of absence according to the provisions of the 2009 Plan. Similarly, if an Optionee dies before the expiration of the Option Period, his/her legal representatives will be entitled to exercise his/her options according to such provisions.

Under the 2009 Plan, an Optionee may exercise all or any portion of his/her options at any time after the occurrence of any of the following events: (i) a person or a group of persons holds or exercises control over, directly or indirectly, 50% or more of the shares of a class of voting shares of the Corporation; (ii) a person or a group of persons launches a take-over-bid or an exchange bid for 50% or more of the shares of a class of voting shares of the Corporation; or (iii) the persons who are directors of the Corporation cease at any time to constitute a majority of the members of the Board, except in certain limited circumstances.

The 2009 Plan includes an amendment procedure pursuant to which the Board may amend any of the provisions of the 2009 Plan or amend the terms of any then outstanding award of options under the 2009 Plan, provided, however, that the Corporation shall obtain shareholder approval for: (i) any amendment to the number of Common Shares issuable under the 2009 Plan, except for adjustments in the case of a declaration of dividend, a subdivision, consolidation, reclassification, issue of rights or changes affecting the Common Shares ("**Shares Adjustment**"); (ii) any change which would allow non-employee directors to participate under the 2009 Plan; (iii) any amendment which would permit any option granted under the 2009 Plan to be transferable or assignable other than by will or pursuant to the laws of succession; (iv) the addition of a cashless exercise feature, payable in cash or Common Shares, which does not provide for a full deduction of the number of underlying securities from the 2009 Plan reserve; (v) the addition of deferred or restricted share unit provisions or any other provisions which results in employees receiving Common Shares while no cash consideration is received by the Corporation; (vi) 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; (vii) any extension to the term of an option beyond the Option Period, unless the end of the Option Period falls within a period during which insiders are prohibited from trading, in which case the Option Period shall be extended by 10 trading days following the end of the period during which insiders are prohibited from trading. However, such 10 trading day extension shall not apply in cases where the Option Period ends: (a) during a pre-determined, regularly scheduled period during which insiders of the Corporation are prohibited from trading; or (b) during a cease trade order; (viii) any increase to the number of Common Shares that may be granted to (1) insiders under the 2009 Plan and other share compensation arrangements of the Corporation or (2) any one insider and such insider's associates in any one-year period, except in the case of Shares Adjustment; (ix) the addition in the 2009 Plan of any form of financial assistance and any amendment to a financial assistance provision which is more favourable to Optionees; and (x) a change to the vesting provisions of an option or of the 2009 Plan.

No amendment, suspension or termination shall, except with the written consent of the Optionees concerned, affect the terms and conditions of options previously granted under the 2009 Plan, to the extent that such options have not then been exercised, unless the rights of the Optionees shall then have terminated in accordance with the 2009 Plan.

On March 26, 2012, there were 1,390,812 options outstanding under the 2009 Plan, representing 0.92% of the total number of Common Shares of the Corporation outstanding (i.e. 151,143,903) on that date.

The Board may, subject to receipt of requisite regulatory approval, where required, in its sole discretion, make all other amendments to the 2009 Plan that are not contemplated above, including without limitation, the following: (i) amendments of a "housekeeping" or clerical nature as well as any amendment clarifying any provision of the 2009 Plan; (ii) a change to the termination provisions of an option or the 2009 Plan which does not entail an extension beyond the Option Period, as extended pursuant to item (vii) above, if applicable; (iii) any Shares Adjustment; and (iv) suspending or terminating the 2009 Plan.

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(1) Given the fact that the vesting of stock options continues after retirement it is, therefore, not necessary to include a hold period within the stock option plan as this hold period is implicit.

Schedule I

SUMMARY OF 2011 STOCK OPTION PLAN

On March 4, 2011, subject to the approvals from certain regulatory authorities and from the Corporation's shareholders, which approvals were subsequently obtained, the Board of Directors of the Corporation adopted the 2011 Stock Option Plan (the "**2011 Plan**") in favour of key employees of the Corporation and its subsidiaries and other corporations in which the Corporation has an equity interest.

