



SNC • LAVALIN

**MANAGEMENT
PROXY CIRCULAR**

**AND NOTICE OF
ANNUAL MEETING
OF SHAREHOLDERS**

March 18, 2014



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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 convention room on Level 5 of the Palais des congrès, located at 1001 Place Jean-Paul-Riopelle, Montreal, Quebec, H2Z 1M2, Canada, on Thursday, May 8, 2014, commencing at 11:00 a.m., Eastern Time, for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the year ended December 31, 2013 and the auditor’s report thereon;
2. to elect the Directors for the ensuing year;
3. to appoint the auditor for the ensuing year and to authorize the Directors of the Corporation to determine the auditor’s compensation;
4. to consider and, if deemed appropriate, to adopt a resolution (the full text of which is reproduced in Section 2.3 of the accompanying Management Proxy Circular) reconfirming the Amended and Restated Shareholder Rights Plan Agreement until the close of business on the date on which the annual meeting of the shareholders of the Corporation is held in 2017;
5. to consider and, if deemed appropriate, to adopt a resolution (the full text of which is reproduced in Section 2.4 of the accompanying Management Proxy Circular) providing for a non-binding advisory vote on the Corporation’s approach to executive compensation; and
6. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement 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 18, 2014.

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, 8th FLOOR, NORTH TOWER, TORONTO, ONTARIO, CANADA M5J 2Y1) NO LATER THAN 11:00 A.M. (EASTERN TIME) ON TUESDAY, MAY 6, 2014. THE PROXY DEADLINE MAY BE WAIVED OR EXTENDED BY THE CHAIRMAN OF THE MEETING, IN HIS SOLE DISCRETION WITHOUT NOTICE. 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
Board or Board of Directors	SNC-Lavalin Group Inc.'s board of directors
CBCA	The <i>Canada Business Corporations Act</i>
CCGG	Canadian Coalition for Good Governance
CD&A	Compensation Discussion and Analysis
CCO	Chief Compliance Officer
CEO	Chief Executive Officer
CEO's Executive Employment Agreement ...	Robert G. Card's executive employment agreement
CFO	Chief Financial Officer
Chairman / Chair	Chairman of the Board / Chairs of the 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
ECC	Ethics and Compliance Committee
EMRIP	Executive Management Retirement Income Plan
EPS	Earnings Per Share
ESOP	Employee Share Ownership Plan
Harvest	Harvest Retirement Savings Program
Harvest Plus	Harvest Plus Retirement Savings Program
HR Committee	Human Resources Committee of the Board
HSS&E Committee	Health & Safety, Security and Environment Committee of the Board
In Camera Session	Meeting held without management being present
MD&A	Management's Discussion and Analysis
Meeting	SNC-Lavalin Group Inc.'s annual meeting of shareholders to be held on May 8, 2014
MIP	Management Incentive Program
MSOP	Management Share Ownership Program
NEOs	Named Executive Officers
PRRC	Project Risk Review Committee of the Board
PSUs	Performance Share Units
PSUP	Performance Share Unit Plan
REC	Risk Evaluation Committee
Record Date	Close of business on March 18, 2014
RSUs	Restricted Share Units
RSUP	Restricted Share Unit Plan
Say on Pay	Non-binding advisory vote on the Corporation's approach to executive compensation
Senior Officers	Group composed of the President and CEO, the CFO, the Senior Executive Vice-Presidents (Group Presidents) and the Executive Vice-Presidents as determined by the HR Committee
SG&A	Selling, General and Administrative expenses
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 effective Stock Option Plans established in 2007, 2009, 2011 and 2013
TSX	Toronto Stock Exchange



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INVITATION TO SHAREHOLDERS

Dear Fellow Shareholders:

On behalf of the Corporation's Board of Directors, management and employees, we are pleased to invite you to this year's annual meeting of shareholders, which will be held in the convention room on Level 5 of the Palais des congrès, located at 1001 Place Jean-Paul-Riopelle, Montreal, Quebec, H2Z 1M2, Canada, on Thursday, May 8, 2014, at 11:00 a.m. (Eastern Time).

I am pleased to report to you on behalf of my colleagues on the Board of Directors. It was an honour to be selected as Chairman of the Board in May 2013.

SNC-Lavalin made significant progress in 2013. As a Board, we have been active in overseeing and approving the appointment of a new senior management team, approving the strategy set forth by that team, and continuing a significant Board renewal process.

Our Board renewal process is comprised of a variety of activities. In 2013, we increased the length and frequency of our meetings, and rebalanced them to allocate more attention to strategy. We rewrote our committee mandates to balance workload and clarify responsibilities, and began using targeted Board working groups for specific issues that require more in-depth analysis prior to full Board approval. We instituted the concept of "dual reporting" for the Chief Compliance Officer (as is the case with the Executive Vice-President and CFO and Vice-President, Internal Audit), whereby the role is directly accountable to the Board, as well as the management hierarchy. We also increased the frequency and scope of project site visits by directors.

Two of the most significant changes with regard to the reevaluation of committee mandates were in relation to the Governance Committee and the Project Review Committee. The former has now become the Governance and Ethics Committee to better reflect its role of overseeing ethics programs and its direct reporting relationship with the Corporation's Chief Compliance Officer. The Project Review Committee has been renamed the Project Risk Review Committee to reflect its enhanced role in overseeing how project risk is understood and managed throughout the Corporation. As we have seen in the last year, when projects perform poorly it is generally because the associated risks have not been fully anticipated.

With the aid of external resources, we are also reviewing our Director Profile and Skills Matrix. We are considering both the aggregate board competencies that we feel are necessary for the next few years, as well as what we are describing as "table stakes" for individual directors. Because that work is underway but not yet complete, we decided to wait to replace Lorna Marsden, whose retirement from the Board coincides with the 2014 Annual Meeting of Shareholders.

As we work our way beyond the crisis, we are returning to a more traditional level of Board involvement in the Corporation's affairs. We are pleased with the progress of senior management and have confidence in their ability to lead SNC-Lavalin to new heights. Our Board renewal process reflects our commitment to provide the most appropriate support to SNC-Lavalin as the Corporation and market conditions continue to evolve. These changes also reflect my strong view that a successful corporation requires integration of the complementary but different roles of directors and executive management.

As I hope I have demonstrated, your Board is committed to playing our role of providing insight, oversight and foresight to contribute to a successful SNC-Lavalin. As we reflect on the past, assess the current market situation and look forward, we want the Board to function at the highest possible level. That is the standard against which we measure management, so why would we not hold ourselves to account in the same way?

In closing, I want to say thank you to you, our shareholders, and the many external stakeholders who have supported the Corporation. We also extend our thanks to Lorna Marsden for her valuable contributions to the Board, including her insights, which have helped us through some tough conversations.

I look forward to seeing you at the 2014 Annual Meeting of Shareholders and reporting on our progress in the future.

Yours truly,

Ian A. Bourne (*signed*)
Chairman of the Board



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SNC-LAVALIN GROUP INC.

MANAGEMENT PROXY CIRCULAR

Section 1 VOTING INFORMATION

This Management Proxy Circular is being sent to shareholders 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 8, 2014, 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 or postponements thereof.

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 or postponement thereof for each Common Share registered in the holder's name as at the close of business on the Record Date, March 18, 2014.

As of March 18, 2014, the Corporation had 152,065,359 Common Shares outstanding. As of March 18, 2014, to the knowledge of the Directors and officers of the Corporation based on shareholders' public filings, the only person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all shares of the Corporation is the Caisse de dépôt et placement du Québec (the "Caisse"), an institutional fund manager. As of March 18, 2014, based on shareholders' public filings, the Caisse beneficially owned, or controlled or directed, directly or indirectly, 15,462,100 Common Shares representing 10.17% 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 the auditor of the Corporation for the ensuing year; (iii) adopt a resolution (the full text of which is reproduced in Section 2.3) reconfirming the Amended and Restated Shareholder Rights Plan Agreement until the close of business on the date on which the annual meeting of the shareholders of the Corporation is held in 2017; and (iv) adopt a resolution (the full text of which is reproduced in Section 2.4) providing for a Say on Pay vote.

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

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 Kingsdale Shareholder Services ("Kingsdale") at 1-866-581-1489 or via email at contactus@kingsdaleshareholder.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 or on the list of registered shareholders maintained by Computershare. 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. As a shareholder, you have 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 those printed names and inserting the name of your 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 three 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 form of proxy 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 form of proxy 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 11:00 a.m. (Eastern Time) on Tuesday, May 6, 2014, or if the Meeting is adjourned or postponed, by no later than 48 hours (excluding weekends and statutory holidays) prior to the day fixed for the adjourned or postponed Meeting. The proxy deadline may be waived or extended by the Chairman of the Meeting, in his sole discretion without notice.

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 reconfirmation of the Amended and Restated Shareholder Rights Plan Agreement and 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 by completing and signing a form of proxy bearing a later date and depositing it with Computershare (100 University Avenue, 8th Floor, North Tower, Toronto, Ontario M5J 2Y1) no later than 11:00 a.m. (Eastern Time) on May 6, 2014 or with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof, or 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 in the name of a depository or 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. Non-registered shareholders are either “objecting beneficial owners” or “OBOs”, who object that intermediaries disclose information about their identity and ownership in the Corporation or “non-objecting beneficial owners” or “NOBOs”, who do not object to such disclosure. The Corporation does not send proxy-related materials directly to OBOs or NOBOs and intends to pay for an intermediary to deliver to OBOs and NOBOs the proxy-related materials. 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.

1.4 Proxy Solicitation

The solicitation of proxies in connection with the Meeting is being made primarily by mail, but proxies may also be solicited by telephone, fax or other personal contact by Directors, officers or other employees of the Corporation. The Corporation has also hired Kingsdale to act as the Corporation’s proxy solicitation agent in connection with the Meeting. The Corporation will pay Kingsdale a base proxy solicitation fee of \$55,000 in connection with its engagement. Shareholders can contact Kingsdale either by mail at Kingsdale Shareholder Services, The Exchange Tower, 130 King Street West, Suite 2950, P.O. Box 361, Toronto, Ontario M5X 1E2, by toll-free telephone in North America at 1-866-581-1489 or collect call outside North America at 1-416-867-2272, or by e-mail at contactus@kingsdaleshareholder.com. The entire cost of the solicitation will be borne by the Corporation.

Section 2

2014 ANNUAL MEETING OF SHAREHOLDERS

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Election of Directors

- Eleven individuals are to be elected as Directors for 2014
- All nominees previously served as Directors in 2013
- Management and the Board of Directors recommend that shareholders vote **FOR** this item of business

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Appointment of Auditor

- Management and the Board of Directors recommend Deloitte LLP be appointed as auditor for 2014
- Management and the Board of Directors recommend that shareholders vote **FOR** this item of business

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Reconfirmation of the Amended and Restated Shareholder Rights Plan Agreement

- Shareholders to vote on the adoption of a resolution reconfirming the Amended and Restated Shareholder Rights Plan Agreement until the close of business on the date on which the annual meeting of the shareholders of the Corporation is held in 2017
- Management and the Board of Directors recommend that shareholders vote **FOR** this item of business

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Adoption of a Say on Pay Resolution

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

Section 2 2014 ANNUAL MEETING OF SHAREHOLDERS

2.1 Election of Directors

ELEVEN NOMINEES FOR 2014

Jacques Bougie	Lise Lachapelle	Chakib Sbiti
Ian A. Bourne	Claude Mongeau	Eric D. Siegel
Robert G. Card	Michael D. Parker	Lawrence N. Stevenson
Patricia A. Hammick	Alain Rhéaume	

The Board of Directors has fixed at eleven 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 through 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 on 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 nominees are currently Directors of the Corporation.

Dr. Lorna R. Marsden, an independent Director who has served as a Director of the Corporation since May 4, 2006, will not be standing for re-election at the Meeting.

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 duly elected or appointed. **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 election of these nominees.**

2.2 Appointment of Auditor

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

Management and the Board of Directors recommend that Deloitte 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 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.**

2.2.1 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 LLP and its affiliates, for the year ended December 31, 2013 and the year ended December 31, 2012, are presented below:

	Year Ended December 31, 2013	Year Ended December 31, 2012
Audit fees¹	\$6,069,800	\$4,351,900
Audit-related fees²	\$1,555,500	\$1,899,000
Tax fees³	\$ 593,700	\$1,082,300
Other fees⁴	\$ 344,600	\$2,012,700
Total⁵	\$8,563,600	\$9,345,900

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 include 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.

The increase of \$1,717,900 from \$4,351,900 in 2012 to \$6,069,800 in 2013 is mainly due to the impact of the internal control audit being performed as an integrated audit in 2013 (part of the "Audit-related fees" in 2012), additional audit procedures relating to the Independent Review of facts discussed in the Corporation's 2013 Management's Discussion and Analysis (section 13 – Risks and Uncertainties) and to higher audit costs relating to various subsidiaries.
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 (performed as an integrated audit starting in 2013), 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". The decrease of \$1,668,100 from \$2,012,700 in 2012 to \$344,600 in 2013 is mainly due to the decrease of forensic effort relating to investigations on certain projects.
5. The aggregate fees paid to Deloitte LLP, irrespective of the Corporation's proportionate interests in its joint ventures and other investees, totaled \$9,023,847 in 2013 and \$10,533,039 in 2012.

2.3 Reconfirmation of the Amended and Restated Shareholder Rights Plan Agreement

The Corporation originally implemented a shareholder rights plan by entering into a shareholder rights plan agreement on March 8, 1996, which agreement was subsequently amended and restated as of March 8, 1996, February 26, 1999, March 1, 2002, March 5, 2005, March 6, 2008 and March 4, 2011 (as so amended and restated, the "**Rights Plan**").

Under the terms of the Rights Plan, its continued existence must be reconfirmed by the Corporation's shareholders at the Meeting. Accordingly, at the Meeting, shareholders will be asked to review and, if deemed appropriate, to adopt the resolution of the shareholders reproduced below (the "**Rights Plan Resolution**"), to approve the continuation of the Rights Plan for another three years. **If the Rights Plan Resolution is not adopted, the Rights Plan will terminate on the date of the Meeting.** If the Rights Plan Resolution is adopted at the Meeting, the Rights Plan will remain in place until the close of business on the date of the annual meeting of shareholders of the Corporation to be held in 2017, unless terminated earlier in accordance with the terms of the Rights Plan.

Purpose of Rights Plan

The primary objective of the Rights Plan is to provide the Board with sufficient time to explore and develop alternatives for maximizing shareholder value if a take-over bid is made for the Corporation, and to provide every shareholder with an equal opportunity to participate in such a bid. The Rights Plan encourages a potential acquirer to proceed either by way of a Permitted Bid (as described below), which requires the take-over to satisfy certain minimum standards designed to promote fairness, or with the concurrence of the Board.

Summary of Rights Plan

The following is a summary of the principal terms of the Rights Plan. This summary is qualified in its entirety by reference to the full text of the Rights Plan. The Rights Plan, which was filed on May 6, 2011, is available on SEDAR (www.sedar.com) under the name of SNC-Lavalin Group Inc. Copies of the Rights Plan will also be available at the Meeting. Capitalized terms used in this summary and that are not otherwise defined have the same meaning given to them in the Rights Plan.

Effective Date

The effective date of the Original Rights Plan is March 8, 1996 (the “**Effective Date**”).

Expiration Time

If the Rights Plan is reconfirmed at the Meeting, the Rights Plan will remain in force until the new Expiration Time, being the earlier of the Termination Time (the time at which the right to exercise Rights (as defined below) terminates pursuant to the Rights Plan) and the close of business on the date of the annual meeting of shareholders of the Corporation to be held in 2017.

Issuance of Rights

One right (“**Right**”) has been issued by the Corporation in respect of each Common Share issued to date and one Right will be issued in respect of each Common Share issued before the earlier of the Separation Time (as defined below) and the Expiration Time. The Rights are not exercisable until the Separation Time.

Rights Exercise Privilege

The acquisition by any person (an “**Acquiring Person**”) of 20% or more of the Common Shares, other than by way of a take-over bid permitted by the Rights Plan (a “**Permitted Bid**”) or pursuant to another exemption available under the Rights Plan, is referred to as a “**Flip-in Event**”. Any Rights held by an Acquiring Person will become void upon the occurrence of a Flip-in Event. Eight Trading Days after the occurrence of the Flip-in Event: (i) the Rights will become exercisable; (ii) the Rights will separate from the Common Shares; and (iii) each Right shall constitute the right for the holder thereof, other than an Acquiring Person, to purchase from the Corporation that number of Common Shares as have an aggregate Market Price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price (as described in the following paragraph) for an amount equal to the Exercise Price, subject to certain anti-dilution adjustments, in effect providing for a 50% discount relative to the Market Price. For example, if on the date of consummation or occurrence of the Flip-in Event, the Market Price of a Common Share is \$80, the Exercise Price would be \$400 and a holder of a Right would be entitled to purchase ten Common Shares (twice the Exercise Price divided by the Market Price, or $(2 \times \$400) \div \$80 = 10$ Common Shares) for an aggregate exercise price of \$400.

The Rights will also separate from the Common Shares and will be exercisable eight Trading Days (the “**Separation Time**”) after a person has commenced, or announced its intention to commence a take-over bid, to acquire 20% or more of the Common Shares, other than by an acquisition pursuant to a Permitted Bid or pursuant to another exemption available under the Rights Plan. The Exercise Price is an aggregate dollar amount equal to the Market Price of Common Shares, determined as at the Separation Time, multiplied by five. For example, if as at the Separation Time, the Market Price per Common Share is \$80, the Exercise Price would be \$400.

The issue of the Rights is not initially dilutive. Upon a Flip-in Event occurring and the Rights separating from the Common Shares, reported earnings per Common share on a diluted or non-diluted basis may be affected. Holders of Rights who do not exercise their Rights upon the occurrence of a Flip-in Event may incur substantial dilution of their shareholdings.

Permitted Bid Requirements

The requirements for a Permitted Bid include the following:

- (i) The take-over bid must be made by way of a take-over bid circular;
- (ii) The take-over bid must be made to all holders of record of Common Shares, other than the Offeror;
- (iii) The take-over bid must be outstanding for a minimum of 60 days and Common Shares tendered pursuant to the take-over bid may not be taken up prior to the expiry of the 60 day period and only if, at such time, more than 50% of the Common Shares (other than those owned by the bidder on the date of the take-over bid) have been tendered to the take-over bid and not withdrawn; and
- (iv) If more than 50% of the Common Shares (other than those owned by the bidder on the date of the take-over bid) are tendered to the take-over bid within the 60 day period, the bidder must make a public announcement of that fact and the take-over bid must remain open for deposits of Common Shares for an additional ten Business Days from the date of such announcement.

The Rights Plan provides that a competing Permitted Bid (a “**Competing Permitted Bid**”) made while a Permitted Bid is in existence will not trigger a Flip-in-Event. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid except that it may expire on the same date as the Permitted Bid on the condition that it shall have been outstanding for a minimum period of 35 days, as required under applicable securities legislation.

Lock-up Agreements

A bidder may enter into lock-up agreements (“**Permitted Lock-up Agreements**”) with shareholders of the Corporation (“**Locked-up Persons**”) whereby such Locked-up Persons agree to tender their Common Shares to the take-over bid (the “**Lock-up Bid**”) without a Flip-in Event occurring. More specifically, a person will not be deemed to Beneficially Own any Common Share because the Common Share has been agreed to be tendered pursuant to a Permitted Lock-up Agreement until the earlier of the tendered share being taken up or paid for. Any Permitted Lock-up Agreement must allow the Locked-up Person to withdraw his Common Shares to tender to another take-over bid or to support another transaction (i) at a price per Common Share that exceeds the price per Common Share offered under the Lock-up Bid, or (ii) at an offering price that exceeds the Lock-up Bid offering price by a specified minimum amount not exceeding 7% of the Lock-up Bid offering price, or (iii) for a number of Common Shares that exceeds, by as much as or more than a number specified in the Permitted Lock-up Agreement, the number of Common Shares offered to be purchased under the Lock-up Bid at a price per Common Share that is not less than the price under the Lock-up Bid, provided that the number specified in the agreement is not more than 7% of the number of Common Shares offered under the Lock-up Bid. A Permitted Lock-up Agreement may nevertheless contain a right of first refusal or require a period of delay to give a bidder an opportunity to match a higher price in another transaction, so long as the Locked-up Person can accept another bid or tender to another transaction.

Copies of Permitted Lock-up Agreements must be made available to the Corporation and to the public. Furthermore, all Permitted Lock-up Agreements must also provide that, if a Locked-up Person fails to deposit or tender his/her Common Shares to the Lock-up Bid, or withdraws Common Shares previously tendered to the Lock-up Bid in order to deposit such Common Shares to another take-over bid or to support another transaction, no break-up fees or other penalties can be required of such Locked-up Person where such penalties, in the aggregate, exceed the greater of (i) 2.5% of the value payable under the Lock-up Bid to the Locked-up Person and (ii) 50% of the amount by which the value payable to the Locked-up Person under another take-over bid or transaction exceeds what such Locked-up Person would have received under the Lock-up Bid.

Certificates and Transferability

Prior to the Separation Time, the Rights are evidenced by a legend imprinted on the Common Share certificates and are not transferable separately from the Common Shares. From and after Separation Time, the Rights will be evidenced by Rights certificates, which will be transferable and traded separately from the Common Shares.

Waiver of the Rights Plan

Prior to a Flip-in Event that would result from a take-over bid made by means of a take-over bid circular to all holders of record of Common Shares, the Board, acting in good faith, may waive the application of the Rights Exercise Privilege provisions of the Rights Plan to such Flip-in Event, and the Rights Exercise Privilege provisions of the Rights Plan will then be waived automatically for all contemporaneous take-over bids made by means of a take-over bid circular. The Board may also waive the application of the Rights Exercise Privilege provisions of the Rights Plan to a Flip-in Event if it is satisfied that a person became an Acquiring Person by inadvertence and if such person then reduces its interest below the 20% Acquiring Person threshold. All other waivers require approval of the holders of Common Shares, or holders of Rights if after the Separation Time.

Redemption of Rights

The Board may, subject to the prior approval of the holders of the Common Shares or the holders of the Rights, as the case may be, at any time prior to a Flip-in Event, redeem all of the outstanding Rights at a redemption price of \$0.001 per Right, appropriately adjusted for anti-dilution as set out in the Rights Plan.

Amendments to the Rights Plan

The Board may amend the substance of the Rights Plan with the approval of a majority of the votes cast by Independent Shareholders (or the holders of Rights if the Separation Time has occurred) at a meeting duly called for that purpose. The Board may also, without such approval, make amendments to the Rights Plan to maintain its validity due to changes in applicable legislation and correct clerical and typographical errors, subject, however, to approval at the next meeting of the holders of Common Shares (or the holders of Rights, as the case may be).

Effect on Duties of Board

The Rights Plan will not detract from or lessen the duty of the Board to act honestly and in good faith keeping in mind the best interests of the Corporation and its shareholders. The Board will continue to have the duty and power to take such actions and make such recommendations to shareholders as are considered appropriate if and when a take-over bid is made for the Corporation, whether it constitutes a Permitted Bid or not.

Exemptions for Investment Advisors and Grandfathered Persons

Persons whose ordinary business is managing investment funds for others, trust companies (acting in their capacities as trustees and administrators), statutory bodies whose business includes the management of funds, and administrators of registered pension plans are exempt from triggering a Flip-in Event, provided that they are not making, or are not part of a group making, a take-over bid.

Canadian Federal Income Tax Consequences

If the shareholders of the Corporation reconfirm the Rights Plan at the Meeting, there will be no deemed disposition of outstanding Rights for the purposes of the *Income Tax Act* (Canada) (the “**Act**”) and outstanding Rights will remain outstanding.

Under the Act, a right to acquire additional shares of a corporation does not constitute a taxable benefit to a recipient thereof that must be included in computing income or that is subject to non-resident withholding tax, if the rights are conferred on all holders of common shares (as defined in the Act) at the time the right is granted. Although the Rights Plan provides that one Right will be granted in respect of each outstanding Common Share, any Rights Beneficially Owned by an Acquiring Person may become void upon certain triggering events and, consequently, certain holders of Common Shares ultimately may not be able to exercise the Rights. The view that the issue of the Rights to the registered holders of Common Shares does not constitute a taxable benefit is, therefore, not free from doubt. In any event, only the monetary value of the Rights on their date of issue would be included in income and, as the case may be, subject to non-resident withholding tax. The Corporation considers that the Rights are currently of negligible (if not nil) monetary value, as it is unaware of any acquisition or take-over offer which would give rise to a Flip-in Event that would make the Rights exercisable.

A Rights holder may be subject to tax, if the rights become exercisable or are exercised or if he or she receives proceeds from the disposition of the Rights to the Corporation or otherwise.

This statement is of a general nature only and is not intended to constitute nor should it be construed as constituting legal or tax advice to any particular shareholder. Shareholders are advised to consult their own tax advisors regarding the income tax consequences of acquiring, holding, disposing of or otherwise exercising Rights, having regard to their own particular circumstances and to any applicable provincial, territorial or foreign legislation.

Rights Plan Resolution

To be adopted, the Rights Plan Resolution must be approved by the majority of the cast by holders of Common Shares:

“BE IT RESOLVED:

THAT the Shareholder Rights Plan evidenced by the Amended and Restated Shareholder Rights Plan Agreement dated as of March 4, 2011 between the Corporation and Computershare Investor Services Inc., as Rights Agent, be and is hereby ratified, reconfirmed and approved for a period ending on the close of business on the date on which the annual meeting of the shareholders of the Corporation is held in 2017, as substantially described in the Corporation’s Management Proxy Circular dated March 18, 2014;

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

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

2.4 Adoption of a Say on Pay Resolution

An advisory Say on Pay resolution (reproduced below) is submitted for adoption by the shareholders. As this is an advisory vote, the results will not be binding upon the 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.

The Board took note of the Say on Pay vote and the 83.44% of favourable votes obtained at the 2013 Annual and Special Meeting of the Shareholders of the Corporation held on May 2, 2013. Ever mindful of the views of its shareholders and in response to this vote, certain members of the Board considered and canvassed views on certain aspects of the Corporation’s compensation practices and philosophy. These views influenced the redesign of the long-term incentive plans for 2014.

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

“BE IT RESOLVED:

THAT, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, the shareholders accept the approach to executive compensation disclosed in the Corporation’s Management Proxy Circular delivered in advance of the 2014 annual meeting of shareholders of the Corporation.”