The 2011 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 2011 Plan is equal to 2,300,000 which, together with the number of options outstanding (i.e., granted but not exercised) as at March 4, 2011 under previous stock option plans, totaled less than 5% of the Common Shares of the Corporation outstanding as at the same date. The Board of Directors of the Corporation shall select the optionees (the "**Optionees**") and shall establish the number of Common Shares under each option. The grant of options under the 2011 Plan shall take effect on the 6th trading day (the "**Date of Effect**") following the date of such grant. The exercise price per Common Share, in respect of any option granted under the 2011 Plan, shall be the greater of: (i) the average closing price per Common Share for a board lot (100 Shares) of the Common Shares traded on the TSX for the 5 trading days immediately preceding the Date of Effect; and (ii) the closing price per Common Share on the 1st trading day immediately preceding the Date of Effect. Each option may be exercised only during a period commencing on the 1st day of the 3rd year following the Date of Effect of the option and expiring on the last day of the 5th year following the Date of Effect (the "**Option Period**"). Each option may be exercised during the Option Period in accordance with the following schedule (i) during the 1st year of the Option Period, an Optionee may exercise up to 33.33% of the number of Common Shares initially under option; (ii) during the 2nd year of the Option Period, the Optionee may exercise up to 33.33% of the number of Common Shares initially under option, plus the number of Common Shares with respect to which he/she has not exercised the option during the 1st year of the Option Period; and (iii) during the 3rd year of the Option Period, the Optionee may exercise the option up to the balance (including all) of the Common Shares initially under option. The 2011 Plan prohibits any modification of the option exercise price and of the number of unexercised options, except in the limited circumstances of a declaration of a stock dividend or a subdivision, consolidation or reclassification, other change or action affecting the Common Shares. In these limited circumstances, the Board may make the modifications that it deems appropriate to the exercise price and to the number of unexercised options, subject always to the approval of the TSX.

An Optionee who is a member of the Management Committee when he/she receives options is required, in order to exercise his/her options, to have owned, throughout the 1- year period immediately preceding such exercise, Common Shares having a value at least equal to his/her annual base salary at the time of such exercise. In the case of a member of the Office of the President, the required value is at least 3 times his/her annual base salary and, in the case of the President and/or CEO, the required value is at least 6 times his/her annual base salary. The value of the Common Shares is calculated by multiplying the number of Common Shares held by the Optionee by the closing price per Common Share for a board lot (100 Shares) of the Common Shares traded on the TSX, on the trading day immediately preceding the date on which such option is exercised.

Under the 2011 Plan, the Optionees are precluded from exercising any options until their minimum shareholding requirements have been met.

The 2011 Plan includes the following quantitative restrictions: (i) the number of Common Shares issuable to insiders, at any time, under the 2011 Plan and other share compensation arrangements of the Corporation must be less than 5% of the issued Common Shares; (ii) the number of Common Shares issued under the 2011 and other share compensation arrangements of the Corporation (a) to insiders, within any 1-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 1-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 person under the 2011 Plan must be less than 2.5% of the issued Common Shares.

An Optionee who becomes a Retiree before the expiration of the Option Period may exercise his/her options as per 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 10 years of continuous service with the Corporation and is 55 years of age or older. For the calculation of the value of the Common Shares, which a Retiree is required to hold when he/she wishes to exercise his/her options, his/her annual base salary in effect at the time of his/her retirement shall be deemed to be his/her annual base salary at the time of such exercise(1). 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 Corporation, as more fully described in the 2011 Plan, his/her options will end, effective upon his/her last day of work as a full-time regular employee of the Corporation.

If an Optionee is granted authorized leave of absence for sickness or other reasons, the Optionee will be entitled to exercise his/her options during his/her leave of absence according to the provisions of the 2011 Plan. Similarly, if an Optionee dies before the expiration of the Option Period, his/her legal representatives will be entitled to exercise his/her options according to such provisions.

Under the 2011 Plan, unless otherwise determined by the Board, if an Optionee is terminated without cause or submits a resignation for good reason within 24 calendar months after a change of control (as defined below): (i) each exercisable 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 non-exercisable 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 2011 Plan, a "change of control" means the occurrence of any of the following events: (i) a person or a group of persons holds or exercises control over, directly or indirectly, 50% or more of the shares of a class of voting shares of the Corporation; (ii) a person or a group of persons launches a take-over-bid or an exchange bid for 50% or more of the shares of a class of voting shares of the Corporation; or (iii) the persons who are directors of the Corporation cease at any time to constitute a majority of the members of the Board, except in certain limited circumstances.