Management and the Board of Directors recommend that the shareholders vote in favour of the approval of this resolution. **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 this Say on Pay resolution.**

2.5 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 17, 2014.

Section 3 BOARD OF DIRECTORS

17 Directors Proposed for Election

23 Director Independence

- All but one of the Board nominees are independent
- The non-independent nominee is Mr. Robert G. Card, President and CEO of the Corporation

24 Board Structure, Organization and Composition

- Five Standing Board Committees:
 - Audit Committee
 - Governance and Ethics Committee
 - HSS&E Committee
 - HR Committee
 - PRRC
- All members of these five standing Board Committees are independent

26 Board Role and Mandate

28 Director Attendance

30 In Camera Sessions

30 Director Availability

31 Interlocking Outside Boards

31 Conflict of Interest

31 Ethical Business Conduct

- Code of Ethics
- Reporting Mechanism
- Protection of Reports and Confidentiality
- Compliance Program and Organization

33 Shareholder Engagement

- Say on Pay Policy
- Majority Voting Policy


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. The Corporation strives to act proactively by progressively adopting forward-looking governance principles, creating corresponding structures and implementing procedures designed to enable the Board to carry out its duties in accordance with best governance principles and to 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, its subsidiaries and affiliates.

As reflected in Sections 2, 3, 5, 6 and 7 and Schedules A, B, D and E of this Management Proxy Circular, the Corporation's governance practices comply with the current CSA disclosure requirements, and the Corporation is committed to adjusting its governance practices on an ongoing basis, so as to remain at the forefront 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 information relating to each nominee. For further details on the compensation components, see Section 4 "Directors' Compensation Disclosure".



Jacques Bougie, O.C.

Montreal (Quebec), Canada

Independent

Mr. Bougie is a corporate director and acts as a pro bono strategic advisor and mentor to a number of community and business leaders. He was President and CEO of Alcan Inc. (aluminum producer and supplier) from 1993 to 2001. Mr. Bougie joined Alcan in 1979 and held various positions in the fields of major project development, planning and general management. He became President and Chief Operating Officer of Alcan in 1989, which position he held until 1993 when he was appointed President and CEO. Prior to joining Alcan, Mr. Bougie held various responsibilities in the information technologies and education sectors.

Mr. Bougie is a director of CSL Group Inc., McCain Foods Limited and the Gairdner Foundation. An active community volunteer, Mr. Bougie chairs the Advisory Board of the Montreal Neurological Institute and Hospital. He is also a member of the Board of the Foundation of the Montreal Museum of Fine Arts and was a director of the Foundation of Greater Montreal. He co-chaired the Centraide (United Way) of Greater Montreal Campaign in 2001 and has remained active since. He was designated Volunteer of the Year, Quebec Chapter, in 2010. Over the past 25 years, Mr. Bougie has served on the boards of Alcan Inc., BCE Mobile Communications Inc., Bell Canada, Royal Bank of Canada, Novelis Inc. and Rona Inc.

Mr. Bougie is a law and business graduate from the Université de Montréal and received Honorary Doctorates from the Université de Montréal in 2001 and McGill University in 2010. Mr. Bougie was made an Officer of the Order of Canada in 1994.

Areas of Expertise:

- Natural Resources and Energy
- Manufacturing and Processing
- Transportation
- Public Sector Administration
- Financial Services

Director since: May 2, 2013

Age: 66

Latest date of retirement: May, 2020

Board/Committee Membership as at December 31, 2013		Overall Attendance 100%		Public Board Memberships During the Last Five Years	
		Regular	Special		
Board		5 of 5	8 of 8	<ul style="list-style-type: none"> AbitibiBowater Inc. (formerly Abitibi-Consolidated Inc. and now Resolute Forest Products Inc.) (2004 – 2010) Nova Chemicals Corporation (2001 – 2009) 	
HR Committee		4 of 4	-		
PRRC		3 of 3	6 of 6		
Audit Committee ⁽¹⁾		1 of 1	-		
HSS&E Committee ⁽¹⁾		1 of 1	-		
Governance and Ethics Committee ⁽¹⁾		3 of 3	-		

Securities Held as at December 31, 2013					
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)
2013	0	1,881	1,881	\$89,893	In process
2012	N/A	N/A	N/A	N/A	N/A

Voting Results of 2013 Annual and Special Meeting of Shareholders				
Votes For	% For	Votes Withheld	% Withheld	
101,865,136	98.58%	1,469,988	1.42%	

⁽¹⁾ Mr. Bougie was elected to the Board on May 2, 2013 and attended Audit, HSS&E and Governance and Ethics Committee meetings in the context of the Corporation's Director orientation program.



Ian A. Bourne, F.ICD, ICD.D

Calgary (Alberta), Canada
Independent

Areas of Expertise:

- Natural Resources and Energy
- Manufacturing and Processing
- Public Sector Administration
- Financial Services

Director since: November 5, 2009

Age: 66

Latest date of retirement: May, 2020

Mr. Bourne has been Chairman of the Board of the Corporation since May 2, 2013. He served as Vice-Chairman from March 25, 2012 until May 2, 2013 as well as Interim CEO of the Corporation from March 25, 2012 until the appointment of Mr. Robert G. Card on October 1, 2012. 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). Prior to this, he held senior management positions with General Electric and Canada Post Corporation. In addition to the public company boards listed below, Mr. Bourne is a director of Canada Pension Plan Investment Board (CPPIB) and the Canadian Public Accountability Board. He was also a director of the Glenbow Museum (2003-2009), the Calgary Philharmonic Orchestra (2003-2009) and the Calgary Foundation (2006-2013).

He graduated from Mount Allison University with a Bachelor of Commerce degree 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, 2013 ⁽¹⁾		Overall Attendance 95.3%		Public Board Memberships During the Last Five Years <ul style="list-style-type: none">• Canadian Oil Sands Limited (2007-Present)• Wajax Corporation (2006-Present)• Ballard Power Systems Inc. (Chairman) (2003-Present)	
		Regular	Special		
Board (Chairman)	6 of 6	12 of 12			
Audit (Chair and member until May 2, 2013)	4 of 4	3 of 3			
Governance and Ethics Committee (Chair since May 2, 2013)	5 of 5	-			
PRRC (member until May 2, 2013)	3 of 3	8 of 10			
Securities Held as at December 31, 2013					
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 in 2012 and \$1,200,000 in 2013 ⁽¹⁾)
2013	5,000	11,803	16,803	\$803,015	In process
2012	5,000	6,992	11,992	\$483,517	Yes
Voting Results of 2013 Annual and Special Meeting of Shareholders					
Votes For		% For		Votes Withheld	
101,353,899		98.08%		1,981,225	
				% Withheld	
				1.92%	



Robert G. Card

Montreal (Quebec), Canada
Non-Independent (Member of Management)

Areas of Expertise:

- Natural Resources and Energy
- Manufacturing and Processing
- Engineering and Construction
- Public Sector Administration

Director since: October 1, 2012

Age: 61

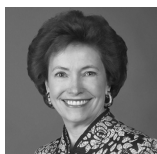
Mr. Card has been President and CEO of the Corporation since October 1, 2012. Mr. Card has 39 years of experience in the engineering and construction industry and has held key executive, management, operations and technical roles in the fields of nuclear decommissioning, energy, sport, environmental cleanup, water/wastewater and facilities. Prior to joining the Corporation, he served as President of the Energy, Water & Facilities Division of CH2M HILL (an engineering and services firm) which included the global business groups for Water, Energy and Chemicals, Power, Industries and Sustainability. During his 35-year career at CH2M HILL, Mr. Card held a variety of engineering, project management and operations management roles, as well as serving as the President of CH2M HILL's Government, Environment and Nuclear Division and Chairman of CH2M HILL International. Mr. Card was the Deputy Program Director of the CLM consortium, a CH2M HILL joint venture company performing the Delivery Partner role for the UK Olympic Delivery Authority. From 2001 to 2004, Mr. Card was the Undersecretary of Energy for the U.S. Department of Energy (DOE).

Mr. Card graduated from the University of Washington in 1975 with a B.S. in Civil Engineering and from Stanford University in 1977 with a M.S. in Civil Engineering and completed the Program for Management Development (Executive MBA) at Harvard Business School. He is a registered Professional Engineer in the U.S.

Board/Committee Membership as at December 31, 2013 ⁽²⁾		Overall Attendance 94.4%		Public Board Memberships During the Last Five Years	
		Regular	Special		
Board		6 of 6	11 of 12	None	
Securities Held as at December 31, 2013					
Year	Common Shares	Total Market Value of Common Shares		Meets Minimum Shareholding Requirements (5 X Base Salary)	
2013	27,300	\$1,304,667		In process	
2012	27,300	\$1,100,736		In process	
Voting Results of 2013 Annual and Special Meeting of Shareholders					
Votes For 102,764,375	% For 99.45%	Votes Withheld 570,749		% Withheld 0.55%	

⁽¹⁾ Mr. Bourne was Chair of the Audit Committee and a member of the PRRC until he was appointed Chairman of the Board on May 2, 2013. He therefore was entitled to receive compensation for attending Audit Committee and PRRC meetings during that time. Mr. Bourne's minimum shareholding requirement increased from \$300,000 to \$1,200,000 upon his appointment as Chairman.

⁽²⁾ Mr. Card, as President and CEO, attended Board Committee meetings as a non-voting participant. In addition, he does not receive compensation as a member of the Board of Directors of the Corporation. For details on Mr. Card's compensation as President and CEO, see Section 8 of this Management Proxy Circular.



Patricia A. Hammick, Ph.D.

Kilmarnock (Virginia), United States
Independent

Areas of Expertise:

- Natural Resources and Energy
- Manufacturing and Processing

Director since: January 1, 2007

Age: 67

Latest date of retirement: May, 2019

Dr. Hammick is a corporate director. She is a former director of Consol Energy Inc. and a former Chairman of the Board and former lead director of Dynegy Inc. 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). Dr. Hammick graduated from George Washington University with a Ph.D. in Mathematical Statistics and from the University of California with an M.A. in Physics.

	Overall Attendance 93.9%		Public Board Memberships During the Last Five Years
	Regular	Special	
Board	6 of 6	10 of 12	<ul style="list-style-type: none"> • Consol Energy Inc. (2001-2013) • Dynegy Inc. (2003-2011)
Audit Committee (Chair since May 2, 2013)	4 of 4	3 of 3	
Governance and Ethics Committee	3 of 3	-	
HR Committee	5 of 5	-	

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)
2013	0	11,831	11,831	\$565,403	Yes
2012	0	9,313	9,313	\$375,500	Yes
Voting Results of 2013 Annual and Special Meeting of Shareholders					
Votes For		% For	Votes Withheld		% Withheld
88,662,723		85.80%	14,672,401		14.20%



Lise Lachapelle

Montreal (Quebec), Canada
Independent

Areas of Expertise

- Natural Resources and Energy
- Manufacturing and Processing
- Public Sector Administration
- Financial Services

Director since: May 2, 2013

Age: 64

Latest date of retirement: May, 2022

Mrs. Lachapelle has been a Strategic and Economic Consultant and Corporate Director since 2002. From 1994 until 2002, she was President and Chief Executive Officer of the Forest Products Association of Canada.

Mrs. Lachapelle is a former President of Strategico Inc., a consulting firm specializing in public policies, and a former Senior Vice-President of the Montreal Stock Exchange. She also acted as Assistant Deputy Minister in the Federal Department of Industry, Trade and Commerce.

In addition to the public company boards listed below, Mrs. Lachapelle is also a member of the Board of Directors of BNP Paribas (Canada) and Mirabaud Canada Inc.

Mrs. Lachapelle graduated from Université de Montréal in 1970 with a Bachelor of Business Administration (Honours) and completed an Advanced Management Program at Harvard Business School in 1987.

Board/Committee Membership as at December 31, 2013	Overall Attendance 100%		Public Board Memberships During the Last Five Years
	Regular	Special	
Board	5 of 5	8 of 8	<ul style="list-style-type: none"> • Innergex Renewable Energy Inc. (2010-Present) • Russel Metals Inc. (1996-Present) • Industrial Alliance Insurance and Financial Services Inc. (1995-Present) • Innergex Power Trust (2003-2010) • AbitibiBowater Inc. (formerly Abitibi-Consolidated Inc. and now Resolute Forest Products Inc.) (2002-2010)
Audit Committee ⁽¹⁾	2 of 2	-	
HSS&E Committee	3 of 3	-	
Governance and Ethics Committee	4 of 4	-	
HR Committee ⁽¹⁾	2 of 2	-	

Securities Held as at December 31, 2013

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)
2013	0	1,881	1,881	\$89,893	In process
2012	N/A	N/A	N/A	N/A	N/A
Voting Results of 2013 Annual and Special Meeting of Shareholders					
Votes For		% For	Votes Withheld		% Withheld
89,995,718		87.09%	13,339,406		12.91%

⁽¹⁾ Mrs. Lachapelle was elected to the Board on May 2, 2013 and attended Audit and HR Committee meetings in the context of the Corporation's Director orientation program.



Claude Mongeau

Montreal (Quebec), Canada
Independent

Areas of Expertise:

- Transportation
- Financial Services

Director since: August 8, 2003

Age: 52

Latest date of retirement: May, 2019

Mr. Mongeau has been President and CEO of Canadian National Railway Company (CN) (North American railroad) since January 1, 2010. He joined CN in 1994 and previously held the positions of Vice-President, Strategic and Financial Planning, and Assistant Vice-President, Corporate Development. He was appointed Executive Vice-President and CFO of CN in 2000. In addition to the public company board listed below, Mr. Mongeau is the Chairman of the Railway Association of Canada and a director of the Canadian Council of Chief Executives.

Mr. Mongeau graduated from UQÀM in 1986 with a B.Sc. in psychology and from McGill University in 1988 with an MBA. 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, 2013		Overall Attendance 96.7%		Public Board Memberships During the Last Five Years	
		Regular	Special		
Board	6 of 6	12 of 12			
Audit Committee	3 of 4	3 of 3			
HR Committee	5 of 5	-			
Securities Held as at December 31, 2013					
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)
2013	15,000	28,758	43,758	\$2,091,195	Yes
2012	15,000	24,945	39,945	\$1,610,582	Yes
Voting Results of 2013 Annual and Special Meeting of Shareholders					
Votes For		% For		Votes Withheld	% Withheld
89,254,346		86.37%		14,080,778	13.63%



Michael D. Parker, CBE

London, United Kingdom
Independent

Areas of Expertise:

- Natural Resources and Energy
- Manufacturing and Processing
- Engineering and Construction

Director since: July 7, 2010

Age: 67

Latest date of retirement: May, 2019

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 from 2000 until 2002 and served on the company's Board of Directors from 1995 until 2003. Subsequently, he served as 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 the Chairman of Street League (a U.K. charity) and Vice-Chairman of the Royal Society for the Prevention of Accidents (ROSPA). He is also a trustee of the Energy Institute and a member of the Manchester Business School Advisory Board.

Mr. Parker graduated from the University of Manchester in 1968 with a degree in Chemical Engineering and from Manchester Business School in 1972 with an MBA. He has been a fellow of the Institute of Chemical Engineers since 2003 and a Fellow of the Energy Institute since 2009.

Board/Committee Membership as at December 31, 2013		Overall Attendance 94.9%		Public Board Memberships During the Last Five Years	
		Regular	Special	<ul style="list-style-type: none">• PV Crystalox Solar plc (2010-Present)• Invensys plc (2006-Present)	
Board		6 of 6	10 of 12		
HSS&E Committee (Chair since May 2, 2013)		4 of 4	-		
Governance and Ethics Committee		3 of 3	-		
PRRC		4 of 4	10 of 10		
Securities Held as at December 31, 2013					
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)
2013	9,100	10,620	19,720	\$942,419	Yes
2012	9,100	7,195	16,295	\$657,014	Yes
Voting Results of 2013 Annual and Special Meeting of Shareholders					
Votes For		% For		Votes Withheld	% Withheld
102,399,360		99.09%		935,764	0.91%



Alain Rhéaume

Lac-Delage (Quebec), Canada
Independent

Areas of Expertise:

- Natural Resources and Energy
- Manufacturing and Processing
- Retail Business
- Public Sector Administration

Director since: May 2, 2013

Age: 62

Latest date of retirement: May, 2024

Mr. Rhéaume is the Co-founder and Managing Partner of Trio Capital Inc. (a private investment management company) and has over 25 years of senior management experience in the private and public sectors. He worked for the Ministry of Finance of the Québec Government from 1974 to 1996, acting from 1988 to 1992 as Associate Deputy Minister, Financial Policies and Operations, and from 1992 to 1996 as Deputy Minister. In 1996, Mr. Rhéaume joined Microcell Telecommunication Inc. as CFO. He was subsequently promoted to President and CEO of Microcell PCS (2001-2003) and President and COO of Microcell Solutions Inc. (2003-2004). Until June 2005, Mr. Rhéaume was Executive Vice-President of Rogers Wireless Inc. and President of Fido Solutions Inc. (a division of Rogers Wireless Inc.), roles he assumed when Microcell Telecommunications Inc. was acquired by Rogers.

In addition to the public company boards listed below, Mr. Rhéaume is a public director of the Canadian Investor Protection Fund and the Canadian Public Accountability Board. Mr. Rhéaume graduated from Université Laval in 1973 with a License in Business Administration (Finance and Economics).

Board/Committee Membership as at December 31, 2013	Overall Attendance 100%		Public Board Memberships During the Last Five Years		
	Regular	Special			
Board	5 of 5	8 of 8	<ul style="list-style-type: none">• Boralex Inc. (2010-Present)• Resolute Forest Products Inc. (2010-Present)• Redline Communications Group Inc. (2011-2013)• Boralex Power Income Fund (2007-2010)• DiagnoCure Inc. (2005-2010)• Kangaroo Media Inc. (2007-2009)• Quebecor World Inc. (1997-2009)		
Audit Committee	3 of 3	-			
Governance and Ethics Committee ⁽¹⁾	3 of 3	-			
HSS&E Committee ⁽¹⁾	1 of 1	-			
HR Committee ⁽¹⁾	2 of 2	-			
PRRC	2 of 2	7 of 7			
Securities Held as at December 31, 2013					
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)
2013	0	1,881	1,881	\$89,893	In process
2012	N/A	N/A	N/A	N/A	N/A
Voting Results of 2013 Annual and Special Meeting of Shareholders					
Votes For 101,892,145		% For 98.60%	Votes Withheld 1,442,979		% Withheld 1.40%



Chakib Sbiti

Dubai, United Arab Emirates
Independent

Areas of Expertise:

- Natural Resources and Energy
- Manufacturing and Processing

Director since: November 2, 2012

Age: 60

Latest date of retirement: May, 2027

Mr. Sbiti is currently Executive Advisor to the CEO of Schlumberger, an international oilfield services company with over 115,000 employees in approximately 85 countries.

Mr. Sbiti has been with Schlumberger for over 30 years. From Field Engineer in 1981, he became Director of Personnel, Oilfield Services in 1998, President for the Middle East and Asia in 2001, and Executive Vice-President of Oilfield Services in 2003, which position he held until 2010 when he was appointed Executive Advisor to the CEO.

Mr. Sbiti graduated from École Nationale Supérieure d'Ingénieurs in France with a degree in Electrical Engineering and a Master's. Mr. Sbiti has been a member of the Society of Petroleum Engineers since 1981.

Board/Committee Membership as at December 31, 2013	Overall Attendance 97.2%		Public Board Memberships During the Last Five Years		
	Regular	Special	• Genel Energy (2012-Present)		
	Board	5 of 6			12 of 12
	HSS&E Committee	4 of 4			-
PRRC	4 of 4	10 of 10			
Securities Held as at December 31, 2013					
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)
2013	0	3,293	3,293	\$157,372	In process
2012	0	646	646	\$26,047	In process
Voting Results of 2013 Annual and Special Meeting of Shareholders					
Votes For 102,721,438		% For 99.41%		Votes Withheld 613,686	
				% Withheld 0.59%	

⁽¹⁾ Mr. Rhéaume was elected to the Board on May 2, 2013 and attended Governance and Ethics, HSS&E and HR Committee meetings in the context of the Corporation's Director orientation program.



Eric D. Siegel, ICD.D

Ottawa (Ontario), Canada
Independent

Areas of Expertise:

- Public Sector Administration
- Financial Services

Director since: January 1, 2012

Age: 60

Latest date of retirement: May, 2026

Mr. Siegel joined Export Development Canada (EDC), a Crown corporation and Canada's export credit agency, 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 December 2006, he was appointed President and CEO until his retirement in December 2010. He is currently a director of Citibank Canada, is a member of the Dean's Advisory Council of York University's Schulich School of Business and a Chapter Executive of the Institute of Corporate Directors (Ottawa Chapter).

Mr. Siegel graduated from the University of Toronto in 1976 with a Bachelor of Arts in history and economics and from York University in 1979 with a Master's of Business Administration. He completed the Senior Executive Program at Columbia University in 2012 and the Director Education Program in 2010.

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, 2013		Overall Attendance 97.4%		Public Board Memberships During the Last Five Years	
		Regular	Special		
Board		6 of 6	12 of 12		
Audit Committee		2 of 2	-		
HSS&E Committee (member until May 2, 2013)		2 of 2	-		
Governance and Ethics Committee		3 of 3	-		
PRRC (Chair since May 2, 2013)		4 of 4	9 of 10		
Securities Held as at December 31, 2013					
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)
2013	0	6,265	6,265	\$299,404	In process
2012	0	2,934	2,934	\$118,299	In process
Voting Results of 2013 Annual and Special Meeting of Shareholders					
Votes For		% For	Votes Withheld		% Withheld
102,722,529		99.41%	612,595		0.59%



Lawrence N. Stevenson

Toronto (Ontario), Canada
Independent

Areas of Expertise:

- Retail Business
- Financial Services

Director since: August 6, 1999

Age: 57

Latest date of retirement: May, 2015

Mr. Stevenson is the Managing Director of Callisto Capital LP, a private equity firm based in Toronto. He served as Chief Executive and director of Pep Boys Inc. from May 2003 until July 2006. He was also the founder and CEO of Chapters and a former managing director at Bain & Company.

Mr. Stevenson graduated from the Royal Military College in Kingston (Ontario) in 1978 with an undergraduate degree (Honours) and from Harvard Business School in 1984 with a Master's degree in Business Administration. In 2010, he was presented with an Honorary Doctorate from the Royal Military College. Mr. Stevenson serves as the Honorary Colonel of the Queen's Own Rifles of Canada. 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, 2013		Overall Attendance 100%		Public Board Memberships During the Last Five Years	
		Regular	Special	• CAE Inc. (1998-2013)	
Board		6 of 6	12 of 12		
Governance and Ethics Committee		5 of 5	-		
HR Committee (Chair)		5 of 5	-		
Securities Held as at December 31, 2013					
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)
2013	30,750	16,201	46,951	\$2,243,788	Yes
2012	30,750	13,590	44,340	\$1,787,789	Yes
Voting Results of 2013 Annual and Special Meeting of Shareholders					
Votes For		% For	Votes Withheld		% Withheld
83,418,302		80.73%	19,916,822		19.27%

Except as described below, to the knowledge of the Corporation, in the last ten years, none of the above-named nominees is or has been a director or officer of any company that, while that person was acting in that capacity, was the subject of a cease trade order or similar order, or an order that denied the relevant company access to any exemptions under securities legislation, for a period of more than 30 consecutive days. In addition, to the knowledge of the Corporation, in the last ten years, none of the above-named nominees is or has been a director or officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets, except as described below.

- 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 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 at the end of August 2009.
- ii) Dr. Patricia A. Hammick, a Director of the Corporation, who became a director of Dynege Inc. ("**Dynege**") in April 2003 and ceased to be a director of Dynege on June 15, 2011. On December 1, 2011, Dynege and its direct subsidiary Dynege Holdings LLC ("**Dynege Holdings**") filed, as co-plan proponents, a plan of reorganization in respect of Dynege Holdings. On April 3, 2012, Dynege announced that it had reached an agreement with key Dynege Holdings creditors contemplating the resolution of all disputes with such creditors. On July 6, 2012, Dynege filed a voluntary petition for relief pursuant to the U.S. Bankruptcy Code. On September 5, 2012, Dynege announced that its Chapter 11 Plan of Reorganization under the U.S. Bankruptcy Code was confirmed and, on October 1, 2012, announced that it had consummated its reorganization under Chapter 11 of the U.S. Bankruptcy Code and had emerged from bankruptcy protection. Dr. Hammick ceased to be a director of Dynege on June 15, 2011. Dr. Hammick was never a director of Dynege Holdings.
- iii) Mrs. Lise Lachapelle, a Director of the Corporation, served as a director of AbitibiBowater Inc. ("**AbitibiBowater**") (formerly Abitibi-Consolidated Inc. and now Resolute Forest Products Inc.) from 2002 to December 2010. In April 2009, AbitibiBowater, together with certain of its U.S. and Canadian subsidiaries, filed voluntary petitions in the U.S. Bankruptcy Court for the District of Delaware for relief under the provisions of Chapter 11 and Chapter 15 of the U.S. Bankruptcy Code, as amended, and certain of its Canadian subsidiaries sought creditor protection under the CCAA with the Superior Court of Quebec in Canada. AbitibiBowater completed its reorganization and emerged from creditor protection proceedings under the CCAA in Canada and Chapter 11 of the U.S. Bankruptcy Code in December 2010.
- iv) Mr. Jacques Bougie, a Director of the Corporation, also served as a director of AbitibiBowater from 2004 to December 2010. See the description of AbitibiBowater's U.S. bankruptcy and Canadian creditor protection proceedings above as described with respect to Mrs. Lachapelle. In addition, Mr. Bougie served as a director of Novelis Inc. ("**Novelis**") from 2005 until 2006. In his capacity as a director of Novelis, Mr. Bougie was subject to management cease trade orders issued by certain of the Canadian provincial securities administrators in 2005 against the directors, officers and insiders of Novelis due to Novelis' failure to file its interim unaudited financial statements for the interim period ended on September 30, 2005. Temporary management cease trade orders were issued in November 2005 and were replaced by permanent management cease trade orders in December 2005. Novelis filed its interim unaudited financial statements for the interim period ended on September 30, 2005 on May 17, 2006. As such, the permanent cease trade orders issued in December 2005 were revoked and/or allowed to lapse/expire, as the case may be, in October 2006.
- v) Mr. Alain Rhéaume, a Director of the Corporation, served as a director of Quebecor World Inc. ("**Quebecor World**") from 1997 until July 2009. Quebecor World placed itself under the protection of the CCAA on January 21, 2008 and implemented a capital restructuring plan approved by its creditors in 2009, after obtaining a court order authorizing it. Mr. Rhéaume was also an executive officer of Microcell Telecommunications Inc. ("**Microcell**") from 1996 until 2005. In 2003, Microcell reached an agreement on the terms of a recapitalization plan with its unsecured noteholders, and it obtained a court order under the CCAA as to the proper implementation of such plan. Mr. Rhéaume ceased to be an executive officer of Microcell in June 2005.

Furthermore, to the knowledge of the Corporation, in the last ten years, no Director or officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to materially affect 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.

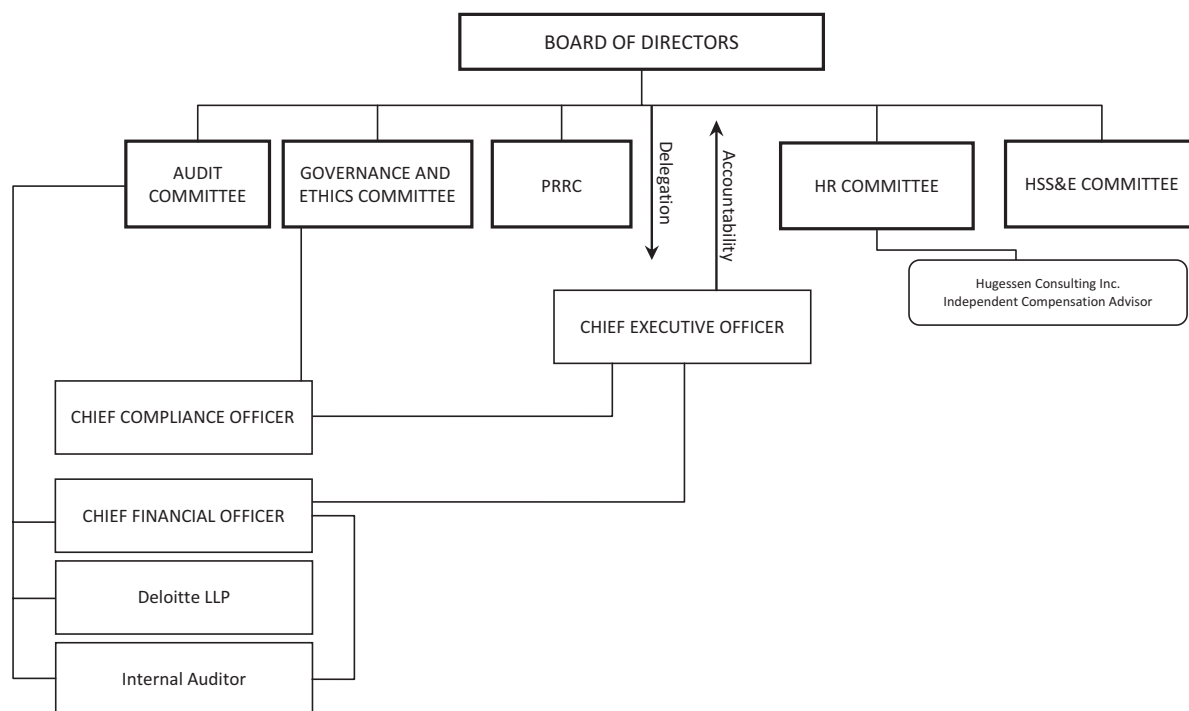
3.2 Director Independence

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 CBCA 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 ten of its eleven nominees are "independent" in light of Canadian securities legislation and regulations. The only non-independent nominee is Robert G. Card, President and CEO of the Corporation.

3.3 Board Structure, Organization and Composition

3.3.1 Structure



Under its mandate, the Board may establish and seek the advice of and delegate responsibilities to Committees of the Board.

As of December 31, 2013, there were five standing Board Committees in place.

The Board Committees review specific aspects of the Corporation's business and affairs as outlined in their mandates. They provide a smaller, more intimate forum than the full Board meetings and are designed to be more conducive to deeper discussion on assigned subjects. Board Committees analyze policies and strategies which are developed by management. They examine alternatives and where appropriate make recommendations to the Board. Board Committees do not take action or make decisions on behalf of the Board unless specifically mandated to do so. The Chairman of each Board Committee provides a report of the Committee's activities to the full Board after each of the Committee's regular meetings. Board Committees have the power to submit recommendations to the Board and the Board has the power to approve them.

3.3.2 Organization

- Five regularly scheduled Board meetings each year including a two-day meeting to consider and approve the Corporation's budget and strategic plan,
- Each standing Board Committee has at least four regularly scheduled meetings per year,
- Special Board and special Board Committee meetings are held when deemed necessary, and
- Members of senior management and certain key employees are called upon to give presentations at the Board and Board Committee meetings.

The Board and the Board Committees have a one-year rolling plan of items for discussion, known as the forward agenda. These forward agendas are reviewed and adapted at least 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 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 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.¹

The Board 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 as deemed necessary.

3.3.3 Board Composition

The Articles of the Corporation provide that the Board of Directors consists of a minimum of eight and a maximum of twenty Directors. As of March 18, 2014, the Board of Directors is composed of twelve members, eleven of which are independent. The only non-independent member of the Board is the President and CEO.

The Governance and Ethics Committee engages in a regular review of the Director selection criteria to identify the ideal size and skill sets 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.²

3.3.4 Board Committees' Composition

Board Committees are made up of not less than three and no more than seven Directors. The members of a Committee must be Directors who are independent. Subject to the By-laws of the Corporation, the Chair and members of each Board Committee are recommended by the Governance and Ethics Committee and appointed by the Board. The Governance and Ethics Committee considers whether it should recommend the appointment of new Chairs for the Board Committees on an annual basis. Where the Governance and Ethics Committee determines that any Board Committee requires a new Chair, the Board appoints such new Chair based on the recommendation of the Governance and Ethics Committee.

Under the Corporation's policies, membership of Board Committees is considered annually. To the extent possible, taking into account regulatory and internal requirements with respect to the personal expertise of the members of specific Committees (e.g., the financial literacy required of Audit Committee members and the human resources and executive compensation experience and knowledge required of the HR Committee members) and other considerations such as the requirement that one 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 different 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.

3.3.5 Board Diversity

The Corporation considers diversity in terms of business experience, gender and ethnicity and believes such diversity enriches Board discussions by bringing a variety of expertise and perspectives, particularly for companies such as the Corporation that do business globally. The Corporation is also convinced that diversity in all forms increases the efficiency and effectiveness of the Board and Board Committees.

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. Moreover, the engineering and construction industry is very challenging. Accordingly, the Board is mindful that it should seek to find and recruit Board members having relevant expertise and skills.

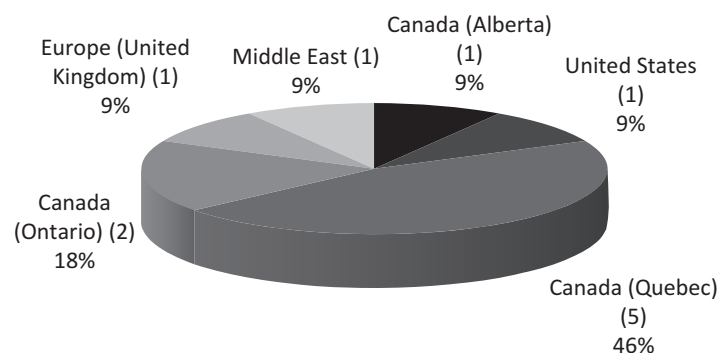
Candidates are typically selected from a diverse group of individuals, including women, identified by the members of the Board of Directors and the President and CEO with the assistance of an international executive search firm.

¹ Additional information on the Corporation's governance practices can be found on the Corporation's website (www.snclavalin.com), under "About Us"/"Governance".

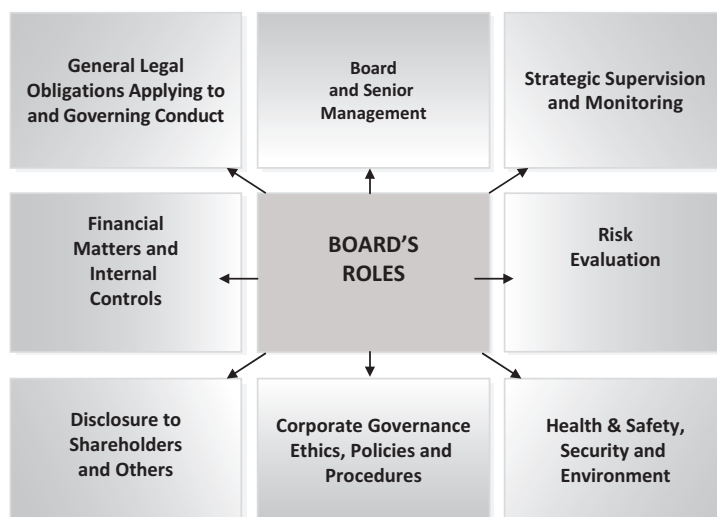
² For details regarding Director selection, see Section 5.1 of this Management Proxy Circular.

Approximately 66% of the Corporation’s revenues in 2013 were generated in Canada with the balance being generated globally. Accordingly, the importance of geographic diversity is relevant to Board effectiveness. The Corporation, therefore, attempts to recruit and select Board candidates that have a global business understanding and experience. As well, many Directors have extensive international business experience.

The following chart illustrates the geographic distribution of the Board nominees.



3.4 Board Role and Mandate¹



The Board supervises the management of the Corporation’s business and affairs. In addition to the strategic supervision and monitoring and risk evaluation responsibilities described below, the Board’s mandate lists the principal areas of responsibility of the Board of Directors relevant to its supervisory role as outlined in Schedule A to this Management Proxy Circular and summarized below.

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

3.4.1 Strategic Supervision and Monitoring

The Board actively participates in overseeing the development and implementation of the Corporation’s strategic vision and five-year strategic plan. It fulfills its oversight role throughout the strategic planning process and engages with the President and CEO and management at key inflection points of the development of the strategic plan.

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

Management is responsible for developing the Corporation's five-year strategic plan. It does so through its annual strategic planning process. This process has been refined over the years and comprises several key milestones:

- | | |
|--------------------------------|--|
| 1) Strategic Orientation: | one-day meeting scheduled in the first quarter where management discusses high-level market trends |
| 2) Strategic Planning Session: | two-day meeting scheduled in the third quarter where management discusses and reviews the strategic plan for all groups, Business Units, corporate functions, and the Corporation as a whole |
| 3) Approval of Strategic Plan: | two-day meeting scheduled in the fourth quarter in order for the Board of Directors to review and approve the strategic plan and budget for the ensuing year |

At each regularly scheduled Board meeting, management reviews progress against the strategic objectives and discusses emerging strategic issues.

In 2013, the Board was closely involved in the strategic planning process. From January 2013 until the annual and special meeting of the shareholders in May 2013, the Board and management had frequent interactions regarding the overall strategic plan for the Corporation. Meetings were held on a monthly basis and were supplemented by special meetings. After the annual and special meeting of shareholders held in May 2013, the Corporation resumed its normal three-step strategic planning process described above with regular Board interaction.

3.4.2 Risk Evaluation

Effective oversight of risk management is evolving well and meaningful progress was made during 2013. The PRRC was actively involved in operational risks and, as described in its report found in Schedule E to this Management Proxy Circular, has modified its mandate in order to further enhance its effectiveness. Further development and enhancement of comprehensive enterprise risk management techniques is a Corporation-wide focus for 2014.

In general terms, the objective of the Board's oversight of the Corporation's risk management activities is to ensure, through reasonable measures, that the risks of the Corporation's business and affairs are identified and that measures to mitigate and manage such risks are implemented. The Board also monitors progress on corrective and mitigation actions.

BOARD RISK EVALUATION OVERSIGHT

- **Reviewing the Corporation's risk philosophy.** 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 risk assessment is reviewed and discussed.
- **Overseeing the design and implementation of an effective enterprise-wide risk management process.** This oversight is completed by obtaining reports on existing and developing risk management processes and on 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 integral to its risk oversight role. This understanding is partly 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 developments in the business environment have resulted in changes in the material assumptions and inherent risks underlying the Corporation's strategy and the effects such changes have on the Corporation's strategic plan.
- **Keeping informed of the most significant risks faced by the Corporation and whether management is responding appropriately to these risks.** As risks are constantly evolving, the Board obtains ongoing updates and robust information on risks affecting the Corporation. This is done by integrating into the Board's and the Board Committees' agendas and packages information on ongoing risks.

While the Corporation considers that risk oversight, like strategies oversight, is a responsibility of the Board, each of the Corporation's Board Committees is tasked with addressing risk oversight in its areas of expertise as provided for in its mandate, while strategic issues are dealt with, for the most part, at the 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 mandates.

3.5 Director Attendance

The table below provides the record of attendance by each Director at regular and special meetings of the Board and the Board Committees during the 12 months ended December 31, 2013.

RECORD OF ATTENDANCE BY DIRECTORS AT REGULAR AND SPECIAL BOARD AND BOARD COMMITTEE MEETINGS FOR THE 12 MONTHS ENDED DECEMBER 31, 2013										
Directors	Regular Board & Board Committee Meetings Attended		Total Regular Meetings		Special Board & Board Committee Meetings Attended		Total Special Meetings		Overall Attendance	
	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)
J. Bougie ¹	5 of 5 Board 1 of 1 Audit 3 of 3 Governance 1 of 1 HSS&E 4 of 4 HR 3 of 3 PRRC	100% 100% 100% 100% 100% 100%	17 of 17	100%	8 of 8 Board 6 of 6 PRRC	100% 100%	14 of 14	100%	31 of 31	100%
I.A. Bourne ²	6 of 6 Board 4 of 4 Audit 5 of 5 Governance 3 of 3 PRRC	100% 100% 100% 100%	18 of 18	100%	12 of 12 Board 3 of 3 Audit 8 of 10 PRRC	100% 100% 80%	23 of 25	92%	41 of 43	95.3%
R.G. Card ³	6 of 6 Board	100%	6 of 6	100%	11 of 12 Board	91.7%	11 of 12	91.7%	17 of 18	94.4%
D. Goldman ⁴	2 of 2 Board 2 of 2 Audit 2 of 2 Governance 2 of 2 HSS&E 2 of 2 PRRC	100% 100% 100% 100% 100%	10 of 10	100%	4 of 4 Board 3 of 3 Audit 4 of 4 PRRC	100% 100% 100%	11 of 11	100%	21 of 21	100%
P.A. Hammick	6 of 6 Board 4 of 4 Audit 3 of 3 Governance 5 of 5 HR	100% 100% 100% 100%	18 of 18	100%	10 of 12 Board 3 of 3 Audit	83.3% 100%	13 of 15	86.7%	31 of 33	93.9%
L. Lachapelle ¹	5 of 5 Board 2 of 2 Audit 4 of 4 Governance 3 of 3 HSS&E 2 of 2 HR	100% 100% 100% 100% 100%	16 of 16	100%	8 of 8 Board	100%	8 of 8	100%	24 of 24	100%
P.H. Lessard ⁴	2 of 2 Board 2 of 2 HR	100% 100%	4 of 4	100%	3 of 4 Board	75%	3 of 4	75%	7 of 8	87.5%
E.A. Marcoux ⁴	2 of 2 Board 2 of 2 Audit 2 of 2 Governance 2 of 2 HSS&E	100% 100% 100% 100%	8 of 8	100%	4 of 4 Board 3 of 3 Audit	100% 100%	7 of 7	100%	15 of 15	100%

(continued on next page)

¹ Mrs. Lachapelle and Mr. Bougie were elected to the Board on May 2, 2013, and therefore only attended meetings held in the second, third and fourth quarters of 2013, including meetings attended in the context of the Director orientation program (for further details, see Section 5.3 of this Management Proxy Circular).

² Mr. Bourne became Chairman of the Board on May 2, 2013. As Chairman, he attended Board Committee meetings as a non-voting participant. Prior to becoming Chairman, he was Chair of the Audit Committee and a member of the PRRC and attended meetings held in the first and second quarters of 2013 in such capacities.

³ Mr. Card, as President and CEO, attended Board Committee meetings as a non-voting participant.

⁴ Mrs. Marcoux and Messrs. Goldman and Lessard did not stand for re-election at the annual and special meeting of shareholders held on May 2, 2013, and therefore only attended meetings held until that date.

RECORD OF ATTENDANCE BY DIRECTORS AT REGULAR AND SPECIAL BOARD AND BOARD COMMITTEE MEETINGS FOR THE 12 MONTHS ENDED DECEMBER 31, 2013										
Directors	Regular Board & Board Committee Meetings Attended		Total Regular Meetings		Special Board & Board Committee Meetings Attended		Total Special Meetings		Overall Attendance	
	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)
L.R. Marsden	6 of 6 Board 3 of 4 HSS&E 5 of 5 HR	100% 75% 100%	14 of 15	93.3%	12 of 12 Board	100%	12 of 12	100%	26 of 27	96.3%
C. Mongeau	6 of 6 Board 3 of 4 Audit 5 of 5 HR	100% 75% 100%	14 of 15	93.3%	12 of 12 Board 3 of 3 Audit	100% 100%	15 of 15	100%	29 of 30	96.7%
G. Morgan ¹	2 of 2 Board 2 of 2 Governance	100% 100%	4 of 4	100%	4 of 4 Board	100%	4 of 4	100%	8 of 8	100%
M.D. Parker	6 of 6 Board 3 of 3 Governance 4 of 4 HSS&E 4 of 4 PRRC	100% 100% 100% 100%	17 of 17	100%	10 of 12 Board 10 of 10 PRRC	83.3% 100%	20 of 22	90.9%	37 of 39	94.9%
A. Rhéaume ²	5 of 5 Board 3 of 3 Audit 3 of 3 Governance 1 of 1 HSS&E 2 of 2 HR 2 of 2 PRRC	100% 100% 100% 100% 100% 100%	16 of 16	100%	8 of 8 Board 7 of 7 PRRC	100% 100%	15 of 15	100%	31 of 31	100%
C. Sbiti	5 of 6 Board 4 of 4 HSS&E 4 of 4 PRRC	83.3% 100% 100%	13 of 14	92.9%	12 of 12 Board 10 of 10 PRRC	100% 100%	22 of 22	100%	35 of 36	97.2%
E.D. Siegel	6 of 6 Board 2 of 2 Audit 3 of 3 Governance 2 of 2 HSS&E 4 of 4 PRRC	100% 100% 100% 100% 100%	17 of 17	100%	12 of 12 Board 9 of 10 PRRC	100% 90%	21 of 22	95.5%	38 of 39	97.4%
L.N. Stevenson	6 of 6 Board 5 of 5 Governance 5 of 5 HR	100% 100% 100%	16 of 16	100%	12 of 12 Board	100%	12 of 12	100%	28 of 28	100%
Total	76 of 77 Board 23 of 24 Audit 35 of 35 Govern. 22 of 23 HSS&E 30 of 30 HR 22 of 22 PRRC	98.7% 95.8% 100% 95.7% 100% 100%	208 of 211	98.6%	142 of 148 Board 15 of 15 Audit 54 of 57 PRRC	95.9% 100% 94.7%	211 of 220	95.9%	419 of 431	97.2%

In 2013, given exceptional circumstances, there were numerous special Board and Board Committee meetings scheduled throughout the year.

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 similar circumstances.

¹ Mr. Morgan, the former Chairman of the Board, did not stand for re-election at the annual and special meeting of shareholders held on May 2, 2013, and therefore only attended meetings held until that date. As Chairman of the Board, Mr. Morgan attended Board Committee meetings as a non-voting participant.

² Mr. Rhéaume was elected to the Board on May 2, 2013, and therefore only attended meetings held in the second, third and fourth quarters of 2013, including meetings attended in the context of the Director orientation program (for further details, see Section 5.3 of this Management Proxy Circular).

Non-attendance at Board and Board Committee meetings is rare, usually when an unexpected commitment arises, a special meeting is convened on short notice or when there is a prior conflict with a meeting which had been scheduled and could not be rearranged. Given that Directors are provided with Board and Board Committee materials in advance of the meetings, Directors who are unable to attend are encouraged to provide comments and feedback to either the Chairman of the Board, the Chair of the Committee or the Vice-President and Corporate Secretary, all of whom ensure those comments and views are raised at the meeting.

SUMMARY OF BOARD AND BOARD COMMITTEE MEETINGS HELD IN 2013

	Regular	Special	Total
Board	6	12	18
HR Committee	5	-	5
Governance and Ethics Committee	5	-	5
Audit Committee	4	3	7
HSS&E Committee	4	-	4
PRRC	4	10	14
TOTAL	28	25	53

3.6 In Camera Sessions

The mandates of the Board of Directors¹ and each of the Corporation's five standing Board Committees² require that, at each of the regularly scheduled meetings of the Board and Board Committees during a particular 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 when executive compensation issues are discussed.

In 2013, In Camera sessions were held at all regular Board and Board Committee meetings except two regular PRRC meetings.

In Camera sessions were also held at most of the special Board and Board Committee meetings.

3.7 Director Availability

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

- No Director of the Corporation may sit on the boards of more than four other outside publicly traded corporations, unless otherwise approved by the Board of Directors.
- No Director who is also a CEO in office may sit on the board of more than one outside publicly traded corporation other than his/her company's and the Corporation's, unless otherwise approved by the Board of Directors.

As of December 31, 2013, all of the Corporation's Directors complied with these requirements.

The Governance and Ethics Committee carried out its customary review for 2013 and was satisfied that the independent Directors were able to commit the requisite 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.

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

² The mandates of all five standing Board Committees are posted on the Corporation's website (www.snclavalin.com), under "About Us"/ "Governance". Paper copies of the Board Committees' mandates may be obtained on request from the Vice-President and Corporate Secretary.

3.8 Interlocking Outside Boards

The Corporation has established an additional requirement that no more than two of the Corporation's Directors may serve on one outside board together. Mr. Ian Bourne, Chairman of the Board, currently sits on the Canadian Public Accountability Board (i.e. Canada's audit regulator) with Mr. Alain Rhéaume. This Board interlock occurred following Mr. Rhéaume's appointment to the Board of Directors of the Corporation on May 2, 2013.

3.9 Conflict of Interest

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 situation of potential 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 and Ethics Committee performs an annual review of Directors' interests in which potential or perceived conflicts and other matters relevant to their independence are considered.

3.10 Ethical Business Conduct

3.10.1 Code of Ethics

The Code of Ethics¹ is applicable to all employees, officers and Directors of the Corporation, its subsidiaries and affiliates, as well as to those of any joint venture or consortium of which the Corporation or any of its subsidiaries or affiliates is a party.² All employees, officers and Directors of the Corporation, its subsidiaries and certain of its affiliates are required to complete an annual online training and certification demonstrating that they have received, read and understood the Code of Ethics and confirming that they will comply with its terms. Third parties, such as business partners who do business on behalf of the Corporation, are also required to abide by the Code of Ethics. The Code of Ethics is available in 16 languages. An updated version of the Code of Ethics was most recently reviewed and approved by the Board of Directors of the Corporation on December 6, 2013.

The Corporation oversees compliance with the Code of Ethics through its ECC, a management committee established by the President and CEO. The specific monitoring of compliance with the Code of Ethics by the ECC is reflected in the charter of the ECC, which is required to report quarterly to the Governance and Ethics Committee on its overall activities, to the Audit Committee on accounting, internal accounting controls, auditing or fraud matters and to the HR Committee on HR-related matters. Furthermore, the Head of Compliance Investigations reports quarterly to the Governance and Ethics Committee and the Audit Committee with respect to the status of ongoing investigations.

The ECC, among its other duties, monitors compliance with the Code of Ethics and applicable laws and regulations, ensures training of employees on ethics and compliance matters, administers complaints reported, ensures that those who report matters in good faith are not subjected to retaliatory measures, increases awareness of ethics and compliance with our third-party partners and promptly responds to any issues reported.

Additionally, the Board oversees compliance with the Code of Ethics through its Governance and Ethics Committee, which is mandated to review overall compliance with the Code of Ethics and report to the Board any issues relating to the Code of Ethics. The Audit Committee and the HR Committee are mandated to report to the Board any committee-specific element which falls under their responsibility.

In 2013, no material change reports were required or filed in relation to any departure from the Code of Ethics.

3.10.2 Reporting Mechanism³

Individuals with an issue, concern or complaint regarding an actual or potential violation of the Code of Ethics may report the matter via multiple lines of reporting as established by the Code of Ethics. Issues, violations or complaints may be reported directly through

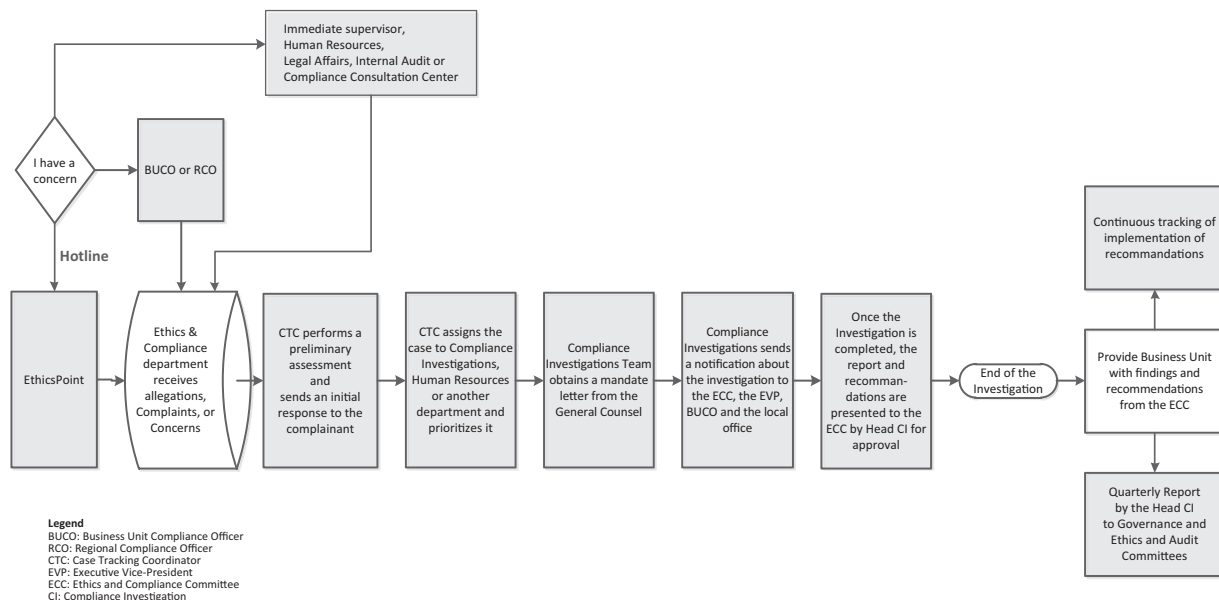
¹ The Corporation's Code of Ethics is posted on the Corporation's website (www.snclavalin.com) and on SEDAR (www.sedar.com) under the name of SNC-Lavalin Group Inc., a paper copy of which may also be obtained on request from the Vice-President and Corporate Secretary.