The 2011 Plan includes an amendment procedure pursuant to which the Board may amend any of the provisions of the 2011 Plan or amend the terms of any then outstanding award of options under the 2011 Plan, provided, however, that the Corporation shall obtain shareholder approval for: (i) any amendment to the number of Common Shares issuable under the 2011 Plan, except for adjustments in the case of a declaration of dividend, a subdivision, consolidation, reclassification, issue of rights or changes affecting the Common Shares ("Shares Adjustment"); (ii) any change which would allow non-employee directors to participate under the 2011 Plan; (iii) any amendment which would permit any option granted under the 2011 Plan to be transferable or assignable other than by will or pursuant to the laws of succession; (iv) the addition of a cashless exercise feature, payable in cash or Common Shares, which does not provide for a full deduction of the number of underlying securities from the 2011 Plan reserve; (v) the addition of deferred or restricted share unit provisions or any other provisions which results in employees receiving Common Shares while no cash consideration is received by the Corporation; (vi) 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; (vii) any extension to the term of an option beyond the Option Period, unless the end of the Option Period falls within a period during which insiders are prohibited from trading, in which case the Option Period shall be extended by 10 trading days following the end of the period during which insiders are prohibited from trading. However, such 10 trading day extension shall not apply in cases where the Option Period ends: (a) during a pre-determined, regularly scheduled period during which insiders of the Corporation are prohibited from trading; or (b) during a cease trade order; (viii) any increase to the number of Common Shares that may be granted to (1) insiders under the 2011 Plan and other share compensation arrangements of the Corporation or (2) any one insider and such insider's associates in any one-year period, except in the case of Shares Adjustment; (ix) the addition in the 2011 Plan of any form of financial assistance and any amendment to a financial assistance provision which is more favourable to Optionees; and (x) a change to the vesting provisions of an option or of the 2011 Plan.

No amendment, suspension or termination shall, except with the written consent of the Optionees concerned, affect the terms and conditions of options previously granted under the 2011 Plan, to the extent that such options have not then been exercised, unless the rights of the Optionees shall then have terminated in accordance with the 2011 Plan.

On March 26, 2012, there were 1,103,700 options outstanding under the 2011 Plan, representing 0.73% of the total number of Common Shares of the Corporation outstanding (i.e. 151,143,903) on that date.

The Board may, subject to receipt of requisite regulatory approval, where required, in its sole discretion, make all other amendments to the 2011 Plan that are not contemplated above, including without limitation, the following: (i) amendments of a "housekeeping" or clerical nature as well as any amendment clarifying any provision of the 2011 Plan; (ii) a change to the termination provisions of an option or the 2011 Plan which does not entail an extension beyond the Option Period, as extended pursuant to item (vii) above, if applicable; (iii) any Shares Adjustment; and (iv) suspending or terminating the 2011 Plan.

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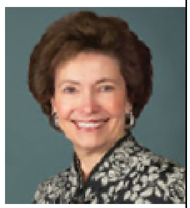
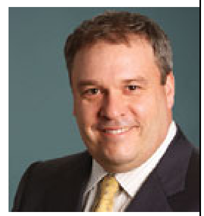
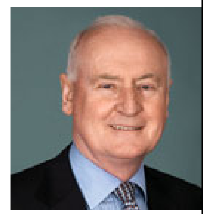
(1) Given the fact that the vesting of stock options continues after retirement it is, therefore, not necessary to include a hold period within the stock option plan as this hold period is implicit.

Schedule J

BOARD COMMITTEE REPORTS

REPORT OF THE AUDIT COMMITTEE

						
I.A. Bourne (Independent)	D. Goldman (Chairman - Independent)	P.A. Hammick (Independent)	E.A. Marcoux (Independent)	C. Mongeau (Independent)	M.D. Parker (Independent)	E. D. Siegel (Independent)

Mandate[1]

The Audit Committee:

- Oversees financial and accounting reporting risks and certain compliance-related risks that can have financial reporting implications;
- Serves the important role of assisting the Board with overseeing ethical business conduct through its review of whistleblowing reports[2];
- Of all the Board Committees, the Audit Committee consistently has the most involvement in the Board's risk oversight process, at times dealing with overall risks faced by the Corporation as well as systematically overseeing all specific risks related to the Committee's activities[3]; and
- Provides for at least 1 member to sit on the HR Committee and vice versa in order to maintain the link between pay and performance, both financial and individual, and thus mitigate risks (Ms. Patricia A. Hammick is currently sitting on both the Audit and HR Committees).

Key Matters Addressed

The Committee addressed the following key matters throughout the course of 2011:

- IFRS Adoption and Critical Accounting Policies;
- Oracle System Implementation;
- Whistleblower Reporting and Internal Investigations;
- Material Financial Reporting Issues;
- CEO & CFO Certification; and
- Code of Ethics.

[1] For further details on the Committee's mandate, see the Corporation's Annual Information Form ("AIF") available on SEDAR's website (**www.sedar.com**) and on the Corporation's website (**www.snclavalin.com**) under "Investors"/"Financial Reporting"/"Annual Information Form". A paper copy of which may also be obtained on request from the Vice-President and Corporate Secretary.

[2] With respect to the Audit Committee's responsibilities as to the receipt, retention and treatment of complaints see Sections 3.10.1 and 3.10.2 of this Management Proxy Circular.

[3] NI 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 Corporation complies with NI 52-110 and appropriate disclosure of such compliance is made in the following Report of the Audit Committee.

Forward Agenda

The following is an outline of the Forward Agenda used by the Committee throughout the year:

Forward Agenda

Relationship with Independent Auditor

- Assess need for continuation of, or change in, the independent auditor
- If applicable, recommend to Board independent auditor
- Review the audit plan for quarterly reviews and annual audit
- Review and approve the terms of the independent auditor's engagement, including compensation
- Review audit fees and non-audit fees of the independent auditor and other accounting firms for the past year
- Review and approve independent auditor's fees for the coming year
- Approve non-audit services by independent auditor
- Receive reports from independent auditor on quarterly and annual consolidated financial statements, annual information form, management's discussion and analysis and management proxy circular
- Review the annual letter of recommendations from independent auditor with management's comments
- Resolve any disagreements between management and independent auditor with respect to financial reporting
- Review and approve hiring policy regarding independent auditor
- Comply with requirements regarding the rotation of applicable partners of the independent auditor
- Ensure that the independent auditor's report directly to the Committee
- Establish the Committee's expectations
- Assess independent auditor's performance

Relationship with Internal Auditor

- Establish the Committee's expectations
- Annually review a report on the internal audit function
- Approve and monitor the execution of the annual internal audit plan
- Follow-up on internal audit recommendations
- Review internal audit reports including management's responses
- Review reports on frauds and irregularities
- Assess internal auditor's performance

Financial and Accounting Information

- Review and recommend approval of the Disclosure Policy and the Committee's mandate
- Review and follow-up on the status of material financial reporting issues, including material litigation, claim or other contingency, and tax assessments
- Review reserve for legal claims
- Review quarterly and annual consolidated financial statements, management's discussion and analysis and press releases
- Review financial information to be included in the annual information form, management proxy circular and annual report
- Review financial information to be included in prospectuses, other offering memoranda and other documents requiring Board approval
- Review report from CFO on any accounting treatment particular to the Corporation
- Review new accounting standards and changes to accounting policies
- Ensure tax filing compliance (corporate and employees)
- Receive CEO/CFO certification update
- Review the statement of management's responsibility for financial reporting
- Review I.T. security and disaster recovery plans
- Review whistleblowing complaints and concerns reports
- Ensure that financial, accounting, auditing, control and reporting risks are identified and that the measures to mitigate and manage such risks are implemented

Other Duties and Responsibilities

- Monitor the Corporation's internal controls, disclosure controls and procedures and management information systems and review management's annual report on internal control and disclosure policies and procedures and if applicable, recommend changes
- Review report on captive insurance from Vice-President, Risk Engineering & Insurance
- Review and revise Committee's Forward Agenda on an annual basis
- Conduct Committee's self-evaluation on an annual basis and make recommendations to the Governance Committee as required
- Review of treasury policy and portfolio

Audit and Related Experience and Financial Literacy of Audit Committee Members[1]

For the purposes of determining whether a Director is suitably qualified to become a member of the Corporation's Audit Committee, the Board has adopted the definition of "financial literacy" set out in Section 1.6 of the CSA Audit Committee Requirements, namely "the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements". This definition has been incorporated in the terms of the second paragraph of Section 1 of the mandate of the Audit Committee. Furthermore, the terms of Section 3(g) of this mandate also expressly provides that the members of the Committee shall, on an annual basis, meet with the Corporation's CFO to enhance their financial literacy with respect to the Corporation's financial statements.

Each of the members of the Committee has professional qualifications or business experience, or both, that are relevant to the performance of his/her responsibilities as a member of the Audit Committee.