² In the case of certain joint ventures, consortiums, partnerships or investments in concession infrastructures ("ICI"), due to applicable contractual arrangements or laws and regulations, other ethics standards may apply.

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 reporting procedure forms part of the Audit and Governance and Ethics Committees' responsibilities as set out in section 2.3 (7) of NI 52-110.

immediate supervisors; Human Resources Vice-Presidents of Business Units or corporate functions; contacts from Global Human Resources, Finance, Legal Affairs and Internal Audit; Ethics and Compliance Officers; the Compliance Consultation Center or via the Ethics and Compliance Hotline which is a secure reporting system operated by EthicsPoint, an independent third-party service provider which operates a toll-free telephone number and reporting website.¹ The Ethics and Compliance Hotline allows for anonymous reporting should the reporter wish to protect his or her identity.

The following graph outlines the reporting and investigation process for anyone wishing to report an issue, concern or complaint regarding an actual or potential violation of the Code of Ethics:



The stewardship of issues, violations or complaints reported via the multiple lines of reporting is the responsibility of the Corporation’s Governance and Ethics Committee and under its direction, the ECC administers the Corporation’s reporting mechanism and must ensure that the structure in place promptly and adequately responds to the activities reported.

3.10.3 Protection of Reports and Confidentiality

No person, acting in good faith, who provides information relating to an issue, violation or complaint, can be subjected to any form of reprisal or retaliation and any such reprisal or retaliation will be treated as a serious violation of the Code of Ethics and corrective measures of varying degrees of severity, including but not limited to, discharge without notice or the termination of a contractual relationship, would be taken against any person who is determined to have engaged therein.

The Corporation and its subsidiaries and affiliates are committed to maintaining a reporting mechanism that permits confidential, anonymous reporting of an issue, violation or complaint. Information regarding the identity of any person making such a report remains anonymous and confidential at all times unless otherwise expressly permitted by this person or as required by applicable law and is only disclosed to those persons who have a need to know such information to properly carry out an investigation of the issue, violation or complaint, in accordance with the Code of Ethics.

3.10.4 Compliance Program and Organization

In March 2013, a global compliance organization was designed and established following the hiring of a Chief Compliance Officer at the Corporation. This organization is comprised of corporate compliance functions, dedicated Business Unit compliance officers and regional compliance officers and is responsible for developing, implementing and maintaining an effective compliance program at the Corporation. All compliance officers ultimately report directly to the CCO, thus ensuring true independence of the compliance function. The CCO reports to the President and CEO and to the Governance and Ethics Committee of the Board of Directors of the Corporation.

¹ For details, see the Corporation’s website (www.snclavalin.com) under “About Us” / “Corporate Policy” / “Ethics and Compliance Hotline”.

Compliance principles, procedures and controls are being embedded and integrated in all of the key processes of SNC-Lavalin's global operations. The Corporation's compliance program is mandatory in all entities, Business Units, groups and functional units across the organization.

In order to encourage and promote a culture of ethical conduct throughout the Corporation, in 2013, the Board of Directors provided oversight and/or approval of the following initiatives:

- An anti-corruption manual for the Corporation's employees around the world;
- A new policy governing engagements with business partners;
- The appointment of compliance officers to the Corporation's Business Units and Regional Hubs around the world;
- Personal compliance training for all employees, with a special focus on those working in functions known to expose employees to a higher level of corruption risk;
- Third-party validation through the engagement of an independent monitor reporting to the World Bank; and
- An Amnesty Program launched between June 3, 2013 and August 31, 2013.

3.11 Shareholder Engagement

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, financial statements and accompanying MD&A, AIF, quarterly interim reports and conference calls and periodic press releases, it effectively communicates its commitment to good governance. Our shareholders are informed through these and other means 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 attend these meetings. Under the CBCA, shareholders may also raise any concerns they may have through the shareholder proposal system. For the past several years, no shareholder proposals have been made at the Corporation's annual general meeting, which we believe to be evidence 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 2011 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 made so as to provide shareholders the opportunity and the forum to provide feedback on the disclosed objectives of the executive compensation plans. Under this 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 its 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" than "for" votes will tender his/her resignation to the Chairman promptly following the annual meeting of shareholders of the Corporation. The Governance and Ethics Committee will then consider the offer of resignation and, except in special circumstances, will recommend that the Board accept 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 and Ethics Committee at which the resignation is being considered.

3.11.5 Further Engagement Initiatives

The Board's accountability and communication with the Corporation's shareholders are enhanced by each of the following practices:

- the Corporation's no slate voting system;
- the fact that each Director must be elected annually;
- the majority voting policy; and
- the filing of the Corporation's voting results promptly after the annual meeting.

In 2013, Directors met with representatives from governance organizations to discuss various governance matters of interest. Meetings were also held with shareholders on Board governance-related matters by certain Directors. These meetings were very useful to the Board as they permitted constructive feedback for the ongoing improvements to governance practices at the Corporation.

The Board and Board Committees consider and review other engagement activities which they believe can further enhance the Corporation's long-term commitment to allowing and facilitating the processes by which our shareholders may express their views on governance, compensation and other matters, as the Corporation believes this engagement assists it in carrying out its responsibilities in the Corporation's interest.

Section 4 DIRECTORS' COMPENSATION DISCLOSURE

36 Philosophy and Objectives of Directors' Compensation

- Align the interests of Directors with those of the Corporation's shareholders

36 Directors' Compensation Policy

- Attract and retain qualified individuals to serve as Directors

36 Directors' Compensation Program

- Includes three components: annual retainer, attendance fees and at-risk compensation in the form of D-DSUs

36 Directors' Compensation Review and Approval Process

37 Directors' Compensation Advice

- Towers Watson, an external compensation consultant, was retained in 2013 for compensation advice

37 Directors' Comparator Group

39 Annual Retainer and Attendance Fees

- Follows market conditions

39 D-DSUP – At-Risk Compensation

- Structured to align the interests of the Directors with the interests of the Corporation's shareholders as Directors are only paid the value of D-DSUs once they have left the Board
- Each D-DSU has the same value as one Common Share and thus fluctuates with variations in the marketplace
- Once a Director has left the Board, his/her D-DSUs are redeemed for cash

40 Directors' Share Ownership Requirements

- Structured to encourage retention and long-term commitment of Directors to the Corporation

41 Prohibition on Hedging and Trading in Derivatives by Directors

- Applicable to all insiders of the Corporation, including the Directors

41 Directors' Share Ownership and D-DSUs Credited as at December 31, 2013

- Provides a table outlining the share ownership of each Director broken down in D-DSUs and Common Shares

42 Total Directors' Compensation – Detailed Review of Total Director Compensation of Non-Employee Directors in 2013

- Provides complete details of the various fees earned as well as the "at-risk" compensation earned or held by Directors

Section 4

DIRECTORS' COMPENSATION DISCLOSURE

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 shareholders by requiring Directors to hold a multiple of their annual retainer in Common Shares or 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 a Comparator Group¹
- 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

Three components in 2013:

- An annual retainer paid partly in cash and/or partly as at-risk compensation in the form of D-DSUs²,
- Attendance fees paid in cash, and
- 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 is a non-voting participant of each Board Committee, except for the Governance and Ethics Committee of which he is the Chair. He therefore only receives Committee meeting attendance fees for his attendance at meetings as a member of the Governance and Ethics Committee. Note that he is not remunerated for his role as Chair of the Governance and Ethics Committee.

4.4 Directors' Compensation Review and Approval Process

The amount and form of the compensation of the Corporation's non-employee Directors and the Chairman is ultimately determined by the Board. The Governance and Ethics Committee reviews Directors' compensation every year and makes recommendations to the Board.³ Reviews of Director compensation were carried out in 2013. A first review was carried out in March, 2013 with respect to the compensation of the Chairman. Pursuant to this review, the Governance and Ethics Committee recommended, and the Board approved, an increase in the lump sum credited in D-DSUs for the Chairman from \$86,000 to \$120,000 effective May 2, 2013. This coincided with the appointment of the new Chairman.

¹ For details on the Directors' Comparator Group, see Section 4.6 of this Management Proxy Circular.

² For details on the D-DSUP, see Section 4.8 of this Management Proxy Circular.

³ This duty, as well as the powers and operations of the Governance and Ethics Committee are set out in the Committee's mandate. For a copy of the Governance and Ethics Committee mandate, see the Corporation's website (www.snclavalin.com), under "About Us" / "Governance" and of which paper copies may be obtained on request from the Vice-President and Corporate Secretary.

A second review was carried out in August 2013 with respect to the compensation of the Chairman and the non-employee Directors for 2014 and 2015. Pursuant to this second review, the Governance and Ethics Committee recommended, and the Board approved, increases in the compensation paid to the Chairman and the non-employee Directors effective January 1, 2014 and January 1, 2015 respectively.

4.5 Directors' Compensation Advice

The Corporation retained the services of Towers Watson to provide advice on the compensation of the Chairman and that of non-employee Directors and to provide recommendations thereon. The following table provides the fees paid to Towers Watson in 2013 for work completed on Directors' Compensation.

Nature of Work	Consultant	2013	2012
Compensation of the Chairman of the Board and non-employee Directors	Towers Watson	\$44,074	Nil
Other	Nil	Nil	Nil

4.6 Directors' Comparator Group

As previously mentioned in Section 4.4 above, a review of the compensation of the Chairman was carried out in March 2013. Towers Watson was engaged to prepare a benchmarking study using the same Comparator Group that was used for benchmarking executive compensation in 2012.¹

Typically, the Directors' Comparator Group is composed of publicly traded Canadian and U.S. companies with a large percentage of professionals and a diverse global client base.

The Comparator Group selected to benchmark the compensation of the Chairman is listed in the table below.

Canadian Comparator Group	
Energy	
Nexen Inc.	Oil and Gas Exploration and Production
Canadian Oil Sands Limited	Oil and Gas Exploration and Production
Talisman Energy Inc.	Oil and Gas Exploration and Production
Materials	
Agrium Inc.	Fertilizers and Agricultural Chemicals
Kinross Gold Corporation	Gold
Industrials	
Bombardier, Inc.	Aerospace and Defense
Canadian Pacific Railway Limited	Railroads
Telecommunication Services	
Bell Aliant Regional Communications Inc.	Integrated Telecommunication Services
Utilities	
Fortis Inc.	Electric Utilities
TransAlta Corp.	Independent Power Producers and Energy Traders

¹ For details on the Comparator Group, see Section 7.5 of this Management Proxy Circular.

U.S. Comparator Group	
Energy	
FMC Technologies, Inc.	Oil and Gas Equipment and Services
Cameron International Corporation	Oil and Gas Equipment and Services
Murphy Oil Corporation	Integrated Oil and Gas
Materials	
FMC Corp.	Diversified Chemicals
Eastman Chemical Co.	Diversified Chemicals
Ashland Inc.	Diversified Chemicals
PPG Industries Inc.	Diversified Chemicals
CF Industries Holdings, Inc.	Fertilizers and Agricultural Chemicals
Airgas Inc.	Industrial Gases
Industrials	
Jacobs Engineering Group Inc.	Construction and Engineering
Fluor Corporation	Construction and Engineering
Additional Direct Competitors that do not fit market capitalization and total enterprise value screens	
AECOM Technology Corporation	Construction and Engineering
EMCOR Group Inc.	Construction and Engineering
Foster Wheeler	Construction and Engineering
KBR Inc.	Construction and Engineering
The Shaw Group Inc.	Construction and Engineering
URS Corporation	Construction and Engineering

The companies included in the Comparator Group are as similar in nature to the Corporation as possible, given that there are few global engineering and construction companies in the world that have a market capitalization and total enterprise value close to those of the Corporation. The selection criteria for inclusion in the Comparator Group is described at Section 7.5 of this Management Proxy Circular.

4.7 Annual Retainer and Attendance Fees

The following table outlines the type of compensation received by non-employee Directors in 2013.¹

Annual Retainer	Amount (\$)
Non-employee Director (excluding Chairman)	
Award allocated as follows:	
• a percentage of the award credited in D-DSUs; and	
• the balance in cash	55,000
plus	
a lump sum credited in D-DSUs	86,000
plus	
dividends credited in D-DSUs, derived from D-DSUs accumulated	
Chairman	
Award allocated as follows:	
• a percentage of the award credited in D-DSUs; and	
• the balance in cash	225,000
plus	
a lump sum ² credited in D-DSUs	120,000
plus	
dividends credited in D-DSUs, derived from D-DSUs accumulated	
Committee Chairs (excluding Chairman³)	
Audit Committee	16,000
All other Committees	8,000
Attendance Fees (paid in cash)	
Board Meetings (in person)	1,500
Audit Committee Meetings (in person)	2,250
Ad Hoc Committee Meetings (in person)	2,250
All Other Committee Meetings (in person)	1,500
Any Board or Board Committee Meeting attended via telephone	925
Travel Fees (paid in cash)	
For travel requiring more than three hours ⁴	1,500

4.8 D-DSUP – At-risk Compensation

D-DSUs are an “at-risk” component of our Directors’ compensation program designed to encourage the Chairman and non-employee Directors to better align their interests with those of shareholders. Under the D-DSUP, the Chairman and non-employee Directors are credited D-DSUs as part of their annual retainer. D-DSUs track the value of our 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 five trading days immediately prior to such date. D-DSUs do not carry any voting rights. All D-DSUs are credited on a quarterly basis.

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

² On March 8, 2013, the Board of Directors approved the increase of this lump sum from \$86,000 to \$120,000 effective May 2, 2013.

³ The Chairman only receives Committee meeting attendance fees for his attendance at meetings as a member of the Governance and Ethics Committee. He is not remunerated for his role as Chair of the Governance and Ethics Committee.

⁴ This is a lump sum amount paid to Directors when travelling to Board and Board Committee meetings requires more than three hours.

4.8.1 Characteristics of D-DSUs

In 2013, the following components of the annual retainer were credited in D-DSUs:

- **A percentage of the cash award:**

- Cash award for the Chairman: \$225,000
- Cash award for all other non-employee Directors: \$55,000

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

Percentage of Cash Awards Credited in D-DSUs	
% before reaching minimum shareholding requirement	% after reaching minimum shareholding requirement
<ul style="list-style-type: none"> • 50% minimum • 75% • 100% 	<ul style="list-style-type: none"> • 25% minimum • 50% • 75% • 100%

- **A lump sum:**

- Lump sum for the Chairman: \$120,000¹
- Lump sum for all other non-employee Directors: \$86,000

Percentage of Lump Sum Credited in D-DSUs
100%

- **Dividends credited in D-DSUs:**

- Whenever cash dividends are paid on Common Shares, D-DSUs accumulate dividend equivalents in the form of additional D-DSUs, at the same rate as the dividends paid on the Common Shares

4.9 Directors' Share Ownership Requirements²

MINIMUM SHAREHOLDING		
TITLE	THREE-YEAR TARGET	FIVE-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. All non-employee Directors, including the Chairman, are required to continue to hold their Common Shares and/or D-DSUs throughout their tenure as Directors.

In 2013, in the case where a non-employee Director no longer met the above Director Share Ownership Requirements, including, but not limited to, when a fluctuation in the fair market value of the Common Shares occurred, any Director who did not have a sufficient number of Common Shares or had not been credited a sufficient number of D-DSUs had to acquire a sufficient number of D-DSUs or Common Shares so as to reach the Director Share Ownership Requirements within a two-year period.

¹ On March 8, 2013, the Board of Directors approved the increase of this lump sum from \$86,000 to \$120,000 effective May 2, 2013.

² Note that the President and CEO does not have a separate minimum shareholding requirement as a Director. For his minimum shareholding requirement as President and CEO, see Section 7.2 of this Management Proxy Circular.

For further details on share ownership requirements per Director, see Section 4.11 of this Management Proxy Circular.

4.10 Prohibition on Hedging and Trading in Derivatives by Directors

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

4.11 Directors' Share Ownership and D-DSUs Credited as at December 31, 2013

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⁾	Director Shareholding Requirements \$ ⁽²⁾	Shareholding Requirements Met	Date at which Director Shareholding Requirements Is/Was to Be Met (mm/dd/yyyy)
Jacques Bougie	2013	2013	0	1,881	\$ 89,893	1,881	\$ 89,893	\$ 300,000	in process	05/02/2018
		2012	N/A	N/A	N/A	N/A	N/A	N/A	—	
		Change	N/A	N/A	N/A	N/A	N/A	N/A	—	
Ian A. Bourne ⁽³⁾	2009	2013	5,000	11,803	\$ 564,065	16,803	\$ 803,015	\$1,200,000	in process	05/02/2018
		2012	5,000	6,992	\$ 281,917	11,992	\$ 483,517	\$ 300,000	yes	
		Change	0	4,811	\$ 282,148	4,811	\$ 319,498	\$ 900,000	—	
Robert G. Card ⁽⁴⁾	2012	2013	27,300	N/A	N/A	27,300	\$ 1,304,667	\$4,725,000	in process	10/01/2017
		2012	27,300	N/A	N/A	27,300	\$ 1,100,736	\$4,500,000	in process	
		Change	0	N/A	N/A	0	\$ 203,931	None	—	
David Goldman	2002	2013	21,000	16,426	\$ 784,999	37,426	\$ 1,788,589	\$ 300,000	yes	03/01/2007
		2012	21,000	15,278	\$ 616,009	36,278	\$ 1,462,729	\$ 300,000	yes	
		Change	0	1,148	\$ 168,990	1,148	\$ 325,860	None	—	
Patricia A. Hammick	2007	2013	0	11,831	\$ 565,403	11,831	\$ 565,403	\$ 300,000	yes	01/01/2012
		2012	0	9,313	\$ 375,500	9,313	\$ 375,500	\$ 300,000	yes	
		Change	0	2,518	\$ 189,903	2,518	\$ 189,903	None	—	
Lise Lachapelle	2013	2013	0	1,881	\$ 89,893	1,881	\$ 89,893	\$ 300,000	in process	05/02/2018
		2012	N/A	N/A	N/A	N/A	N/A	N/A	—	
		Change	N/A	N/A	N/A	N/A	N/A	N/A	—	
Pierre H. Lessard	1998	2013	37,000	19,521	\$ 932,909	56,521	\$ 2,701,139	\$ 300,000	yes	10/30/2003
		2012	37,000	18,306	\$ 738,098	55,306	\$ 2,229,938	\$ 300,000	yes	
		Change	0	1,215	\$ 194,811	1,215	\$ 471,201	None	—	
Edythe A. Marcoux	1998	2013	14,500	13,915	\$ 664,998	28,415	\$ 1,357,953	\$ 300,000	yes	10/30/2003
		2012	14,500	12,968	\$ 522,870	27,468	\$ 1,107,510	\$ 300,000	yes	
		Change	0	947	\$ 142,128	947	\$ 250,443	None	—	
Lorna R. Marsden	2006	2013	2,000	15,218	\$ 727,268	17,218	\$ 822,848	\$ 300,000	yes	05/04/2011
		2012	2,000	12,627	\$ 509,121	14,627	\$ 589,761	\$ 300,000	yes	
		Change	0	2,591	\$ 218,147	2,591	\$ 233,087	None	—	
Claude Mongeau	2003	2013	15,000	28,758	\$1,374,345	43,758	\$ 2,091,195	\$ 300,000	yes	08/08/2008
		2012	15,000	24,945	\$1,005,782	39,945	\$ 1,610,582	\$ 300,000	yes	
		Change	0	3,813	\$ 368,563	3,813	\$ 480,613	None	—	
Gwyn Morgan	2005	2013	31,000	44,600	\$2,131,434	75,600	\$ 3,612,924	\$1,200,000	yes	03/04/2010
		2012	31,000	41,174	\$1,660,136	72,174	\$ 2,910,056	\$1,200,000	yes	
		Change	0	3,426	\$ 471,298	3,426	\$ 702,868	None	—	
Michael D. Parker	2010	2013	9,100	10,620	\$ 507,530	19,720	\$ 942,419	\$ 300,000	yes	07/07/2015
		2012	9,100	7,195	\$ 290,102	16,295	\$ 657,014	\$ 300,000	yes	
		Change	0	3,425	\$ 217,428	3,425	\$ 285,405	None	—	
Alain Rhéaume	2013	2013	0	1,881	\$ 89,893	1,881	\$ 89,893	\$ 300,000	in process	05/02/2018
		2012	N/A	N/A	N/A	N/A	N/A	N/A	—	
		Change	N/A	N/A	N/A	N/A	N/A	N/A	—	
Chakib Sbiti	2012	2013	0	3,293	\$ 157,372	3,293	\$ 157,372	\$ 300,000	in process	11/02/2017
		2012	0	646	\$ 26,047	646	\$ 26,047	\$ 300,000	in process	
		Change	0	2,647	\$ 131,325	2,647	\$ 131,325	None	—	
Eric D. Siegel	2012	2013	0	6,265	\$ 299,404	6,265	\$ 299,404	\$ 300,000	in process	01/01/2017
		2012	0	2,934	\$ 118,299	2,934	\$ 118,299	\$ 300,000	in process	
		Change	0	3,331	\$ 181,105	3,331	\$ 181,105	None	—	
Lawrence N. Stevenson	1999	2013	30,750	16,201	\$ 774,246	46,951	\$ 2,243,788	\$ 300,000	yes	08/06/2004
		2012	30,750	13,590	\$ 547,949	44,340	\$ 1,787,789	\$ 300,000	yes	
		Change	0	2,611	\$ 226,297	2,611	\$ 455,999	None	—	
Total Board 2013		2013	192,650	204,094	\$9,753,652	396,744	\$18,960,395			
Total Board 2012		2012	192,650	165,968	\$6,691,830	358,618	\$14,459,478			
Change from 2012		Change	0	38,126	\$3,061,822	38,126	\$ 4,500,917			

Notes:

- The price of a Common Share of the Corporation as at December 31, 2012 was \$40.32 and as at December 31, 2013 was \$47.79, 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 five trading days immediately prior to such date calculated at the end of each quarter.
- The minimum shareholding requirement for the President and CEO is equal to five times his annual base salary and, therefore, will fluctuate yearly based on salary changes.
- Mr. Bourne was elected Chairman of the Board on May 2, 2013. His Director Shareholding Requirement was therefore increased from \$300,000 to \$1,200,000. The date at which his minimum shareholding requirement is to be met was also changed accordingly.
- As an employee Director, Mr. Card does not participate in the D-DSUP. For further details regarding the securities held by Mr. Card and total compensation, as well as his minimum shareholding requirement as President and CEO, see Sections 7 and 8 of this Management Proxy Circular.

4.12 Total Directors' Compensation – Detailed Review of Total Direct Compensation of Non-Employee Directors in 2013-

DIRECTOR DETAILED COMPENSATION TABLE FOR 2013																						
Name	ANNUAL RETAINER						ATTENDANCE FEES				OTHER		TOTAL									
	Award Directors: \$55,000 Chairman of the Board: \$225,000			Lump Sum Directors: \$86,000 Board: \$120,000			Dividend Equivalents		Additional Annual Retainer for Committee Chairs (excl. Board Chairman)		Committee Meetings Attendance Fees ⁽¹⁾⁽²⁾		Board Meetings Attendance Fees ⁽²⁾		All Other Compensation ⁽³⁾ (Paid in Cash)		Total Fees Earned (Paid in Cash)		Total D-DSUs Credited ("At Risk Compensation")		Value of Total Compensation	
	Paid in cash		Credited in D-DSUs	Credited in D-DSUs		Credited in D-DSUs		Paid in cash		Paid in cash		Paid in cash		Paid in cash		Paid in cash		Paid in cash		Paid in cash		
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)		(u)
J. Bougie ⁽⁵⁾	\$18,160	412	\$18,160	1,458	\$64,500	11	\$429	—	—	\$34,450	\$17,775	—	—	\$70,385	1,881	\$83,089	\$153,474					
I.A. Bourne ⁽⁴⁾	\$91,250	2,072	\$91,250	2,548	\$111,500	191	\$8,046	\$5,333	—	\$37,925	\$16,975	—	—	\$151,483	4,811	\$210,796	\$362,279					
D. Goldman ⁽⁸⁾	\$13,940	111	\$4,647	685	\$29,061	352	\$14,819	\$4,667	—	\$22,450	\$6,700	\$5,000	—	\$52,757	1,148	\$48,527	\$101,284					
P.A. Hammick ⁽⁴⁾	\$41,250	318	\$13,750	1,972	\$86,000	228	\$9,594	\$10,667	—	\$29,725	\$18,250	—	—	\$99,892	2,518	\$109,344	\$209,236					
L Lachapelle ⁽⁶⁾	\$18,160	412	\$18,160	1,458	\$64,500	11	\$429	—	—	\$18,175	\$16,050	—	—	\$52,385	1,881	\$83,089	\$135,474					
P.H. Lessard ⁽⁸⁾	\$13,940	111	\$4,647	685	\$29,061	419	\$17,630	—	—	\$3,000	\$5,775	\$5,000	—	\$27,715	1,215	\$51,338	\$79,053					
E.A. Marcoux ⁽⁸⁾	\$13,940	111	\$4,647	685	\$29,061	151	\$6,257	\$4,667	—	\$14,600	\$6,700	\$5,000	—	\$44,907	947	\$39,965	\$84,872					
L.R. Marsden	\$41,250	318	\$13,750	1,972	\$86,000	301	\$12,668	—	—	\$10,275	\$18,950	—	—	\$70,475	2,591	\$112,418	\$182,893					
C. Mongeau	—	1,262	\$55,000	1,972	\$86,000	579	\$24,488	—	—	\$15,125	\$20,100	—	—	\$35,225	3,813	\$165,488	\$200,713					
G. Morgan ⁽⁴⁾⁽⁸⁾	—	1,790	\$76,031	685	\$29,061	951	\$40,205	—	—	\$3,000	\$3,700	\$5,000	—	\$11,700	3,426	\$145,297	\$156,997					
M.D. Parker ⁽⁴⁾	—	1,262	\$55,000	1,972	\$86,000	191	\$8,022	\$3,333	—	\$25,750	\$18,250	—	—	\$47,333	3,425	\$149,022	\$196,355					
A. Rhéaume ⁽⁷⁾	\$18,160	412	\$18,160	1,458	\$64,500	11	\$429	—	—	\$25,800	\$16,050	—	—	\$60,010	1,881	\$83,089	\$143,099					
C. Shit ⁽⁴⁾	\$27,500	633	\$27,500	1,972	\$86,000	42	\$1,685	—	—	\$21,250	\$18,600	—	—	\$67,350	2,647	\$115,185	\$182,535					
E.D. Siegel	—	1,262	\$55,000	1,972	\$86,000	97	\$4,069	\$3,333	—	\$34,525	\$20,675	—	—	\$58,533	3,331	\$145,069	\$203,602					
L.N. Stevenson	\$41,250	318	\$13,750	1,972	\$86,000	321	\$13,561	\$8,000	—	\$15,000	\$20,675	—	—	\$84,925	2,611	\$113,311	\$198,236					
TOTAL	\$338,800	10,804	\$469,452	23,466	\$1,023,244	3,856	\$162,331	\$40,000	—	\$311,050	\$225,225	\$20,000	—	\$935,075	38,126	\$1,655,027	\$2,590,102					

Notes:

- (1) Includes fees paid to Mr. Bourne, Dr. Hammick and Mr. Siegel as members of a working group, and to Mr. Bourne, Mr. Bougie, Dr. Hammick and Mr. Siegel as members of a non-standing committee, each of which were created to deal with certain ad-hoc matters.
- (2) Includes fees paid to all Directors for special meetings.
- (3) Includes a donation of \$5,000 made by the Corporation in the name of Mrs. Marcoux and each of Messrs. Goldman, Lessard and Morgan to a charity of their choice upon their retirement from the Board of Directors of the Corporation on May 2, 2013, totaling \$20,000.
- (4) Directors who are required to travel more than three hours to attend Board and Board Committee meetings are paid \$1,500 per meeting, totaling \$45,000 in 2013.
- (5) The 2013 value of total compensation includes Mr. Bougie's compensation since May 2, 2013 as he joined the Board as a Director on May 2, 2013 and attended various meetings as part of his Director orientation program (for further details regarding the Corporation's Director orientation program, see Section 5.3 of this Management Proxy Circular).
- (6) The 2013 value of total compensation includes Mrs. Lachapelle's compensation since May 2, 2013 as she joined the Board as a Director on May 2, 2013 and attended various meetings as part of her Director orientation program (for further details regarding the Corporation's Director orientation program, see Section 5.3 of this Management Proxy Circular).
- (7) The 2013 value of total compensation includes Mr. Rhéaume's compensation since May 2, 2013 as he joined the Board as a Director on May 2, 2013 and attended various meetings as part of his Director orientation program (for further details regarding the Corporation's Director orientation program, see Section 5.3 of this Management Proxy Circular).
- (8) Directors who did not stand for re-election at the May 2, 2013 Annual and Special Meeting of the Shareholders.

Section 5 **SELECTION, ASSESSMENT, ORIENTATION AND ONGOING EDUCATION OF DIRECTORS**

44 **Director Selection**

- Board succession planning is provided in a detailed chart
- Skills Matrix is used in the selection process and succession planning
- Election of Directors on an annual basis
- External consultants may be used by Directors in this process
- Average tenure of Board members is 5.8 years
- Mandatory retirement policy for Directors is the earlier of: the date on which he/she attains age 72 or the 15th anniversary of his/her initial election to the Board

46 **Director Assessment**

- Assessment tools and processes are outlined in a detailed chart
- Three separate evaluation tools are available
- Assessments are performed annually

47 **Director Orientation**

- Program in place includes orientation documentation supplied upon appointment

48 **Ongoing Director Education**

Section 5

SELECTION, ASSESSMENT, ORIENTATION AND CONTINUING EDUCATION OF DIRECTORS

5.1 Director Selection

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 “Board Succession Planning” of the mandate of the Governance and Ethics Committee, the Governance and Ethics Committee exercises independent judgment and recommends to the Board suitable candidates for appointment.

5.1.1 Annual Process

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.

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 CBCA,
- 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 laws,
- Assess independence of each nominee and address concerns, if any,
- Select nominees, and
- Recommend the election of nominees to the shareholders.

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 2013 in the Board’s decision to add three additional members to the Board following the retirement of Mrs. Marcoux and Messrs. Goldman, Lessard and Morgan. The candidates chosen as a result of the succession planning that ensued were Mrs. Lachapelle and Messrs. Bougie and Rhéaume.

1. REVIEW AND ASSESS

Governance and Ethics Committee reviews and assesses the balance of skills, knowledge and experience already existing on the Board.

2. IDENTIFY

Identifies any skills, knowledge and experience not adequately represented on the Board.

3. DETERMINE

Determines how Board performance might be enhanced, both at an individual Director level and for the Board as a whole.

4. RECOMMEND

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.

5.1.3 Skill Requirements

The Governance and Ethics Committee's mandate provides for the establishment and update of a Skills Matrix, which is a table of industry-specific experience, business expertise and individual qualifications of Directors in relation to the Board's specific skill set 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 and in the table below.

SKILLS MATRIX											
1. INDUSTRY-SPECIFIC EXPERIENCE											
	Jacques Bougie	Ian A. Bourne	Robert G. Card	Patricia A. Hammick	Lise Lachapelle	Claude Mongeau	Michael D. Parker	Alain Rhéaume	Chakib Sbiti	Eric D. Siegel	Lawrence Stevenson
Natural Resources and Energy	✓	✓	✓	✓	✓		✓	✓	✓		
Manufacturing and Processing	✓	✓	✓	✓	✓		✓	✓	✓		
Engineering and Construction			✓				✓				
Retail Business								✓			✓
Transportation	✓					✓					
Public Sector Administration	✓	✓	✓		✓			✓		✓	
Financial Services	✓	✓			✓	✓				✓	✓
2. BUSINESS EXPERTISE											
Strategy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Risk Management		✓	✓		✓		✓	✓	✓	✓	✓
Governance	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
International Experience	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Health, Safety and Sustainability	✓	✓	✓		✓		✓		✓		
Public Policy	✓	✓	✓	✓	✓	✓	✓	✓		✓	
Accounting		✓		✓		✓		✓		✓	✓
Finance	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
Operations	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
CEO / Senior Executive Role	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Human Resources and Industrial Relations	✓	✓	✓			✓	✓	✓	✓	✓	✓
Technology / I.T.	✓		✓						✓		
Project Management			✓					✓			
3. INDIVIDUAL QUALIFICATIONS REQUIRED FOR ALL NOMINEES											
Integrity, honesty and the ability to generate public confidence and maintain the goodwill and confidence of the Corporation's shareholders											
Sound business judgment											
Independence of mind											
Capability and willingness to travel, to attend and contribute to Board functions on a regular basis											
Any other eligibility criteria deemed applicable by the Governance and Ethics Committee in relation to independence, affiliation and absence of conflicts of interest											

5.1.4 External Consultant

The Governance and Ethics Committee's mandate also specifies that it may engage outside independent advisors to, among others, identify candidates for membership to the Board and establish the terms for retaining such advisors and determine the appropriate compensation. Beginning in December 2013, the Board retained an external consultant to assist it in the Board renewal process.

5.1.5 Director Tenure, Term and Retirement

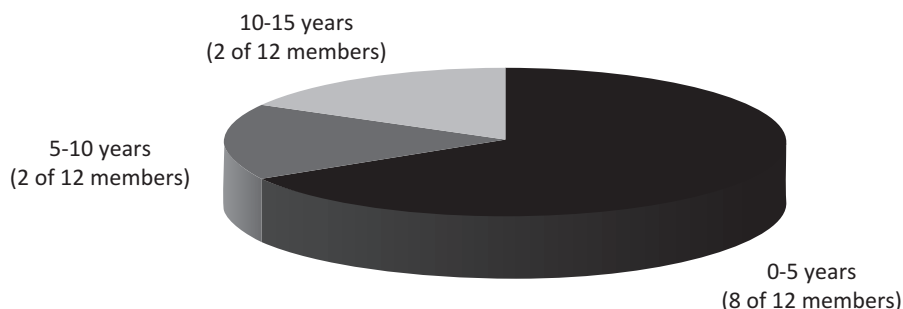
The Board has set the following term and retirement requirements for its Directors:

INDEPENDENT DIRECTOR TERM AND RETIREMENT REQUIREMENTS

- The term of office of each Director expires upon the election of his/her successor unless he/she resigns his/her office or his/her office becomes vacant by death, removal or other cause.
- A Director is no longer eligible for re-election at the 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.

The above requirements do not apply to the President and CEO of the Corporation, who shall leave the Board upon his/her ceasing to be President and CEO. 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.

The following chart indicates the number of years the Directors have dedicated to the Corporation's Board as at March 18, 2014:



The average tenure of Directors on our Board is 5.8 years.

5.1.6 Majority Voting Policy

The Board has adopted a Majority Voting Policy¹ under which, in an uncontested election of Directors, any nominee who receives a greater number of "withheld" than "for" votes will tender his/her resignation to the Chairman of the Board promptly following the Annual Meeting of Shareholders of the Corporation.

5.2 Director Assessment

The Board has a formal process of performance evaluation of the Board, its Committees and Committee Chairs, 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 include, among others, the effectiveness of the Board and its Committees, Board-related operational issues, preparation for and performance at meetings and overall corporate governance matters and questions related to integrity and ongoing education needs. The assessment tools at the Board's disposal include discussions and performance evaluation questionnaires which 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.

For 2013, standardized forms were used for the assessment of the Board as a whole, its Committees and respective Committee Chairs as well as for the Chairman of the Board. Individual Director assessments were also conducted verbally by the Chairman and each Director at one-on-one sessions. The discussions engaged the Directors in dialogue on improvement opportunities and Board governance matters.

¹ For details on this Policy, see Section 3.11.4 of this Management Proxy Circular.

5.2.1 Assessment Tools and Process

The following chart outlines the assessment tools and processes at the Board's disposal for Board assessment purposes:

1. TOOL	2. PURPOSE	3. COMPLETION PROCEDURE	4. COMPILATION & ANALYSIS	5. TREATMENT	6. RECOMMENDATION	7. FOLLOW-UP
ANNUAL BOARD PERFORMANCE EVALUATION QUESTIONNAIRE ("ABPEQ")	Individual Directors assess entire Board. Board Committees assess themselves and their respective Chair (except for the assessment of the Chair of the Governance and Ethics Committee, which is conducted in the context of the assessment of the Chairman of the Board). This exercise is completed through an online system made available to all Directors.	Vice-President and Corporate Secretary provides Directors with access to the ABPEQ through an online evaluation system and each Director completes the ABPEQ.	Vice-President and Corporate Secretary accesses the online evaluations and compiles, analyzes and prepares summary for Chairman of the Board.	Chairman of the Board reviews ABPEQ summary table and reports to the Governance and Ethics Committee.	Governance and Ethics Committee recommends to the Board changes to the Board pursuant to the ABPEQ summary table.	Follow-up by Board / Board Committees, if any, as the case may be.
ANNUAL BOARD CHAIR PERFORMANCE EVALUATION QUESTIONNAIRE ("Questionnaire")	Individual Directors assess Chairman of the Board and members of the Governance and Ethics Committee also assess the Chair of such Committee (as the Chairman of the Board is also the Chair of the Governance and Ethics Committee). This exercise is completed through an online system made available to all Directors.	Vice-President and Corporate Secretary provides Directors, excluding the Chairman of the Board, with access to the Questionnaire through an online evaluation system, and each Director completes the Questionnaire.	Vice-President and Corporate Secretary accesses the online evaluations and compiles, analyzes and prepares summary for the Chair of the HR Committee.	Chair of HR Committee meets with Chairman of the Board to discuss results.	Chair of HR Committee and Chairman of the Board agree upon follow-up when necessary.	Follow-up by Chairman of the Board.
ANNUAL INDIVIDUAL DIRECTOR SURVEY	Individual Directors assess each other.	Chairman of the Board meets with each individual Director at one-on-one sessions.	Chairman of the Board compiles comments provided by individual Directors.	Chairman of the Board contacts individual Directors if required to discuss.	Chairman and individual Director agree upon follow-up when necessary.	Follow-up by Chairman of the Board with individual Director if required.

5.3 Director Orientation

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 and Ethics Committee that is entrusted with approving an appropriate orientation program for new Directors. Upon becoming a member of the Board, each new Director is provided with documentation relating to the Corporation's corporate governance system and its business, and meets with members of 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, one meeting of all of the five standing Board Committees, regardless of which Committee they are appointed to.

5.4 Ongoing Director Education

The Corporation and its Board of Directors recognize the importance of ensuring ongoing education and the need for the Corporation and each Director to take responsibility for this process. 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 markets, competitors, targeted investments and acquisitions as well as the regulatory environment and specialized aspects of the business are provided to Board members. Ongoing site visits by the Directors of the Corporation's facilities and operations are also used as an efficient educational tool for Directors. Directors are invited to attend all site visits organized during the year. Site visits provide Directors with direct access to construction site personnel, both employees and independent contractors employed by the Corporation's subsidiaries and affiliates, and enable Directors to ask questions regarding health, safety, security and environmental management. Visits by Directors also reinforce the Corporation's health, safety, security 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. For a list of site visits performed in 2013, see Schedule D to this Management Proxy Circular.

The Vice-President and Corporate Secretary provides Directors with up-to-date information on legislative changes, changes to governance and Board practices as well as general trends in Board governance. Directors are also informed of conferences and seminars of interest and all have access to and have had the opportunity to view conference presentations and web cast presentations from Deloitte LLP's Directors' Series.

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 to facilitate timely and efficient access to all information necessary to carry out its duties.

PROCEDURES IN PLACE TO ASSIST THE DIRECTORS IN THEIR DEVELOPMENT

- Receive reports from the President and CEO as well as members of senior management on important projects and issues related to the business,
- Directors receive materials in advance in preparation for Board and Board Committee meetings and all Directors have access to all Board Committee material,
- Obtain reports from each of the Board Committees on their work at their previous Committee meeting,
- Receive updates between Board meetings on matters that affect the Corporation's operations,
- Have full access to the Corporation's senior management, and
- All Directors are provided with a corporate membership in the Institute of Corporate Directors ("ICD").

For a list of the ongoing training, courses, conferences and education followed by the Board members in 2013, see Schedule D to this Management Proxy Circular.

Section 6

EXECUTIVE COMPENSATION – LETTER TO SHAREHOLDERS AND REPORT OF THE HR COMMITTEE

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Letter to Shareholders

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Report of the HR Committee

Section 6

EXECUTIVE COMPENSATION – LETTER TO SHAREHOLDERS AND REPORT OF THE HR COMMITTEE

6.1 Letter to Shareholders

Dear Fellow Shareholders:

The HR Committee and the Board of Directors of the Corporation believe in providing clear and comprehensive disclosure to shareholders so they may fully appreciate the nature and level of compensation paid to our executives as well as the rationale underlying our compensation decisions. In this letter, we are pleased to provide you with an overview of the Board's assessment of the Corporation's 2013 performance and how performance informed and guided our executive compensation decisions. To better align with the Corporation's evolving strategy and shareholder interests and market practices, we undertook a review of our executive incentive compensation programs during 2013. An overview of the key changes made to executive incentive compensation programs, as a result of this review, is provided below.

2013 Performance

During 2013, the Corporation made important leadership changes to materialize its growth strategy centered around three key pillars, and created a new "President" level: Resources, Environment & Water (REW) under the leadership of Neil Bruce; Infrastructure, under the leadership of Hisham Mahmoud; and, as announced in early 2014, Power, under the leadership of Alexander (Sandy) Taylor. The Corporation made other key appointments at the Executive Vice-President level during 2013 such as Alain-Pierre Raynaud as Executive Vice-President and CFO and Andreas Pohlmann as Chief Compliance Officer. The focus of the Corporation during 2013 has been on building a renewed executive team, through confirmation of internal appointments or external recruitment that will lead the development and execution of its growth strategy and industry-leading ethics and compliance standards.

During the year, our share price appreciated from \$40.32 to \$47.79, representing an 18.5% increase compared to a 9.6% appreciation for the S&P/TSX Composite Index. However, the Corporation's Net Income attributable to SNC-Lavalin's shareholders was \$35.8M or \$0.24 per share on a diluted basis, representing a decline of 88% from 2012 levels, primarily as a result of unfavorable cost reforecast on certain unprofitable legacy fixed-price contracts and European reorganization-related costs.

In addition, the Corporation has made tremendous and on-going efforts over the last two years to implement an effective ethics and compliance framework across and at all levels of its operations and management. This has culminated with the *Autorité des marchés financiers* providing authorization to the Corporation in early 2014 to contract with public authorities in the province of Quebec.

Three-Year Pay-for-Performance

As a result of the challenges encountered in 2011 and 2012, the Corporation's cumulative total return to shareholders between 2011 and 2013, including reinvestment of dividends, was -15%, compared to 11% for the S&P/TSX Composite Index. Over the same timeframe, and consistent with the Corporation's pay-for-performance philosophy, executives realized incentive payouts substantially below target. On average, the Management Incentive Plan ("MIP") payout factor between 2011 and 2013 was 71% of the target. Additionally, the performance vesting factors for Performance Share Units ("PSUs") granted in 2010 and 2011 and vesting in 2012 and 2013 respectively were nil as three-year cumulative EPS did not meet the threshold performance levels; consequently, these PSUs, which had a total grant value of approximately \$3.5 million were all cancelled and did not payout. Finally, stock options granted in two of the last five years were underwater as at the end of 2013.

2013 NEO Compensation

The Board considered the Corporation's performance and approved no payout related to the net income financial component of the 2013 MIP, as the Corporation's net income fell short of the corporate threshold performance level of \$353.7 million. In assessing overall performance against the 2013 MIP financial objectives (which carry an overall weight of two-thirds of the MIP), in addition to corporate net income, namely business unit operating income, the Corporation's aggregate SG&A (which was at slightly above target), the Board approved payout factors of 0% or 16.5% of target award for business group or corporate roles. The remaining one-third component of the MIP was assessed based on the degree of achievement of non-financial objectives.

Similarly, the Board approved no payouts of and therefore cancelled PSU awards with respect to the three-year performance period ended on December 31, 2013 (i.e. awards granted in 2011) as the Corporation failed to meet the threshold three-year cumulative EPS objective of \$8.94.

2013 President and CEO Compensation

2013 was the first full-year of service for Mr. Card. His base salary increased from \$900,000 to \$945,000. Pursuant to his employment contract, he received a stock option grant of 220% of salary (double the annual target of 110% of salary) and will not receive a stock option grant (or corresponding value) in 2014. He also received 15,589 PSUs and 22,189 additional E-DSUs in 2013 in connection with his initial sign-on awards pursuant to the terms of his employment contract.

As none of Mr. Card's PSU, E-DSU or stock option awards resulted in any payment during 2013, his actual pay realized from incentive programs was \$576,500, representing 61% of his MIP target.

Key Changes to Executive Incentive Compensation

During 2013, the HR Committee and management undertook a comprehensive review of the Corporation's executive incentive compensation programs with a view to enhancing alignment with the Corporation's evolving strategy and market practices, and simplifying the overall executive compensation offering. In particular, the following key changes took effect in 2014:

- Annual recurring grants of stock options and E-DSUs have been eliminated and an annual long-term incentive mix of a new performance share units and restricted share units has been adopted;
- Performance achievement under the new PSU Plan will be determined by the Corporation's Relative Total Shareholder Return ("**Relative TSR**") compared to a global performance comparator group of direct peers;
- Net after-tax proceeds of the new PSU Plan vested awards will need to be invested in Common Shares for those participants not having met the ownership level within the relevant time;
- The financial objectives for the 2014 MIP will be based on EBIT and Operating Cash Flow. The non-financial element will include for all participants a combination of Ethics and Compliance, Health & Safety, Security and Environment and specific objectives under the following categories: Project Execution, Business Development, Development of the Regional Model and People/Team Development.

In addition, starting in 2013, Executive Vice-President participation in the Management Stock Ownership Program has been eliminated and offset by a corresponding increase in their target MIP opportunity.

Conclusion

The HR Committee and the Board continue to monitor and ensure the Corporation's compensation programs are in line with the interests of, and feedback received from, shareholders, and provide an appropriate balance between fixed and variable compensation and risk and reward. We are confident that the coming changes to the executive compensation programs will further strengthen the link between executive compensation and shareholder value creation, demonstrating our commitment to our pay-for-performance philosophy.

On behalf of the HR Committee, we thank you for taking the time to read our disclosure, we invite you to cast your advisory vote on our approach to executive compensation, and we encourage you to engage with the Board should you have any outstanding concerns.

The Executive Compensation Discussion and Analysis included in this Management Proxy Circular elaborates on the Board and the Corporation's continuing commitment to these principles.

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

6.2 Report of the HR Committee

Members

The members of the HR Committee are: Lawrence N. Stevenson (Chairman), Jacques Bougie, Patricia A. Hammick, Lorna R. Marsden and Claude Mongeau. Each of the members of the HR Committee is independent.

Mandate¹

The HR Committee assists the Board of Directors of the Corporation in discharging its responsibilities relating to the attraction and retention of an engaged workforce to deliver on the approved strategic plan and initiatives. The HR Committee mandate includes senior officer and other targeted executive hires, assessment, total rewards and succession planning. The duties and responsibilities of the HR Committee include the following:

Senior Officers

- (a) determine the total rewards philosophy and strategy, policies, benchmarking (including peer group selection) and award levels for the President and CEO, the CFO, the Senior Executive Vice-Presidents (Group Presidents) and the Executive Vice-Presidents as determined by the Committee (hereinafter called “**Senior Officers**”) to ensure this group is appropriately incentivized and rewarded, and seek the Board’s approval for their total rewards;
- (b) annually review the list of objectives for the ensuing year, assess the performance and the management development for all Senior Officers, including the President and CEO, and seek the Board’s approval;
- (c) assist with and review the recommendation of the President and CEO for any new proposed appointment at the Senior Officer level and recommend approval by the Board (such review and approval for Executive Vice-Presidents may be conducted and provided by the Chair of the HR Committee or the Chairman of the Board);
- (d) annually review the Corporation’s succession plans for Senior Officers other than the President and CEO (see paragraph (e) below). The Committee shall monitor the progress and development of these executives in accordance with the succession plans and annually review the adequacy of the succession candidates to foster timely and effective executive continuity. The Committee shall report on these matters to the Board at least once a year;
- (e) support the Board on the President and CEO succession planning by developing succession plans for this position and reviewing and recommending these plans to the Board on an annual basis;
- (f) review the compensation section of the Corporation’s Management Proxy Circular;
- (g) review share ownership guidelines applicable to Senior Officers and annually review shareholdings of Senior Officers against these guidelines;
- (h) review and approve, as appropriate, the participation of Senior Officers, including the President and CEO, on boards of directors of unrelated for-profit corporations and/or non-profit boards requiring significant commitments;

Programs

- (i) supervise the operations of programs, including the short-term and long-term incentive plans as they relate to Senior Officers, executives and other employees, including the review and approval by the Board of the plans (or amendments thereof), awards, payouts and setting of applicable performance objectives and vesting criteria;
- (j) review on a periodic basis the Corporation’s pension plans investment performance, funding status and overall administration;

Human Resources

- (k) periodically review personnel strategies and programs for identifying, developing and retaining talent, and engaging the personnel of the Corporation and its subsidiaries;
- (l) review recommendations regarding any other topics related to the major aspects of management of human resources, including organizational structure and review of general employee information, within the Corporation and its subsidiaries;
- (m) review recommendations regarding Human Resources company-wide systems;
- (n) monitor the management development programs of the Corporation and its subsidiaries;
- (o) ensure through reasonable means that human resources risks are identified and that the measures to mitigate and manage such risks are implemented;

¹ For a complete copy of the HR Committee mandate, see the Corporation’s website at www.snclavalin.com, under “About Us”/“Governance”.

- (p) assess the appropriateness of total rewards relative to actual business performance and business risks undertaken to ensure the current programs and practices do not incentivize undue risk-taking. This is done by reviewing: 1) ethics and compliance reports, 2) scenario and/or back testing analysis for executive total rewards plans, and 3) direction from the Project Risk Review, Audit, Governance and Ethics, and Health & Safety, Security and Environment Committees on any current and future risks that should impact total rewards decisions;
- (q) review quarterly HR-related sections of the overall Ethics and Compliance reports and monitor progress against agreed action plan; and

Advisors

- (r) review and pre-approve annually the schedule of services and fees the Corporation plans to ask the compensation consultants to render in the upcoming year, as presented to the Committee by management, and ensure that the independence of the compensation consultants is maintained.

The HR Committee is authorized to:

- Engage, at its sole discretion, legal counsel and other advisors to help it fulfill its mandate; and
- Approve the retention terms, supervise the work and set the compensation of such legal counsel and advisors.

Given the increased complexity of compensation, the Committee ensures it has a clear understanding of the link between the Corporation's financial performance and compensation and has the necessary degree of financial literacy to apply this knowledge to the review of executive compensation plans. In 2013, in order to comply with continuous disclosure obligations and as part of the Directors' annual credential review, members of the HR Committee were asked to provide information with respect to their experience, level of education and skill in the fields of human resources and executive compensation. This review confirmed that Committee members possess a broad range of skills related to human resource management and executive compensation, as detailed below:

- **Mr. Jacques Bougie** has extensive experience in human resources and compensation matters acquired during his career as President and CEO of Alcan Inc. from 1993 to 2001. He has sat on the Human Resources Committee of six companies over the past 25 years, including that of AbitibiBowater Inc. (formerly Abitibi-Consolidated Inc. and now Resolute Forest Products Inc.) from 2004 to 2010.
- **Dr. Patricia A. Hammick** has experience in overseeing various executive human resources matters. She is a former Senior Vice-President of Columbia Energy Group and Vice-President of Natural Gas Supply Association. Dr. Hammick has extensive experience in hiring, retention plans, performance reviews, compensation and benefits programs. She has also attended various executive education programs, was Chairman of the Board, 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.
- **Dr. Lorna R. Marsden** has 30 years of experience negotiating and assessing contracts of senior executives. She 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 the federal and provincial level. Dr. 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. Claude Mongeau** has experience in overseeing various executive human resources matters. He is presently the President and CEO of Canadian National Railway Company ("CN"), a publicly traded company with over 21,000 employees in Canada and in the U.S. Prior to that, he held the position of Executive Vice-President and CFO of CN from 2000 until his appointment as President and CEO on January 1, 2010. Before joining CN, Mr. Mongeau was a partner with Groupe SECOR, a Montreal-based management-consulting firm providing strategic advice to large Canadian corporations.
- **Mr. Lawrence N. Stevenson** has extensive experience in human resources and compensation matters acquired during his career as President and CEO of three publicly traded companies. He has sat on the Human Resources Committee of Sobeys Inc. and CAE Inc. With respect to the latter, Mr. Stevenson acted as the Chairman of its Human Resources Committee until August 2013. Mr. Stevenson has served and continues to serve as the Chairman of the Board of a number of Callisto Capital's private portfolio companies.