Audit Related Experience of Committee Members

Mr. Bourne

- with his many years as Executive Vice-President and CFO of TransAlta Corporation and as President and director of TransAlta Power LP, has extensive financial expertise. Furthermore, Mr. Bourne is Chairman of the Audit Committee of Wajax Corporation and is a member of the Audit Committee of Ballard Power Systems Inc. and Canadian Oil Sands Limited.

Mr. Goldman

- is or has been a member of the board and audit committee of several issuers listed on NASDAQ or on the TSX and has experience such as that gained when he was Executive Vice-President and Chief Operating Officer of Noranda Inc. (now known as Xstrata).

Ms. Hammick

- is a director and member of the Finance Committee of Consol Energy Inc. and was until recently lead director and ex officio member of the Audit & Compliance Committee of Dynegy Inc. She also has financial expertise acquired through her experience as part of the management team at Columbia Energy Group.

Ms. Marcoux

- has extensive experience in financial matters from her many years as a director for a number of large public issuers such as the National Bank of Canada, Sherritt International Corporation and Placer Dome Inc. She is also a former member of the Audit Committee of OPTI Canada Inc.

Mr. Mongeau

- is presently the CEO of Canadian National Railway Company, was that company's Executive Vice-President and CFO for many years and has been named Canada's CFO of the Year in 2005.

Mr. Parker

- was CEO of Dow Chemical Company and is a member of the Audit Committee of PV Crystalox Solar plc and Invensys plc.

Mr. Siegel

- was President and CEO of Export Development Canada ("EDC") and has extensive financial expertise acquired through his experience of over 30 years at EDC.

[1] NI 52-110, section 3.1 (4).

REPORT OF THE GOVERNANCE COMMITTEE

				
P.H. Lessard (Independent)	E.A. Marcoux (Independent)	D. Goldman (Independent)	G. Morgan (Chairman - Independent)	L.N. Stevenson (Independent)

Mandate

The Board has delegated the day-to-day responsibility for corporate governance to the Governance Committee. This Committee defines the Corporation's approach to corporate governance issues, reviews the governance practices and amends them as regulations change and expectations of corporate governance and best practices continue to evolve.

The Governance Committee also provides the Statement of Corporate Governance Practices required under the CSA Disclosure Requirements which is found throughout Sections 3, 5, 6, and Schedules A, B, C, D, E and J, of this Management Proxy Circular[1].

Key Matters Addressed

In 2011, the Governance Committee reviewed many of the Corporation's practices to enhance its governance processes so as to reflect best practices and spent a considerable amount of time on Board succession and the recruitment and selection of a new Board member.

The Committee also addressed the following key matters throughout the course of 2011:

- Reviewed the mandates of all Board Committees to include each Committee's responsibility to address risk oversight in their areas of expertise;
- Reviewed Board documentation including Forward Agendas and meeting agendas to include risk oversight as a specific item to be addressed at each Board and Board Committees' meetings;
- Reviewed the mandate of the Audit Committee and HR Committee to include committee member overlap;
- Recommended to the Board the approval of a new retirement policy for Directors; and
- Reviewed various shareholder engagement possibilities for 2012, as well as best practices recommendations with respect to corporate governance reporting.

[1] For a complete copy of the Governance Committee mandate see the Corporation's website (**www.snclavalin.com**), under "About Us"/"Corporate Governance".

Forward Agenda

The following is an outline of the Forward Agenda used by the Committee throughout the year:

Forward Agenda

Composition of the Board and its Committees

- Review size, structure and composition of the Board
- Maintain overview of Board membership and advise Chairman of change in status or credentials of individual Directors
- Review annually credentials of Directors to be proposed for election or re-election
- Establish and update table of qualifications and skills of Directors and list of suitable candidates
- Review Board Succession Plan

Performance of the Board and its Committees

- Review annually the other Board Committees self-evaluation reports
- Consider requests from individual Directors or Board Committees for outside advisors
- Conduct self-evaluations of the Committees and follow-up of the self-evaluations, and recommend to Board any changes to the Board Committees

Remuneration of Directors

- Review Directors' remuneration

Disclosure

- Review draft Management Proxy Circular, form of proxy and draft Annual Information Form
- Prepare annual "Statement of Governance Practices", included in the Management Proxy Circular

CEO Succession

- Review the CEO succession plan

Other Duties and Responsibilities

- Ensure that corporate governance risks are identified and that the measures to mitigate and manage such risks are implemented
- Review the Directors' and officers' insurance coverage and indemnification and consider requirement for any changes to relevant by-laws
- Review its mandate and revise its Forward Agenda on an annual basis
- Conduct self-evaluation of the Committee on an annual basis
- Review and update the Corporate Governance Handbook
- Review mandates of Board Committees
- Respond to third party reports or position papers on corporate governance
- Approve orientation and education program for new Directors
- Review anti-corruption initiatives

GOVERNANCE AND RELATED EXPERIENCE AND KNOWLEDGE

- The Chairman of the Committee, Mr. Gwyn Morgan, has extensive experience in governance matters as do the 4 other members of the Committee.
- All Committee members are also knowledgeable about the Corporation's governance programs and policies.