The mandate of the HR Committee provides for at least one member to sit on both the HR Committee and the Audit Committee in order to monitor and maintain the link between pay and performance, both financial and individual, and thus mitigate compensation related risks. Dr. Patricia A. Hammick and Mr. Claude Mongeau are currently members of both the HR and Audit Committees.

Advice on Compensation

In 2013, the HR Committee retained the services of Hugessen Consulting Inc. (“**Hugessen**”), a consulting firm which has provided the HR Committee with independent advice on executive compensation and related governance issues since 2008. In addition, management retained the services of Towers Watson to generally advise on executive compensation benchmarking and related matters. Hugessen provided advice on compensation programs for the President and CEO, and other Senior Officers. The HR Committee reviewed and considered the information and advice provided by Hugessen and information prepared by Towers Watson, among other factors, in making its executive compensation recommendations. The Board, however, makes its final decisions with respect to executive compensation after consideration of the HR Committee’s recommendations.

Hugessen does not provide any services to the Corporation directly and the work conducted by Hugessen raised no conflicts of interest. Any services that Hugessen provides to the Corporation require pre-approval by the HR Committee.

The total amount of fees paid by the Corporation to Hugessen for its services for the year 2013 (and comparable information for 2012) is provided in the following table:

Fees Paid to Hugessen Consulting Inc. for the Years Ended December 31, 2013 and December 31, 2012		
Nature of work	2013	2012
Executive Compensation – Annual Review	\$92,895	\$74,200
All other fees:		
• Other requested HR Committee mandates outside the scope of the annual work plan	\$63,202	\$89,000
• Special non-recurring mandates relating to executive departure and hiring	\$23,000	\$148,400
Total	\$179,097	\$311,600

In 2013, Towers Watson was retained by management to provide advice on compensation design and on the appropriateness and competitiveness of compensation programs for the Corporation’s executives. In addition, Towers Watson provided other services, mainly related to supporting the Human Resources Management System, the fees for which are shown in the table that follows:

Fees Paid to Towers Watson for the Years Ended December 31, 2013 and December 31, 2012		
Nature of work	2013	2012
Executive Compensation – Related Fees	\$270,125	\$123,443
All other fees:		
• Benefits	\$47,489	\$25,484
• Global Job Classification	\$612,833	\$447,011
• On-site HR support	\$174,283	
• Human Resources Management System – Support	\$3,072,369	\$78,000
Total	\$4,177,099	\$673,938

Overview of Key Accomplishments during the Year

The HR Committee met five times in 2013, and held In Camera sessions during each regular meeting. The Committee addressed the following key matters throughout the course of 2013:

- The HR Committee considered various candidates and confirmed the appointments and the terms of employment agreements for the following positions:
 - Senior Executive Vice-President (Group President) of the Resources, Environment and Water Group: Mr. Neil Bruce;
 - Executive Vice-President and CFO: Dr. Alain-Pierre Raynaud;
 - Chief Compliance Officer: Dr. Andreas Pohlmann;
 - Senior Executive Vice-President (Group President), Infrastructure: Dr. Hisham Mahmoud;
 - Executive Vice-President, Marketing, Strategy and External Relations: Mr. Érik J. Ryan; and
 - Executive Vice-President, Oil & Gas: Mr. Terrance N. Ivers.

- Reviewed and approved salary increases and MIP Awards for 2012 (paid in 2013) and value of long-term incentive plan awards granted during 2013.
- Approved the financial metrics and targets for the calculation of the 2013 MIP.
- Reviewed and approved the performance and settlement (i.e. cancellation) of the PSU awards made in 2010.
- Approved the new 2013 Stock Option Plan and the granting of options under that plan.
- Reviewed and approved the stock option valuation model for the determination of the 2013 awards.
- Approved the amendment and restatement of the 2007, 2009 and 2011 Stock Option Plans.
- Approved the granting of RSUs under the RSUP.
- Approved the revised HR Committee Mandate.
- Approved the amended Executive Compensation Policy.
- Reviewed the Ethics and Compliance Quarterly Reports.
- Reviewed the Corporation's retirement savings programs and defined contributions plans.
- Approved changes to the Employee Share Ownership Plan.
- Approved the merger of the two defined benefit pension plans (Executive Plan and Employee Plan) of the Corporation.
- Recommended and approved the worldwide 2014 salary increase budgets.
- Reviewed and approved the PSUP.

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Section 7 EXECUTIVE CD&A

INTRODUCTION

This section outlines the compensation programs provided to the Named Executive Officers (“NEOs”). For 2013, the NEOs were Robert G. Card, President and CEO, Alain-Pierre Raynaud, Executive Vice-President and CFO, Gilles Laramée, former Executive Vice-President and CFO, Neil Bruce, Senior Executive Vice-President (Group President), Resources, Environment and Water, Hisham Mahmoud, Senior Executive Vice-President (Group President), Infrastructure, and Andreas Pohlmann, Chief Compliance Officer.

All of our NEOs participate in some or all of the Corporation’s executive compensation plans which are available to members of the Executive Committee, as described below.

- **Members of the Executive Committee**

The members of the Executive Committee are responsible for delivering on commitments made to shareholders, setting the strategic direction for the Corporation, monitoring delivery of performance against target and setting policies and common operating procedures. As at December 31, 2013, the Executive Committee was comprised of ten members, including the President and CEO, the Group Presidents, the Executive Vice-President and CFO, the Executive Vice-President, Global Operations and the functional leaders.

7.1 Executive Compensation Policy

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

- Being aligned with the overall Corporation and business groups’/units’ goals and key performance measures and by strengthening profitable 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.

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 compensation levels aimed at market median for target results, which reflect the role of the incumbent and the responsibilities of the job and which are in line with market practices for comparable positions in the industry.

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

7.2 Alignment of Executive Compensation and Risk

The HR Committee annually reviews the application of the Executive Compensation Policy to ensure it remains appropriately aligned to support its stated objectives. Following past reviews, the HR Committee has made adjustments to the Executive Compensation Policy to strengthen the link between pay and performance and introduce measures to mitigate compensation risk.

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 encourage behaviour directed to increase long-term shareholder value while limiting or eliminating 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 Corporation's compensation programs include safeguards to mitigate risk as follows:

- **Independent Advisor** - The HR Committee uses the services of an executive compensation advisor independent from the compensation advisors hired by management.
- **Balanced Compensation Mix** - The Corporation offers multiple incentive programs to its executives which have a blend of both short and long-term components. In addition, the incentive programs use different financial metrics or are share price and time-based.
- **Equity-Based Awards** - The Corporation offers a balanced mix of security awards in the form of stock options, RSUs, PSUs and E-DSUs.
- **Succession Planning** - Typically, sessions are held at least once 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 two times target to provide upper payout boundaries. The components of the program include both a financial performance factor and a non-financial performance factor that are cumulative.
- **PSUP** - The multiplier used to determine the payout under the PSUP is based on three-year cumulative earnings per share. The number of vested PSUs is capped at two times the target.
- **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** - The President and CEO is subject to a minimum share ownership requirement for one year following retirement.
- **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;
 - 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 President and CEO's Executive Employment Agreement provides that, in certain circumstances, the Corporation may demand the return of any performance-based compensation awarded, if it is later determined that such compensation was in fact accorded, in whole or in part, on the basis of factual or financial information which turns out to be false or substantially inaccurate due to the officer's wilfully misleading conduct or through his negligence.

- **Share Ownership Guidelines** - The Corporation believes that share ownership by Senior Officers contributes to the Corporation's success. Accordingly, the Corporation requires that its Senior Officers hold, within five years of appointment, Common Shares having a minimum total value as presented in the following table and continue to hold such Common Shares throughout their employment. The share ownership requirements are indicated in the table below:

Share Ownership Requirements ⁽¹⁾		
Executive	During employment	Post-employment
President and CEO	Five times annual base salary	One year
Senior Executive Vice-Presidents (Group Presidents)	Three times annual base salary	n/a
Executive Vice-Presidents	Two times annual base salary	n/a

Note:

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

The value of the share ownership requirement is determined as the greater of either:

- The actual cost incurred in buying Common Shares plus the market value of all Common Shares represented by vested share units not redeemed under the E-DSUP and former PSUP; or
- The market value of all Common Shares then held and all Common Shares represented by vested share units not redeemed under the E-DSUP and former PSUP.

For the 2013 Stock Option Plan, if the share ownership requirement is not met at the time of exercising the options, there is a requirement to hold (and a prohibition to sell) underlying shares equivalent to at least 25% of the after-tax gain resulting from such exercise until the requirement is met. This holding percentage is 100% for the other stock option plans.

The following table summarizes the required ownership levels of each NEO that remained in the employment of the Corporation as at December 31, 2013. All are currently in the five-year process to meet the ownership requirement.

Name	Required Ownership Levels	Ownership Requirement	Shares Held ⁽¹⁾	Value as at December 31, 2013 ⁽²⁾	Meets Requirements
Robert G. Card	5 x annual base salary	\$4,725,000	46,804	\$2,236,763	In process
Neil Bruce	3 x annual base salary	\$2,400,000	2,218	\$105,998	In process
Hisham Mahmoud	3 x annual base salary	\$2,165,262 ⁽³⁾	8,363	\$399,668	In process
Alain-Pierre Raynaud	2 x annual base salary	\$950,000	823	\$39,331	In process
Andreas Pohlmann	Not required ⁽⁴⁾	-	-	-	-

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, 2013 was based on a closing share price of \$47.79.
(3) Based on salary converted to CAD using a monthly average exchange rate of 1 USD = 1.03108 CAD.
(4) Dr. Pohlmann does not participate in the long-term incentive plan of the Corporation and as such is not required to meet ownership levels.

7.3 President and CEO Succession Planning

In the course of its work, the Board works with the support of the HR Committee and gives full consideration to the President and CEO succession planning process. This process takes into consideration the challenges and opportunities facing the Corporation and the evolving skills and expertise needed from the President and CEO.

Moreover, as part of its mandate, the HR Committee is responsible for succession planning for all Senior Officers and adjusts its strategy to develop talent as required.

7.4 Year-end Executive Compensation Decision-Making Process

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.



The Corporation went through a significant restructuring during 2013 which resulted in the creation and definition of new roles and related recruitment at the Senior Officer level. Given all of the changes and the fact that roles and responsibilities of positions referred to above were changed and confirmed throughout the year, the Corporation did not conduct any benchmarking of its executive compensation in 2013.

7.5 Executive Compensation Benchmarking and Positioning

The following table presents the positioning of each compensation component under the Executive Compensation Policy in comparison to the Comparator Group:

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

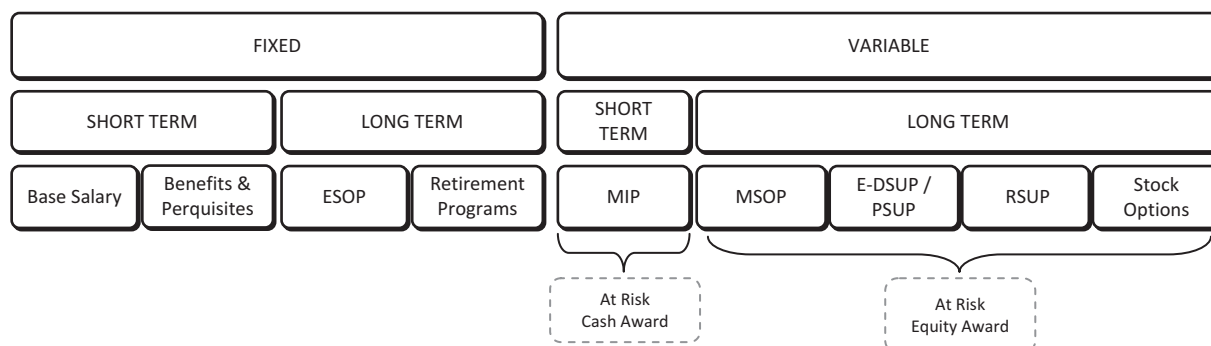
The Comparator Group is reviewed from time to time by the HR Committee to ensure it represents the most appropriate and reliable sample possible. During these reviews, the HR Committee verifies that companies already included in the Comparator Group continue to meet the selection criteria and may remove and/or select new companies, as required, following changes in data. The last review occurred in 2012 when the HR Committee decided to modify the Comparator Group for the annual executive compensation benchmarking study to include companies whose market capitalization and total enterprise value were closer to those of the Corporation.

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

- Publicly traded company,
- Annual revenues greater than \$2.75 billion,
- Market capitalization between \$4 billion and \$16 billion,
- Total enterprise value between \$4.5 billion and \$18 billion, and
- Industrial sectors where the Corporation competes for talent.

7.6 Components of the Executive Compensation Programs

The Corporation's Executive Compensation Policy's programs are classified under two components: fixed and variable (or at-risk). The fixed component includes base salary, benefits and perquisites, the ESOP and retirement programs. The variable (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 Option plan, RSUP, a Corporation-matched MSOP, the E-DSUP and the PSUP.



The following table lists the 2013 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	One year	Based on market competitiveness. Reflects level of responsibility, skills and experience.	X		Retention.
Benefits (group life and health insurance program) and Perquisites	One year	Based on market competitiveness.	X		Retention.
ESOP	Three years	Based on market competitiveness.		X	Encourage share ownership and align interests with shareholders.
Retirement Programs: ➤ EMRIP has been closed to new entrants since 2002 OR ➤ Harvest Plus	Benefit accrues annually	Based on market competitiveness.		X X	Retention.
VARIABLE (at-risk)					
MIP (non-equity incentive plan)	One year	Cash bonus based on combination of financial and non-financial performance.	X		Reward the individual's contribution to the performance of the business group/ unit and the Corporation.

7.6.1 Base Salary

Executive salaries are targeted to align with the median of 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 Senior Officers is reviewed by the HR Committee during the first quarter of each calendar year.

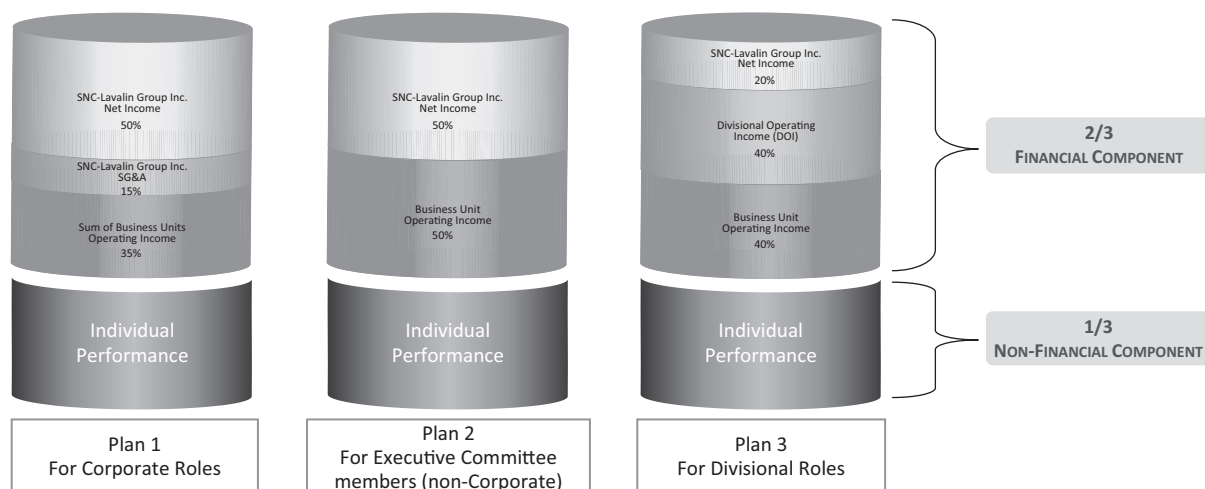
7.6.2 MIP

The objective of the MIP is to provide performance-related rewards to key employees who make a significant contribution to the success of the Corporation. It also rewards those participants who reach strategic milestones and short-term operational goals. The MIP is linked to the Corporation's performance, Business Unit and/or Divisional operational performance as well as individual performance. All awards made under the MIP are paid in cash.

In 2013, in order to create a stronger alignment with strategic objectives, the performance metrics used to calculate the award were modified as follows:

- For corporate roles, the inclusion of corporate Selling, General and Administrative ("SG&A") expenses
- For divisional roles, the inclusion of the business unit operating income

The MIP is comprised of three plans designed to recognize different contributions to results:



Individual goals are set and performance is assessed in accordance with the strategic pillars shown in the next section.

In any given year, depending on performance, the calculated award paid varies from zero to two times the target bonus as outlined in the following table:

	Below Threshold	Target MIP Award as a % of Base Salary	Maximum Bonus ¹ as a % of Base Salary (Twice the Target Bonus)
President and CEO	0%	100%	200%
Executive Vice-President and CFO; Chief Compliance Officer	0%	60%	120%
Other NEOs and members of the Executive Committee	0%	75% ²	150%

Notes:

- (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.
- (2) In 2013, the target MIP was increased for select executives from 60% to 75% following the decision to cease making awards under the MSOP. However, new members of the Executive Committee may have their target MIP set at 60%.

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.

On an annual basis, the Board approves financial objectives and thresholds at which no bonus, target bonus, and maximum bonus (two times the target bonus) will be paid under the MIP.

7.6.2.1 2013 MIP Objectives

Financial Component

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 than the individual component.

For 2013, the overall corporate financial objectives and results were as follows:

	Threshold	Target	Maximum	2013 Actual Result
Corporate Net Income (in '000s) ⁽¹⁾	\$353,740	\$416,165	\$478,590	\$36,384
SG&A (in '000s)	\$977,383	\$849,898	\$722,413	\$836,588

Note:

(1) Before non controlling interests.

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

The corporate SG&A factor was 110% as the result was slightly above the target objective.

For each financial objective, the threshold level must be obtained in order for a bonus related to such objective to be paid. Bonuses are paid at up to two times the target percentage when all performance measures corresponding to the maximum targets are achieved or surpassed. Bonus payouts are interpolated for intermediate results.

Non-Financial Component

The individual performance of each NEO is determined based on the achievement of personal objectives. Each NEO is assessed on five competencies and has personal objectives that support the Corporation's strategic pillars.

Strategic Pillars	Competencies
<ul style="list-style-type: none"> Top Executives & Project Directors Bench Strength Business Operating Model Cultural Change Drivers Employee Engagement Talent Sourcing Learning and Development 	<ul style="list-style-type: none"> Business Excellence Client Focus People Focus Growth and Change Social Responsibility

The HR Committee assesses the individual performance of the President and CEO, and upon the recommendation of the President and CEO evaluates the individual performance of the other NEOs and other members of the Executive Committee based on the above criteria. An overall score ranging from one to five is assigned and then used to determine the individual performance factor to calculate the non-financial component of the MIP award.

Mr. Robert Card received a MIP award of \$576,500 representing 61% of target. The overall corporate income results as well as the sum of all Business units operating income results were below threshold. However, as mentioned above, the SG&A result was slightly above target. These financial results, combined with the Board's evaluation of the non-financial performance at "Exceeds Expectations" translated into a factor of 0.61.

Dr. Alain-Pierre Raynaud received a guaranteed MIP award for 2013 of \$167,096 (as per his employment agreement, amount prorated as per the duration worked during 2013).

Mr. Neil Bruce received a MIP award of \$300,000 representing 50% of target. The overall corporate income results as well as the sum of his Business Units operating income results were below threshold. These results, combined with a non-financial performance evaluation at “Exceeds Expectations” translated into a factor of 0.50.

Dr. Hisham Mahmoud received a MIP award of \$39,078 representing 33% of target. The overall corporate income results as well as the sum of his Business Units operating income results were below threshold. The non-financial objectives were evaluated as “Meets Expectations”, therefore the bonus factor was set at 0.33. The bonus was prorated for the duration of work during 2013.

Dr. Andreas Pohlmann received a MIP award of \$726,044 representing 150% of target. Dr. Pohlmann’s MIP award is strictly based on the attainment of objectives related to his role as Chief Compliance Officer (evaluated at “Exceeds Expectations”) and therefore not subject to corporate results.

7.6.3 Long-term Incentive Compensation

This section presents the long-term incentive plans as they applied during 2013. As stated in Section 7.6.3.7, some changes have been approved and will take effect in 2014.

7.6.3.1 PSUP

The purpose of the PSUP is to align executive compensation with 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 the three-year cumulative EPS. No cash payment is made before the vesting date, increasing the level of compensation directly linked to long-term (three-year) performance.

Grant date value	<ul style="list-style-type: none"> 25% - 60% 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 a notional value equivalent to the greater of either the average closing price of the Common Shares for the five business days following the date of grant, or the closing price of the Common Shares on the fifth business day following the date of grant. This methodology is consistent with the approach used when granting E-DSUs.
Vesting date	<ul style="list-style-type: none"> PSUs fully vest at the end of the third calendar year following the date of grant.
Value of vested units	<ul style="list-style-type: none"> At the vesting date, the number of units granted shall be adjusted by a payout multiplier ranging between zero and two times the target based on the three-year cumulative EPS. The redemption price is based on the average closing price per share at the vesting date and the four trading days preceding such date.
Termination provisions	<ul style="list-style-type: none"> In the event of death, retirement (defined as age 55 with ten years of service), long-term disability, or termination without cause by the Corporation, all granted PSUs vest immediately (pro-rata applied in the case of termination without cause). However, payment shall reflect the performance until the end of the year and be made following that year. For the President and CEO, retirement is defined as age 65 with five years of service, whereas for the Senior Executive Vice-President (Group President), Resources, Environment and Water, retirement is defined as five years of service. 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 in control, PSUs fully vest and the maximum payout multiplier shall apply.

During 2013, the Board approved the granting of PSUs to members of the Executive Committee, including all but one NEO, who received PSUs valued as per the table above.

The following table illustrates the minimum required three-year cumulative EPS value needed to reach the multiplier of 0.5, 1.5 or 2.0:

Year of Grant	Three-Year Cumulative EPS Required to Attain			Cumulative as at December 31, 2013
	Threshold (0.50 Multiplier)	Target (1.5 Multiplier)	Maximum (2.00 Multiplier)	
	0% Annualized EPS Growth	7.5% Annualized EPS Growth	15% Annualized EPS Growth	
2011	\$8.94	\$10.34	\$11.90	\$4.80
2012	\$7.54	\$8.72	\$10.03	\$2.29
2013	\$6.15	\$7.12	\$8.19	\$0.24

For the 2011 grants, the payment is based on three-year cumulative EPS as at December 31, 2013. The three-year cumulative EPS value as at December 31, 2013 was \$4.80, falling short of the threshold of EPS \$8.94. As a result, no payments were made related to these grants and all units that vested in 2013 will be cancelled.

7.6.3.2 RSUP

RSUs were introduced in 2010. RSUs are typically granted on an annual basis to key employees and vest over a three-year period. They are granted to reward contribution to the long-term performance of the Corporation and create an incentive to enhance shareholder value. On an annual basis, each member of the Executive Committee makes recommendations for the granting of RSUs to key employees in their respective groups. These recommendations are then reviewed by the President and CEO and submitted to the HR Committee and the Board of Directors for approval.

Only two NEOs received RSUs in 2013. For more information regarding RSUs granted in 2013, refer to Sections 8.2 and 8.6 of this Management Proxy Circular.

7.6.3.3 Stock Option Plans

Until 2014, stock options were granted on an annual basis to key employees, including the NEOs. They were granted to reward contribution to the 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 approved stock option grants for the President and CEO, members of the Executive Committee and other eligible employees. On an annual basis, each member of the Executive Committee made recommendations for the granting of stock options to key employees in his/her Business Unit(s). These recommendations were then reviewed by the President and CEO and submitted to the Board of Directors for approval.

Starting in 2014, the Corporation decided to no longer make recurring annual grants of stock options. For further details, see Section 7.6.3.7 of this Management Proxy Circular.

During 2013, the 2007, 2009 and 2011 stock plan texts were amended to incorporate the following changes:

- Removal of all share ownership conditions prior to the exercise of vested options for participants who are no longer subject to such ownership requirements; and
- For those with share ownership requirements, possibility to exercise their vested options prior to meeting such ownership requirement provided that 100% of the net gain after tax and payment of the exercise price of the shares be kept in shares (with a prohibition to sell such shares while the ownership level is not met).

The following table presents information concerning stock options granted over the last five years, totalling 6,077,195.

	2009	2010	2011	2012	2013
Number of Stock Options Granted	1,426,795	1,110,500	1,119,200	1,173,900	1,246,800
Number of Employees who were Granted Stock Options	566	279	300	198	90
Number of Stock Options Outstanding as at Year End	5,073,954	5,126,117	5,357,515	5,363,600	4,438,529
Average Weighted Exercise Price of Stock Options Outstanding	\$35.57	\$40.61	\$44.57	\$44.19	\$44.37
Number of Stock Options Granted as a % of Outstanding Shares	0.94%	0.74%	0.74%	0.78%	0.82%
Number of Stock Options Exercised	538,393	902,465	820,216	210,140	737,876

In 2013, a total of 1,049 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. The Stock Option Plan is reserved for employees in senior management positions.

Specifically, the number of options granted by the Board of Directors in 2013 under the 2013 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
May 13, 2013 (2013 Stock Option Plan)	90	1,246,800	\$40.98 per Common Share

The total number of options exercised in 2013 under the 2011, 2009, and 2007 Stock Option Plans is as follows:

Number of Optionees Having Exercised Options	Number of Stock Options Exercised	Exercise Price
2009 Stock Option Plan		
172 employees	99,593	\$37.53
2007 Stock Option Plan		
233 employees	461,366	\$31.59
1 employee	2,500	\$37.17
37 employees	174,417	\$46.29
Total	638,283	
GRAND TOTAL	737,876	

The following table presents information concerning securities authorized for issuance under the Corporation's equity compensation plans as at December 31, 2013.

Plan category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by Security holders	4,438,529	\$44.37	2,329,416
Equity compensation plans not approved by Security holders	-	-	-
Total	4,438,529	\$44.37	2,329,416

7.6.3.4 E-DSUP

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 five years from the date of grant.

Grant date value	<ul style="list-style-type: none">• 25%-60% 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 a notional value equivalent to the greater of either the average closing price of the Common Shares over the five business days following the E-DSU grant date, or the closing price of the Common Shares on the fifth business day following the E-DSU grant date. This methodology is consistent with the approach used when granting PSUs.
Vesting schedule	<ul style="list-style-type: none">• E-DSUs vest at a rate of 20% at the end of each calendar year.
Value of vested units	<ul style="list-style-type: none">• For the purpose of redemption, the value of an E-DSU is equivalent to the average of the closing price per Common Share on the date one year following the participant's last day of employment, and on the last trading day of each of the twelve weeks preceeding one year following the participant's last day of employment. A twelve-week average is used to lessen the impact of potential share price fluctuations.
Termination provisions	<ul style="list-style-type: none">• 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 one 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 in control, all E-DSUs vest immediately.

For 2013, the Board approved the granting of E-DSUs to members of the Executive Committee, including four of the NEOs who received E-DSUs valued as per the table above.

Starting in 2014, the Corporation will no longer make recurring awards under the E-DSUP. For further details, see Section 7.6.3.7 of this Management Proxy Circular.

7.6.3.5 MSOP

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 five 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. Subject to the foregoing limitation, a participant can sell shares in the MSOP at any time; however, if this occurs prior to the five equal instalments having been made by the Corporation, these future employer contributions are forfeited. In 2013, participation in the MSOP was eliminated for Executive Vice-Presidents, with the exception of the President and CEO, and the Senior Executive Vice-President (Group President), Resources, Environment and Water, and was offset by a corresponding increase in their target MIP opportunity.

7.6.3.6 ESOP

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 of Canada. It provides for a matching contribution by the Corporation of 35% (paid in two installments over a two-year period), on employee contributions of up to 10% of base salary. As at December 31, 2013, approximately 6,900 employees were participants in the ESOP compared to 7,500 as at December 31, 2012. Through this plan, these employees held 5,206,173 shares representing approximately 3.4% of all Common Shares outstanding as at December 31, 2013. This plan emphasizes the Corporation's belief that share ownership by employees contributes to the Corporation's success.

7.6.3.7 Changes to Incentive Plans

On December 6, 2013, the Board approved the following changes to the long-term incentive plans starting with the 2014 grants for the President and CEO, NEOs and other executives:

- All long-term incentive annual recurring awards will be made in the form of PSUs (2014 plan) and RSUs,
- Members of the Executive Committee, including the President and CEO, will have their annual recurring awards made up of 60% in PSUs and the remaining 40% in RSUs,
- Other executives and key individuals will receive their annual awards as a combination of PSUs and RSUs in a 50%/50% proportion,
- Other participants will receive their long-term incentive awards in RSUs,
- Awards to be granted under the 2014 PSU plan will vest based on the Corporation's relative Total Shareholder Return (TSR) against a peer group (as approved by the Board). The vesting percentage may range between 0% and 200%.

The Corporation will cease to make annual recurring grants of stock options, E-DSUs and awards under the MSOP (with the exception of two participants in MSOP).

In addition, the Board approved changes to the MIP objectives. Starting with the 2014 performance year, the financial objectives will be related to Earnings Before Interest and Taxes (EBIT) and operating cash flow. The non-financial objectives will be based on the following pillars:

- Ethics and Compliance,
- Health and Safety, Security and Environment,
- Project execution,
- Business development, acquisitions, divestitures,
- Development of the regional model, and
- People and team development.

These changes continue to support a pay-for-performance philosophy, strengthen the link to the performance delivered to shareholders and align the programs with market practices.

7.6.4 Retirement Programs

The NEOs, with the exception of Mr. Laramée, participate in the Harvest Plus which provides benefits on a defined contribution basis. Mr. Laramée participated in the EMRIP.

7.6.4.1 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, 2013, the EMRIP had four 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 three consecutive years of highest earnings in the last ten 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, 2013, only one of the NEOs, namely the former Executive Vice-President and CFO, Mr. Laramée, was a member of the EMRIP.

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 period before age 60.

The credited years of service under the EMRIP as at December 31, 2013 for Mr. Laramée were 22.4.

EXECUTIVE PENSION VALUE DISCLOSURE TABLE ⁽¹⁾							
	Years of service	Annual benefit payable ⁽²⁾					
Name	As at December 31, 2013	As at December 31, 2013	As at age 65	Accrued obligation as at December 31, 2012 ⁽³⁾	Compensatory change in 2013 ⁽⁴⁾	Non-compensatory change in 2013 ⁽⁵⁾	Accrued obligation as at December 31, 2013 ⁽⁶⁾
Gilles Laramée	22.4	\$187,700	\$187,700	\$3,378,600	\$100,400	-\$709,500	\$2,769,500

Notes:

- (1) The amounts shown include pension benefits payable under the EMRIP and the Supplemental Arrangement and reflect Mr. Laramée's decision to retire. As such, the numbers reflect the following:
 - Credited service until the end of his employment on August 9, 2013; and
 - Retirement at age 65 (Deferred pension at normal retirement age).
- (2) The amounts shown are based on current compensation and credited service to date.
- (3) The accrued obligation is the value of the projected pension earned for the service up to December 31, 2013.
- (4) The compensatory change is the value of the projected pension earned for the period from January 1, 2013 to December 31, 2013 including any differences between actual and estimated earnings.
- (5) Non-compensatory changes in the obligation in 2013 include all items that are not compensatory such as interest on the accrued obligation at the start of the year, changes in assumptions, and other experience gains and losses.
- (6) The accrued obligation is the value of the projected pension earned for service up to December 31, 2013. This amount increases with age and is significantly impacted by changes in the discount interest rate.

7.6.4.2 Harvest Plus

The Harvest Plus was implemented on 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, 2013, all of the NEOs (except Mr. Laramée) 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 or paid directly to the NEO. 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 five or ten years, at the participant's option.

It should be noted that some NEOs receive their Harvest Plus contribution as a taxable allowance instead of having the contribution accumulate in the notional account.

The following NEOs currently participate in the Harvest Plus and have an amount accumulated in their respective notional accounts:

Name	Accumulated Value at Start of Year (\$)	Compensatory ⁽¹⁾ (\$)	Accumulated Value at Year End (\$)
(a)	(b)	(c)	(d)
Robert G. Card	-	-	-
Alain-Pierre Raynaud	-	\$51,200	\$53,000
Neil Bruce	-	-	-
Hisham Mahmoud	-	-	-
Andreas Pohlmann	-	\$93,100	\$97,800

Note:

- (1) Includes the Corporation's contributions to Dr. Raynaud and Dr. Pohlmann's notional accounts under the Harvest Plus and contributions to their Harvest accounts. Mr. Card, Mr. Bruce and Dr. Mahmoud receive their Harvest contributions as a taxable allowance. Details are provided in the footnotes to the "Summary Compensation Table".

7.6.5 Benefits and Perquisites

The Corporation's executive employee benefits program includes life, medical, dental and disability insurance. Perquisites consist of an automobile allowance, reimbursement for club memberships, 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 Executive Employment Agreements with NEOs

The Corporation has entered into employment agreements with all of the NEOs (with the exception of Mr. Laramée).

Mr. Card entered into an Executive Employment Agreement with the Corporation on October 1, 2012.

During 2013, Mr. Bruce entered into an Executive Employment Agreement with the Corporation when he became Senior Executive Vice-President (Group President), Resources, Environment and Water on January 17, 2013.

Dr. Pohlmann entered into an Executive Employment Agreement with the Corporation when he became Chief Compliance Officer on March 1, 2013.

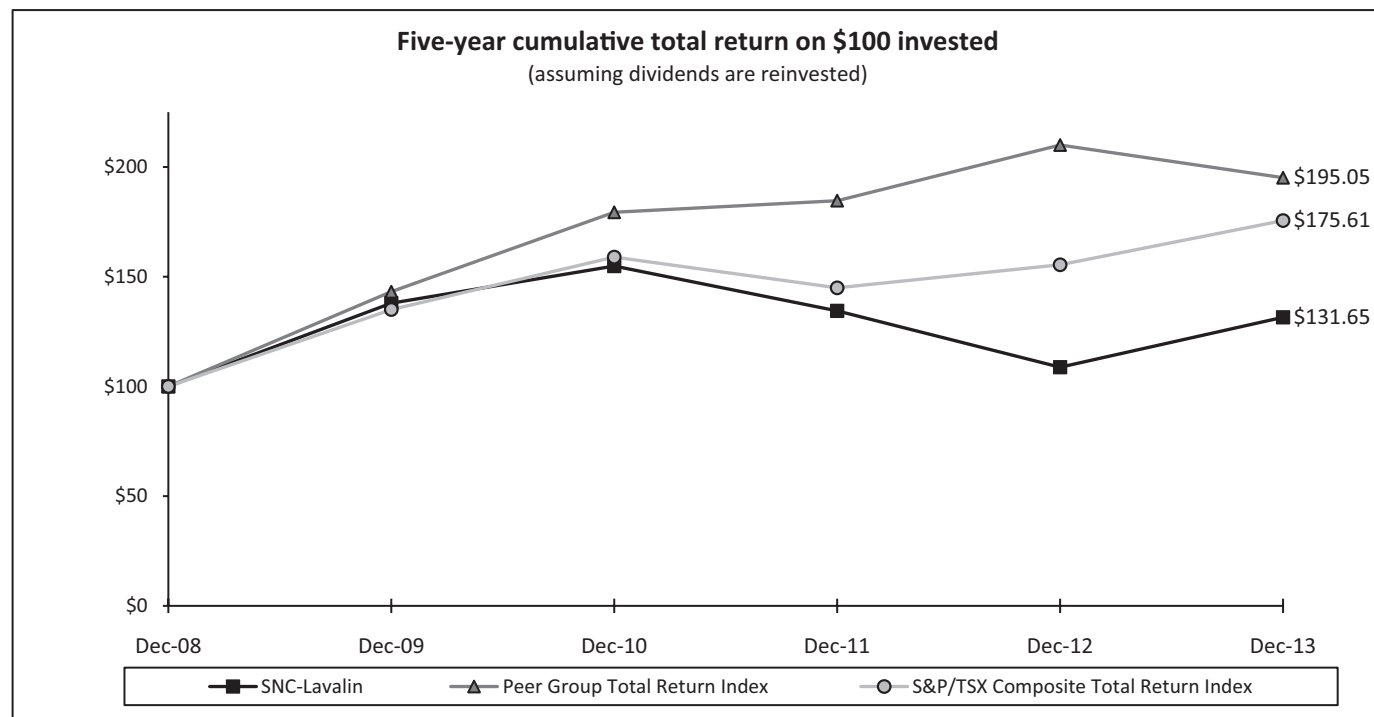
Dr. Raynaud entered into an Executive Employment Agreement with the Corporation when he became Executive Vice-President and CFO on June 1, 2013.

Dr. Mahmoud entered into an Executive Employment Agreement with the Corporation when he became Senior Executive Vice-President (Group President), Infrastructure on October 14, 2013.

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

7.8 Performance Graph

The graph below depicts the cumulative return of a \$100 investment at December 31, 2008, in the Common Shares, in the S&P/TSX Composite Total Return Index and in an index composed of a peer group of engineering-construction companies, which includes: Aecom Technology Corp., AMEC plc, Fluor Corporation, Foster Wheeler Corporation, Jacobs Engineering Group Inc., Technip S.A., URS Corporation and WorleyParsons Limited. For calculation purposes, a weighted-average based on market capitalization of each company in the peer group was used.



Financial Years	Dec-08	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13
SNC-Lavalin	100.00	138.05	154.93	134.50	108.69	131.65
Peer Group Total Return Index	100.00	143.22	179.43	184.53	210.06	195.05
S&P/TSX Composite Total Return Index	100.00	135.05	158.83	145.00	155.42	175.61
Value of \$100 invested on December 31, 2008 (assumes dividends are reinvested)						

Section 8

EXECUTIVE COMPENSATION DISCLOSURE

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Incentive Plan Awards – Value Vested or Earned During the Year

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Compensation of NEOs

The Named Executive Officers are:

Robert G. Card, President and CEO

Alain-Pierre Raynaud, Executive Vice-President and CFO

Gilles Laramée, Former Executive Vice-President and CFO

Neil Bruce, Senior Executive Vice-President (Group President), Resources, Environment and Water

Hisham Mahmoud, Senior Executive Vice-President (Group President), Infrastructure

Andreas Pohlmann, Chief Compliance Officer

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Approval of the Report on Executive Compensation

Section 8 EXECUTIVE COMPENSATION DISCLOSURE

8.1 Summary Compensation Table

The following table sets forth, for the fiscal years ended December 31, 2013, December 31, 2012 and December 31, 2011, the compensation paid by the Corporation to the NEOs for services rendered in all capacities.

This table has been restated in order to disclose the PSUP and E-DSU awards as per the calendar year during which they were made. This change brings consistency and alignment with the other awards.

2013 SUMMARY COMPENSATION TABLE ⁽¹⁾								
Name and principal position	Year	Salary (\$)	Share-based Awards ⁽²⁾ (\$)	Option-based Awards ⁽³⁾ (\$)	Annual Incentive Plans ⁽⁴⁾	Pension Value (\$)	All Other Compensation ⁽⁵⁾ (\$)	Total Compensation (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Robert G. Card ⁽⁶⁾ President and CEO	2013	\$934,622	\$1,921,296	\$1,980,277	\$576,500	-	\$ 216,895	\$5,629,590
	2012	\$225,000	\$4,100,000	-	\$225,000	-	\$ 97,758	\$4,647,758
	2011	-	-	-	-	-	-	-
Alain-Pierre Raynaud ⁽⁷⁾ Executive Vice-President and CFO	2013	\$252,116	\$ 356,272	\$ 237,946	\$167,096	\$ 51,200	\$ 243,156	\$1,307,787
	2012	-	-	-	-	-	-	-
	2011	-	-	-	-	-	-	-
Gilles Laramée ⁽⁸⁾ Former Executive Vice-President and CFO	2013	\$330,623	\$ 428,220	\$ 343,613	-	\$100,400	\$ 26,567	\$1,229,423
	2012	\$490,000	\$ 442,200	\$ 294,000	\$161,300	\$ 30,900	\$ 15,679	\$1,434,079
	2011	\$490,000	\$ 395,940	\$ 294,000	\$ 0	\$456,400	\$ 13,896	\$1,650,236
Neil Bruce ⁽⁷⁾⁽⁹⁾ Group President, Resources, Environment and Water	2013	\$782,002	\$1,335,069	\$ 720,101	\$300,000	-	\$ 163,581	\$3,300,753
	2012	-	-	-	-	-	-	-
	2011	-	-	-	-	-	-	-
Hisham Mahmoud ⁽⁷⁾⁽¹⁰⁾ Group President, Infrastructure	2013	\$138,799	\$ 532,590	-	\$ 39,078	-	\$1,037,828	\$1,748,295
	2012	-	-	-	-	-	-	-
	2011	-	-	-	-	-	-	-
Andreas Pohlmann ⁽¹¹⁾⁽¹²⁾ Chief Compliance Officer	2013	\$632,961	-	-	\$726,044	\$ 93,100	\$ 67,027	\$1,519,132
	2012	-	-	-	-	-	-	-
	2011	-	-	-	-	-	-	-

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, RSUs and MSOP
(e)	Option-based Awards	Stock Options
(f)	Annual Incentive Plans	MIP
(g)	Pension Value	Compensatory Change as defined in section 7.6.4.1 and in section 7.6.4.2 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); employer contribution to the ESOP; signing bonuses; allowances paid in lieu of employer contributions to the Harvest Plus

- (2) The table below provides a detailed illustration of the restatement of share-based awards for Mr. Card and Mr. Laramée.

Share-Based Awards as Disclosed in 2013						
	Year	E-DSUs	PSUs	RSUs	MSOP	Total Share-Based Awards
Robert G. Card	2012	\$ 2,226,550	\$675,000	\$2,981,450	-	\$5,883,000
	2011	-	-	-	-	-
	2010	-	-	-	-	-
Gilles Laramée	2012	\$ 183,750	\$183,750	\$ 10,260	\$64,440	\$ 442,200
	2011	\$ 183,750	\$183,750	-	\$80,940	\$ 448,440
	2010	\$ 157,500	\$157,500	-	\$73,250	\$ 388,250
Share-Based Awards Restated in 2014						
	Year	E-DSUs	PSUs	RSUs	MSOP	Total Share-Based Awards
Robert G. Card	2013	\$ 953,592	\$675,004	\$ 281,450	\$11,250	\$1,921,296
	2012	\$1,400,000	-	\$2,700,000	-	\$4,100,000
	2011	-	-	-	-	-
Gilles Laramée	2013	\$ 183,765	\$183,765	-	\$60,690	\$ 428,220
	2012	\$ 183,750	\$183,750	\$ 10,260	\$64,440	\$ 442,200
	2011	\$ 157,500	\$157,500	-	\$80,940	\$ 395,940

- (3) At the time of grant, the value of stock options awarded to each NEO was based on a percentage of salary. This value is the amount presented in the Summary Compensation Table. The number of stock options awarded was determined using the binomial lattice valuation model with a \$7.83 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 2013 Stock Option Plan of the Corporation (described in Section 7.6.3.3 of this Management Proxy Circular), in the amount of \$10.20 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	2.25%	2.00%
Expected stock price volatility	29.8%	33.6%
Expected option life	4.5 years	4.5 years
Risk-free interest rate	Yield Curve	1.61%

The accounting value is therefore 30.4% higher than the fair value presented in the Summary Compensation Table.

- (4) Bonus amounts earned in the respective year and paid in the subsequent one under the MIP.
- (5) This amount reflects the amounts received as executive benefits and perquisites during the year. Each of the NEOs received benefits and perquisites of which the aggregate value was less than the lower of \$50,000 or 10% of the respective base salary. Dr. Raynaud and Dr. Mahmoud received signing bonuses of \$200,000 and \$1,007,571 respectively. Mr. Card, Mr. Bruce, and Dr. Mahmoud received taxable allowances of \$191,771, \$156,400, and \$27,760 in lieu of the Harvest Plus, respectively. This column also includes employer contributions to the ESOP (described in Section 7.6.3.6 of this Management Proxy Circular).
- (6) Mr. Card received an Option Grant representing 220% of his base salary, or twice the annual grant at target value. However, in view of the foregoing, Mr. Card will not be eligible to receive Stock Option grants, or the equivalent, in 2014.
- (7) Dr. Raynaud, Mr. Bruce, and Dr. Mahmoud joined as officers of the Corporation effective June 1, 2013, January 17, 2013, and October 14, 2013, respectively.
- (8) Retired as an officer of the Corporation effective August 9, 2013.
- (9) Mr. Bruce's base salary and other compensation under column (h) are paid in GBP, and converted to CAD using a monthly average exchange rate of 1 GBP = 1.62024 CAD.
- (10) Dr. Mahmoud's base salary and other compensation under column (h) are paid in USD, and converted to CAD using a monthly average exchange rate of 1 USD = 1.03108 CAD.
- (11) Dr. Pohlmann's base salary, annual incentive plans and other compensation under column (h) are set in Euros but paid in Canadian dollars using an exchange rate of €1= CAD\$ 1.34453.
- (12) Dr. Pohlmann does not participate in the long-term incentive plan of the Corporation.

8.2 Equity-based Incentives Granted

8.2.1 E-DSUs, PSUs and RSUs

During 2013, E-DSUs, PSUs and RSUs were granted to the NEOs as described in the following table:

Name	Value ⁽¹⁾⁽²⁾		
	E-DSUs	PSUs	RSUs
Robert G. Card ⁽³⁾⁽⁴⁾	\$953,592	\$675,004	\$281,450
Alain-Pierre Raynaud	\$178,136	\$178,136	-
Gilles Laramée ⁽³⁾	\$183,765	\$183,765	-
Neil Bruce ⁽⁵⁾	\$480,024	\$480,024	\$375,021
Hisham Mahmoud ⁽⁶⁾	-	\$532,590	-
Andreas Pohlmann	-	-	-

Notes:

- (1) For the purpose of determining the number of E-DSUs, PSUs and RSUs granted, each E-DSU, PSU and RSU is attributed a notional value equivalent to the greater of either the average closing price of the Common Shares over the 5 business days following the E-DSU, PSU and RSU grant date or the closing price of the Common Shares on the fifth business day following the E-DSU, PSU and RSU grant date.
- (2) The value of the E-DSUs and PSUs granted is calculated based on a maximum of up to 75% of the participant's annual base salary for Mr. Card; 60% for Mr. Bruce, and 37.5% for Dr. Raynaud and Mr. Laramée.
- (3) The E-DSU and PSUP awards presented in this table were made during 2013 (the year under review) and were also presented in last year's management proxy circular. This change brings consistency and alignment in terms of reporting with the presentation of the other awards.
- (4) Mr. Card received a special grant of 3,500 E-DSUs to compensate for the delay with the 2012 E-DSU grants; 6,500 RSUs to compensate for the delay with the 2012 RSU grants; 3,100 E-DSUs to compensate for the delay in Stock Option grants.
- (5) Mr. Bruce received an initial equity award of 8,661 RSUs.
- (6) Dr. Mahmoud received an initial equity award of 12,300 PSUs.

8.2.2 Option-based and Share-based Awards

The following table contains information concerning stock options granted under the Corporation's 2013 Stock Option Plan to the NEOs during the 2013 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
Robert G. Card	253,000	May 13, 2013	20.3%	\$40.98	May 13, 2019
Alain-Pierre Raynaud	30,400	May 13, 2013	2.4%	\$40.98	May 13, 2019
Gilles Laramée	43,900	May 13, 2013	3.5%	\$40.98	May 13, 2019
Neil Bruce	92,000	May 13, 2013	7.4%	\$40.98	May 13, 2019
Hisham Mahmoud	-	-	-	-	-
Andreas Pohlmann	-	-	-	-	-

8.3 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, 2013.

Name	Date of Grant	Option-Based Awards				Share-Based Awards		
		Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options ⁽¹⁾ (\$)	Number of PSUs, E-DSUs and RSUs That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested ⁽²⁾ (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ⁽²⁾ (\$)
Robert G. Card	May 13, 2013	253,000	\$40.98	May 13, 2019	\$1,722,930	124,630	\$5,956,068	\$ 853,147
Alain-Pierre Raynaud	May 13, 2013	30,400	\$40.98	May 13, 2019	\$ 207,024	7,405	\$ 353,885	\$ 39,331
Gilles Laramée	-	-	-	-	-	-	-	\$4,613,312
Neil Bruce	May 13, 2013	92,000	\$40.98	May 13, 2019	\$ 626,520	28,615	\$1,367,511	\$ 105,998
Hisham Mahmoud	-	-	-	-	-	12,300	\$ 587,817	-
Andreas Pohlmann	-	-	-	-	-	-	-	-

Notes:

- (1) This amount is calculated based on the difference between the closing share price of \$47.79 on December 31, 2013 and the option exercise price.
- (2) This amount is calculated based on the closing share price of \$47.79 on December 31, 2013 for the RSUs, and PSUs granted prior to 2010. The amount does not include the PSUs granted since 2010 as they either did not vest or have yet to vest.

8.4 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 under any of the Stock Option Plans and which vested during the 2013 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 2013 fiscal year and the MIP award paid relative to 2013 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⁾ (\$)
Robert G. Card	-	\$532,620	\$576,500
Alain-Pierre Raynaud	-	\$ 39,331	\$167,096
Gilles Laramée	-	\$141,411	-
Neil Bruce	-	\$105,998	\$300,000
Hisham Mahmoud	-	-	\$ 39,078
Andreas Pohlmann	-	-	\$726,044

Notes:

- (1) Options that vested in 2013 are underwater.
- (2) Based on a closing share price, on the vesting date, of \$47.79 for E-DSUs that vested on December 31, 2013.
- (3) Bonus earned in the year under the MIP (none of the PSUs vested during 2013).

There was no exercise of stock options in 2013 and 2012 by any of the NEOs.

8.5 Termination, Change in Control and Retirement

8.5.1 Termination of Employment

Individual employment agreements with termination of employment provisions are in place for the President and CEO (Mr. Card), the Senior Executive Vice-President (Group President), Resources, Environment and Water (Mr. Bruce), Senior Executive Vice-President (Group President), Infrastructure (Dr. Mahmoud) and for the Executive Vice-President and CFO (Dr. Raynaud) (see Section 7.7 of this Management Proxy Circular). In the event of termination of employment initiated by the Corporation for reasons other than cause, amounts payable would be determined in accordance with their respective employment agreement. The amounts payable are as follows:

Type of Allowances	Robert G. Card	Alain-Pierre Raynaud	Neil Bruce	Hisham Mahmoud
Severance	Twice the sum of the annual base salary plus the annual target bonus under the MIP.	Twice the sum of the annual base salary plus the annual target bonus under the MIP.	One time the sum of the annual base salary plus the annual target bonus under the MIP.	Twice the sum of the annual base salary plus the annual target bonus under the MIP.
Benefits and Perquisites	Pension benefits continue to accrue for two years plus a lump sum payment representing the value of perquisites for a two-year severance period.	Pension benefits continue to accrue for two years plus a lump sum payment representing the value of perquisites for a two-year severance period.	Pension benefits continue to accrue for one year plus a lump sum payment representing the value of perquisites for a one-year severance period.	Pension benefits continue to accrue for two years plus a lump sum payment representing the value of perquisites for a two-year severance period.
MIP	Target annual value prorated for the period of that year.	Target annual value prorated for the period of that year.	Target annual value prorated for the period of that year.	Target annual value prorated for the period of that year.
Awards granted including any unvested share-based or option-based awards	Will continue to vest, become exercisable, be paid or settled (as applicable) as if the individual had remained in employment for 24 months.	Will continue to vest, become exercisable, be paid or settled (as applicable) as if the individual had remained in employment for 24 months.	Will continue to vest, become exercisable, be paid or settled (as applicable) as if the individual had remained in employment for 12 months.	Will continue to vest, become exercisable, be paid or settled (as applicable) as if the individual had remained in employment for 24 months.

The following table describes and sets out the incremental amounts which would have been payable had an involuntary termination of employment occurred on December 31, 2013.