REPORT OF THE HS&E COMMITTEE[1]

					
I.A. Bourne (Independent)	E.A. Marcoux (Chairperson - Independent)	L.R. Marsden (Independent)	M.D. Parker (Independent)	H.D. Segal (Independent)	E. D. Siegel (Independent)

Mandate

The HS&E Committee is responsible for reviewing the response by the Corporation to health, safety and environmental matters, including compliance to legal requirements and industry standards[2].

More specifically, the Committee is responsible for:

- Reviewing the Corporation's health and safety and environmental policies and programs;
- Assessing the performance and effectiveness of the Corporation's health and safety and environmental policies and programs;
- Monitoring current and future regulatory issues relating to health and safety and environmental matters;
- Reviewing the Corporation's Health and Safety reports;
- Reviewing the Corporation's Environment reports;
- Examining the findings of significant external and internal health and safety and environmental investigations, assessments, reviews and audits; and
- Reporting to the Board and making recommendations, where appropriate, on significant matters relating to health and safety and environmental matters.

1 NI 58-101, Form 58-101F1, section 8.

2 For a complete copy of the HS&E Committee mandate see the Corporation's website (**www.snclavalin.com**), under "About Us"/"Corporate Governance".

Key Matters Addressed

In 2011, the HS&E Committee was responsible for overseeing numerous corporate initiatives:

The following are among the corporate initiatives the Committee was responsible for overseeing:

- The establishment and tracking of health and safety and environmental leading indicators of performance;
- The review of the Corporation's lagging health and safety and environmental performance indicators;
- Health and safety leadership training, delivered to 1,132 employees of the Corporation in 2011;
- Various health and safety and environmental awareness raising initiatives world-wide, including a week long campaign during Canada's Environment Week;
- Construction site visit and audit programs; and
- The measurement of the Corporation's carbon and energy footprint and its report to the Carbon Disclosure Project, resulting in recognition by the Carbon Disclosure Project of the Corporation for excellence in disclosure of its Greenhouse Gas emissions and strategies to address climate risk and opportunity.

Forward Agenda

The following is an outline of the Forward Agenda used by the Committee throughout the year and a summary of recognition it received for its health, safety and environmental efforts:

Forward Agenda

Duties and Responsibilities

- Review the response by the Corporation or its subsidiaries, as the case may be, to health and safety matters, including compliance with applicable legislation, regulatory requirements and industry standards
- Review the response by the Corporation or its subsidiaries, as the case may be, to environmental issues, including compliance with applicable legislation, regulatory requirements and industry standards
- Review with management whether health and safety policies are being effectively implemented
- Review with management whether environmental policies are being effectively implemented
- Review and consider, as appropriate, reports and recommendations issued by the Corporation and its subsidiaries relating to health and safety issues, together with management response thereto
- Review and consider, as appropriate, reports and recommendations issued by the Corporation and its subsidiaries relating to environmental issues, together with management response thereto
- Ensure that health, safety and environmental risks are identified and that the measures to mitigate and manage such risks are implemented
- Review its mandate and revise its Forward Agenda on an annual basis
- Conduct self-evaluation of the Committee on an annual basis and make recommendations to the Governance Committee as required

Recognition – Awards

The Corporation was awarded a certificate in recognition of inclusion in the "2011 Canada 200 Carbon Disclosure Leadership Index", by the Carbon Disclosure Project. This award is for excellence in disclosure by the Corporation of its greenhouse gas emissions and strategies to address climate risk and opportunity, via the Carbon Disclosure Project 2011 information request.

Health, Safety and Environmental Related Experience and Knowledge

- Ms. E. A. Marcoux, is the Committee's Chairperson and has extensive experience in the field of Health, Safety and Environmental matters acquired within her career as an executive officer in the oil and mining industries.
- All other Committee members also have experience in the oversight of Health, Safety and Environmental matters.

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