Involuntary termination ⁽¹⁾	Robert G. Card	Alain-Pierre Raynaud	Neil Bruce	Hisham Mahmoud
Severance	\$ 3,780,000	\$1,520,000	\$1,400,000	\$2,526,138
Benefits and Perquisites	\$ 478,000	\$ 240,000	\$ 195,000	\$ 360,877
MIP	\$ 945,000	\$ 285,000	\$ 600,000	\$ 541,315
Non-vested Stock Options⁽²⁾	\$ 574,315	\$ 69,013	-	-
MSOP	\$ 22,500	-	-	-
ESOP	-	-	-	\$ 2,946
Value of Non-vested RSUs	\$ 3,382,242	-	\$ 250,614	-
Value of Non-vested PSUs⁽³⁾	\$ 744,998	\$ 196,608	\$ 353,200	\$ 587,817
Value of Non-vested E-DSUs	\$ 1,809,807	\$ 157,277	\$ 423,802	-
Total	\$11,736,862	\$2,467,898	\$3,222,616	\$4,019,094

Notes:

- (1) Mr. Laramée retired as an officer of the Corporation effective August 9, 2013 and, as such, is not presented in the termination of employment table.
- (2) This amount is calculated based on the difference between the closing share price of \$47.79 on December 31, 2013 and the option exercise price (\$40.98 in the case of stock options granted in May 2013).
- (3) Assuming that the PSUs would vest at 100%.

8.5.2 Change in Control

The Corporation has a double-trigger change in control agreement in place for the President and CEO and the other NEOs (other than Mr. Laramée and Dr. Pohlmann). In the event of involuntary termination of employment or resignation for a good reason following a change in control of the Corporation, the following conditions will apply to the President and CEO and the other NEOs (other than Mr. Laramée and Dr. Pohlmann).

Severance	Benefits and Perquisites	MIP	Stock Options	MSOP	ESOP	PSUP and E-DSUP	RSUP
Twice the sum of the annual base salary plus the annual target bonus under the MIP.	Pension benefits continue to accrue for two years plus a lump-sum payment representing the value of perquisites for a two-year severance period.	The annual bonus for the year will be paid at target as a lump-sum, prorated for the period of employment in that year.	All granted, unvested options fully vest and can be exercised immediately. 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 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.	All granted RSUs fully vest and are redeemable for cash in accordance with the plan provisions.

In addition to the above and in the context of this double-trigger change in control agreement, and in recognition of their recent recruitment, Mr. Bruce, Dr. Raynaud and Dr. Mahmoud are entitled to a special provision that ensures that the aggregate value under the elements of the long-term incentive plans noted above not be less than two times their respective annual long-term incentive annual award value under their employment contracts. This provision expires on December 31, 2015.

The following table describes and sets out the incremental amounts which would have been payable had a change in control of the Corporation occurred on December 31, 2013 that subsequently resulted in involuntary termination of employment initiated by the Corporation.

Change of Control ⁽¹⁾	Robert G. Card	Alain-Pierre Raynaud	Neil Bruce	Hisham Mahmoud
Severance	\$ 3,780,000	\$1,520,000	\$2,800,000	\$2,526,138
Benefits and Perquisites	\$ 478,000	\$ 240,000	\$ 390,000	\$ 360,877
MIP	\$ 945,000	\$ 285,000	\$ 600,000	\$ 541,315
Non-vested Stock Options ⁽²⁾	\$ 1,722,930	\$ 207,025	\$ 626,519	-
MSOP	\$ 45,000	-	-	-
ESOP	-	-	-	\$ 2,946
Value of Non-vested RSUs	\$ 3,401,262	-	\$ 413,909	-
Value of Non-vested PSUs	\$ 1,489,996	\$ 393,216	\$1,059,600	\$1,175,634
Value of Non-vested E-DSUs	\$ 1,809,807	\$ 157,277	\$ 423,802	-
Special LTI Value Provision ⁽³⁾	-	\$ 429,982	\$ 836,170	\$1,419,734
Total Incremental Payment	\$13,671,995	\$3,232,500	\$7,150,000	\$6,026,645

Notes:

- (1) Mr. Laramée retired as an officer of the Corporation effective August 9, 2013 and, as such, is not presented in the Change in Control table.
- (2) This amount is calculated based on the difference between the closing share price of \$47.79 on December 31, 2013 and the option exercise price (\$40.98 in the case of stock options granted in May 2013).
- (3) A minimum of twice the annual LTI grant at target is guaranteed to Dr. Raynaud, Mr. Bruce, and Dr. Mahmoud until December 31, 2015. This amount reflects the difference between the minimum amount and the current awards outstanding.

8.5.3 Retirement

In the event of retirement (as defined in the Corporation's policies), all granted E-DSUs vest and RSUs vest on a pro-rated basis and are redeemable for cash in accordance with the provisions of the plans. All granted PSUs vest and are subject to the performance condition until the end of the calendar year of retirement. The following table sets out the incremental amounts which would have been payable under the plans had retirement occurred on December 31, 2013.

Retirement	Value of Non-vested PSUs	Value of Non-vested E-DSUs	Value of Non-vested RSUs	Total Incremental Payment
Robert G. Card ⁽¹⁾	\$744,998	\$1,809,807	\$1,281,274	\$3,836,079
Alain-Pierre Raynaud	\$196,608	\$ 157,277	-	\$ 353,885
Neil Bruce ⁽²⁾	\$529,800	\$ 423,802	\$ 112,644	\$1,066,246
Hisham Mahmoud	\$587,817	-	-	\$ 587,817
Andreas Pohlmann	-	-	-	-

Notes:

- (1) For Mr. Card, as per his employment agreement, retirement means the termination of the President and CEO's employment upon attaining the age of 65 and completing five consecutive years of service with the Corporation.
- (2) For Mr. Bruce, as per his employment agreement, retirement means the termination of the Senior Executive Vice-President (Group President) of the Resources, Environment and Water division's employment upon completing five consecutive years of service with the Corporation.

8.6 Compensation of NEOs



Robert G. Card
President and CEO

Age: 61
Joined SNC-Lavalin in 2012

Robert G. Card has been President and CEO of the Corporation since October 1, 2012. Mr. Card has 39 years of experience in the engineering and construction industry and has held key executive, management, operations and technical roles in the fields of nuclear decommissioning, energy, sport, environmental cleanup, water/wastewater and facilities. Prior to joining the Corporation, he served as President of the Energy, Water & Facilities Division of CH2M HILL (an engineering and services firm) which included the global business groups for Water, Energy and Chemicals, Power, Industries and Sustainability. During his 35-year career at CH2M HILL, Mr. Card held a variety of engineering, project management and operations management roles, as well as serving as the President of CH2M HILL's Government, Environment and Nuclear Division and Chairman of CH2M HILL International. Mr. Card was the Deputy Program Director of the CLM consortium, a CH2M HILL joint venture company performing the Delivery Partner role for the UK Olympic Delivery Authority. From 2001 to 2004, Mr. Card was the Undersecretary of Energy for the U.S. Department of Energy (DOE).

Mr. Card graduated from the University of Washington in 1975 with a B.S. in Civil Engineering and from Stanford University in 1977 with a M.S. in Civil Engineering and completed the Program for Management Development (Executive MBA) at Harvard Business School. He is a registered Professional Engineer in the U.S.

Three-Year Compensation 2011 - 2013

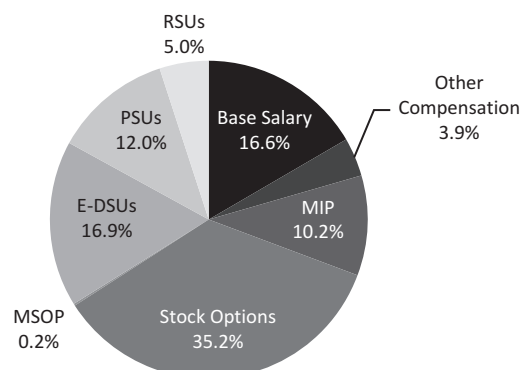
	Proportion	Compensation Components	2013	2012	2011
Fixed Compensation					
Short Term	16.6%	Base Salary	\$ 934,622	\$ 225,000	-
	3.9%	Other Compensation ⁽¹⁾	\$ 216,895	\$ 97,758	-
Long Term	0.0%	Employee Share Ownership Plan	-	-	-
	0.0%	Pension Value ⁽²⁾	-	-	-
Total	20.5%		\$1,151,517	\$ 322,758	-
Variable Compensation					
Short Term	10.2%	MIP ⁽³⁾	\$ 576,500	\$ 225,000	-
Long Term	35.2%	Stock Options ⁽⁴⁾	\$ 1,980,277	-	-
	0.2%	MSOP ⁽⁵⁾	\$ 11,250	-	-
	16.9%	E-DSUs ⁽⁶⁾	\$ 953,592	\$ 1,400,000	-
	12.0%	PSUs (Value of Granted Units) ⁽⁷⁾	\$ 675,004	-	-
	5.0%	RSUs ⁽⁸⁾	\$ 281,450	\$ 2,700,000	-
Total	79.5%		\$ 4,478,073	\$ 4,325,000	-
Total Compensation			\$5,629,590	\$4,647,758	-

Aggregate Holding of E-DSUs, PSUs, RSUs and Stock Options

	E-DSUs ⁽⁹⁾		PSUs (Prior to 2010) ⁽¹⁰⁾		PSUs (Since 2010) ⁽¹¹⁾		RSUs ⁽¹²⁾	
	Vested	Non-Vested	Vested	Non-Vested	Vested	Non-Vested	Vested	Non-Vested
Number (#)	17,852	37,870	-	-	-	15,589	-	71,171
Value (\$)	\$853,147	\$1,809,807	-	-	-	\$744,998	-	\$3,401,262

	Stock Options ⁽¹³⁾	
	Exercisable	Unexercisable
Number (#)	-	253,000
Value (\$)	-	\$1,722,930

2013 Total Compensation Components Proportion





Alain Pierre Raynaud
Executive Vice-President
and CFO

Age: 60
Joined SNC-Lavalin in 2013

Alain-Pierre Raynaud has been Executive Vice-President and CFO of the Corporation since June 1, 2013.

He began his career as a financial analyst before moving to Renault in 1987, where he later became Senior Vice-President and Corporate Controller. In 2003, he moved to Japan as a member of Nissan's Executive Committee to oversee the group's Cost Control and IT services departments and lead its financial operations. Between 2006 and 2011, Dr. Raynaud was CFO of Areva, where he successfully oversaw the implementation of the company's change management program, which included organizational restructuring, supply chain optimization and a new investment plan. He was subsequently named Chairman and Chief Executive Officer of Areva UK.

Dr. Raynaud is a graduate of the Institut d'Etudes Politiques in Paris and holds a doctorate in Economics. He has spent 32 years in the energy, automotive and banking sectors, gaining considerable international experience with major global corporations specializing in project management in Europe and Asia.

Three-Year Compensation 2011 - 2013

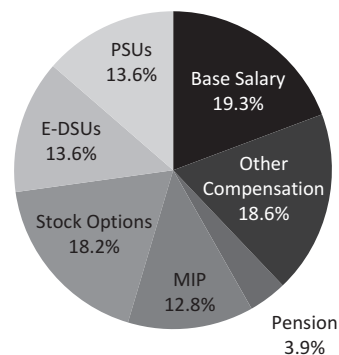
	Proportion	Compensation Components	2013	2012	2011
Fixed Compensation					
Short Term	19.3%	Base Salary	\$ 252,116	-	-
	18.6%	Other Compensation ⁽¹⁾	\$ 243,156	-	-
Long Term	0.0%	Employee Share Ownership Plan	-	-	-
	3.9%	Pension Value ⁽²⁾	\$ 51,200	-	-
Total	41.8%		\$ 546,472	-	-
Variable Compensation					
Short Term	12.8%	MIP ⁽³⁾	\$ 167,096	-	-
Long Term	18.2%	Stock Options ⁽⁴⁾	\$ 237,946	-	-
	0.0%	MSOP ⁽⁵⁾	-	-	-
	13.6%	E-DSUs ⁽⁶⁾	\$ 178,136	-	-
	13.6%	PSUs (Value of Granted Units) ⁽⁷⁾	\$ 178,136	-	-
	0.0%	RSUs ⁽⁸⁾	-	-	-
Total	58.2%		\$ 761,314	-	-
Total Compensation			\$1,307,787	-	-

Aggregate Holding of E-DSUs, PSUs, RSUs and Stock Options

	E-DSUs ⁽⁹⁾		PSUs (Prior to 2010) ⁽¹⁰⁾		PSUs (Since 2010) ⁽¹¹⁾		RSUs ⁽¹²⁾	
	Vested	Non-Vested	Vested	Non-Vested	Vested	Non-Vested	Vested	Non-Vested
Number (#)	823	3,291	-	-	-	4,114	-	-
Value (\$)	\$39,331	\$157,277	-	-	-	\$196,608	-	-

	Stock Options ⁽¹³⁾	
	Exercisable	Unexercisable
Number (#)	-	30,400
Value (\$)	-	\$207,024

2013 Total Compensation Components Proportion





Neil Bruce
Senior Executive
Vice-President
(Group President),
Resources, Environment and
Water

Age: 53
 Joined SNC-Lavalin in 2013

Neil Bruce has been Senior Executive Vice-President (Group President) of the Resources, Environment and Water division of the Corporation and member of the Executive Committee since January 17, 2013.

He oversees the company's global business in oil and gas, mining and metallurgy, environment, and water. Resources, Environment & Water is the largest and most diverse business unit of the Corporation, with activities in most of the 100 countries where SNC-Lavalin is present. Mr. Bruce is based in London, UK.

Mr. Bruce has spent more than 30 years in the oil and gas, mining, and energy industries worldwide. He has extensive experience in employing change management and organizational development to create operational efficiencies and strategic growth. Prior to joining SNC-Lavalin, he spent 15 years with AMEC. As AMEC's Executive Director and Chief Operating Officer (COO), Mr. Bruce was responsible for the operational delivery of its high-value consultancy, engineering and project management services to the oil and gas, minerals and metals, clean energy, environment and infrastructure markets worldwide. He also identified, negotiated and integrated a number of acquisitions to bring the company to over 30,000 employees in 40 countries at his departure.

Mr. Bruce is a Chartered Marine Architect and has an MBA, both from Newcastle University. He continues to have a strong association with education particularly related to engineering and people development within industry. He is active as an Honorary Professor at Aberdeen Business School at Robert Gordon University, where he was recently awarded an honorary degree of Doctor of Business Administration.

A fellow of the Energy Institute and the Institute of Directors, Mr. Bruce is a keen supporter of industry development and current Chairman of the UKTI Oil & Gas Sector Advisory Group. In September 2011, he was invited to join the UK Government's new Trade and Economic Growth Board for Scotland. In January 2012, he was appointed Officer of the Most Excellent Order of the British Empire (OBE) by The Queen in Her Majesty's New Year's Honors List 2012 for Services to Engineering.

Three-Year Compensation 2011 - 2013

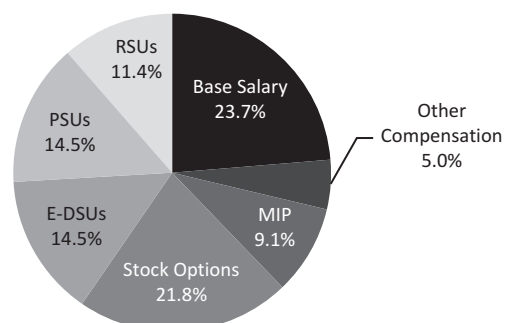
Proportion		Compensation Components	2013	2012	2011
Fixed Compensation					
Short Term	23.7%	Base Salary	\$ 782,002	-	-
	5.0%	Other Compensation ⁽¹⁾	\$ 163,581	-	-
Long Term	0.0%	Employee Share Ownership Plan	-	-	-
	0.0%	Pension Value ⁽²⁾	-	-	-
Total	28.7%		\$ 945,583	-	-
Variable Compensation					
Short Term	9.1%	MIP ⁽³⁾	\$ 300,000	-	-
Long Term	21.8%	Stock Options ⁽⁴⁾	\$ 720,101	-	-
	0.0%	MSOP ⁽⁵⁾	-	-	-
	14.5%	E-DSUs ⁽⁶⁾	\$ 480,024	-	-
	14.5%	PSUs (Value of Granted Units) ⁽⁷⁾	\$ 480,024	-	-
	11.4%	RSUs ⁽⁸⁾	\$ 375,021	-	-
Total	71.3%		\$2,355,170	-	-
Total Compensation			\$3,300,753	-	-

Aggregate Holding of E-DSUs, PSUs, RSUs and Stock Options

	E-DSUs ⁽⁹⁾		PSUs (Prior to 2010) ⁽¹⁰⁾		PSUs (Since 2010) ⁽¹¹⁾		RSUs ⁽¹²⁾	
	Vested	Non-Vested	Vested	Non-Vested	Vested	Non-Vested	Vested	Non-Vested
Number (#)	2,218	8,868	-	-	-	11,086	-	8,661
Value (\$)	\$105,998	\$423,802	-	-	-	\$529,800	-	\$413,909

	Stock Options ⁽¹³⁾	
	Exercisable	Unexercisable
Number (#)	-	92,000
Value (\$)	-	\$626,520

2013 Total Compensation Components Proportion





Hisham Mahmoud
Senior Executive
Vice-President
(Group President),
Infrastructure

Age: 47

Joined SNC-Lavalin in 2013

Hisham Mahmoud has been Senior Executive Vice-President (Group President) of the Infrastructure division of the Corporation and member of the Executive Committee since October 14, 2013.

He oversees all global Infrastructure, including Transportation and Operations & Maintenance.

Dr. Mahmoud was previously at AMEC, where he was Group President, Growth Regions, and prior to that, President, Environment & Infrastructure. In his previous roles, he was responsible for significant value creation, and developed and implemented plans to expand the global footprint of the business while creating synergies with the company's other units. Dr. Mahmoud joined AMEC from URS where he played a key leadership role in their infrastructure business.

Dr. Mahmoud has over 23 years of experience with multinational engineering and construction companies, particularly in the transportation, water, buildings, facilities, industrial and commercial, environmental and government sectors. He has an extensive background in leading infrastructure businesses globally, as well as strategic growth planning and execution, including business acquisitions and integration. Dr. Mahmoud has a B.Sc. in Civil Engineering from Qatar University, and a Master's and Ph.D. in Civil Engineering, both from Arizona State University. He is a registered Professional Engineer in several U.S. states.

Three-Year Compensation 2011 - 2013

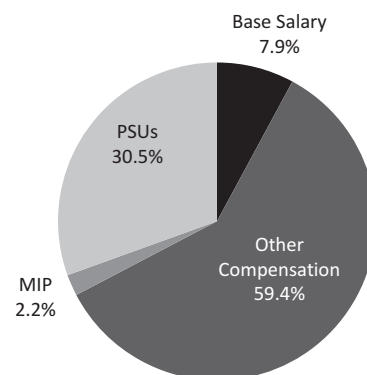
	Proportion	Compensation Components	2013	2012	2011
Fixed Compensation					
Short Term	7.9%	Base Salary	\$ 138,799	-	-
	59.4%	Other Compensation ⁽¹⁾	\$1,037,828	-	-
Long Term	0.0%	Employee Share Ownership Plan	-	-	-
	0.0%	Pension Value ⁽²⁾	-	-	-
Total	67.3%		\$1,176,627	-	-
Variable Compensation					
Short Term	2.2%	MIP ⁽³⁾	\$ 39,078	-	-
Long Term	0.0%	Stock Options ⁽⁴⁾	-	-	-
	0.0%	MSOP ⁽⁵⁾	-	-	-
	0.0%	E-DSUs ⁽⁶⁾	-	-	-
	30.5%	PSUs (Value of Granted Units) ⁽⁷⁾	\$ 532,590	-	-
	0.0%	RSUs ⁽⁸⁾	-	-	-
Total	32.7%		\$ 571,668	-	-
Total Compensation	100.0%		\$1,748,295	-	-

Aggregate Holding of E-DSUs, PSUs, RSUs and Stock Options

	E-DSUs ⁽⁹⁾		PSUs (Prior to 2010) ⁽¹⁰⁾		PSUs (Since 2010) ⁽¹¹⁾		RSUs ⁽¹²⁾	
	Vested	Non-Vested	Vested	Non-Vested	Vested	Non-Vested	Vested	Non-Vested
Number (#)	-	-	-	-	-	12,300	-	-
Value (\$)	-	-	-	-	-	\$587,817	-	-

	Stock Options ⁽¹³⁾	
	Exercisable	Unexercisable
Number (#)	-	-
Value (\$)	-	-

2013 Total Compensation Components Proportion





Andreas Pohlmann

Chief Compliance Officer

Age: 56

Joined SNC-Lavalin in 2013

Andreas Pohlmann was appointed to the new position of Chief Compliance Officer (“CCO”) on March 1, 2013. Prior to joining SNC-Lavalin, Dr. Pohlmann was the CCO at Siemens AG and oversaw the creation and implementation of its award-winning compliance and corporate governance system, which the company called its “highest priority”. Subsequently, he founded the well-respected consulting firm Pohlmann & Company – Compliance and Governance Advisory LLP. His widely admired approach to corporate governance has focused on transparency, responsibility, appropriate risk management, and respecting the interests of all stakeholders.

Dr. Pohlmann brings approximately 25 years of experience in compliance, governance, public and governmental affairs, and as corporate counsel in the U.S. and abroad. Dr. Pohlmann has an extensive background in the resolution and remediation of corporate ethics and governance issues on an international scale. He has a Law degree from the University of Frankfurt and a Doctor of Law degree from the University of Tuebingen in Germany.

Effective June 1, 2014, Dr. Pohlmann will move into a consulting role following a comprehensive transition period, with a strategic focus on ongoing World Bank compliance initiatives. He will work closely with Mr. David G. Wilkins, recently appointed as the new CCO on March 1, 2014 to ensure the continuance of the Corporation’s dedication to ethics and compliance excellence.

Under Dr. Pohlmann’s leadership, SNC-Lavalin successfully created and implemented a best-in-class Ethics & Compliance Program to prevent, detect and rapidly respond to any potential ethics-related issues throughout all levels of the organization. This first phase of the Corporation’s ethics and compliance initiative led to several positive outcomes, one of which occurred in February 2014, when the *Autorité des marchés financiers* authorized SNC-Lavalin to contract with public bodies in the province of Quebec.

Three-Year Compensation 2011 - 2013

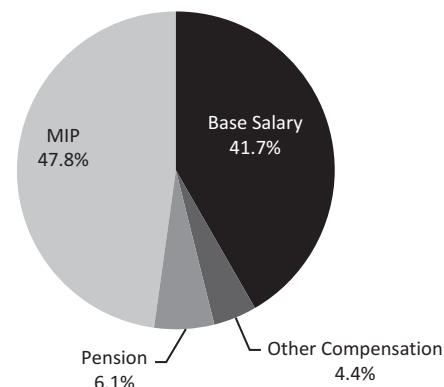
Proportion		Compensation Components	2013	2012	2011
Fixed Compensation					
Short Term	41.7%	Base Salary	\$ 632,961	-	-
	4.4%	Other Compensation ⁽¹⁾	\$ 67,027	-	-
Long Term	0.0%	Employee Share Ownership Plan	-	-	-
	6.1%	Pension Value ⁽²⁾	\$ 93,100	-	-
Total	52.2%		\$ 793,088	-	-
Variable Compensation					
Short Term	47.8%	MIP ⁽³⁾	\$726,044	-	-
Long Term	0.0%	Stock Options ⁽⁴⁾	-	-	-
	0.0%	MSOP ⁽⁵⁾	-	-	-
	0.0%	E-DSUs ⁽⁶⁾	-	-	-
	0.0%	PSUs (Value of Granted Units) ⁽⁷⁾	-	-	-
	0.0%	RSUs ⁽⁸⁾	-	-	-
Total	47.8%		\$ 726,044	-	-
Total Compensation	100.0%		\$1,519,132	-	-

Aggregate Holding of E-DSUs, PSUs, RSUs and Stock Options

	E-DSUs ⁽⁹⁾		PSUs (Prior to 2010) ⁽¹⁰⁾		PSUs (Since 2010) ⁽¹¹⁾		RSUs ⁽¹²⁾	
	Vested	Non-Vested	Vested	Non-Vested	Vested	Non-Vested	Vested	Non-Vested
Number(#)	-	-	-	-	-	-	-	-
Value(\$)	-	-	-	-	-	-	-	-

	Stock Options ⁽¹³⁾	
	Exercisable	Unexercisable
Number (#)	-	-
Value (\$)	-	-

2013 Total Compensation Components Proportion



Notes:

- (1) This amount includes all other compensation as presented in Section 8.1.
- (2) This amount represents the compensatory change as calculated for the purpose of the Summary Compensation Table in Section 8.1 of this Management Proxy Circular.
- (3) The MIP is described in Section 7.6.2.
- (4) This amount represents the value of the stock options at the time of grant using the binomial lattice valuation pricing model.
- (5) The MSOP is described in Section 7.6.3.5.
- (6) The E-DSUP is described in Section 7.6.3.4.
- (7) The PSUP is described in Section 7.6.3.1.
- (8) The RSUP is described in Section 7.6.3.2.
- (9) The E-DSUs were valued using the price of \$47.79 for a Common Share of the Corporation as at December 31, 2013.
- (10) The PSUs granted prior to 2010 were valued using the price of \$47.79 for a Common Share of the Corporation as at December 31, 2013.
- (11) The PSUs granted since 2010 were valued using the price of \$47.79 for a Common Share of the Corporation as at December 31, 2013 for non-vested PSUs. For vested PSUs they were valued according to the 3-year cumulative EPS as described in Section 7.6.3.1. The units that vested in 2013 will be cancelled.
- (12) The RSUs granted in 2013 were valued using the price of \$47.79 for a Common Share of the Corporation as at December 31, 2013.
- (13) The stock options were valued using the difference between the closing share price of \$47.79 on December 31, 2013 and the option exercise price.

8.7 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 in Section 7.1, 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 the other Senior Officers, monitors their performance and compensation and makes appropriate recommendations to the Board of Directors.

The HR Committee has reviewed and approved the remuneration of our NEOs 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 has any indebtedness towards the Corporation.

Section 9

GENERAL AND ADDITIONAL INFORMATION

9.1 Indebtedness of Directors and Officers

As of December 31, 2013, there was no indebtedness of current or former Directors, officers or employees of the Corporation or its subsidiaries, whether entered into in connection with the purchase of Common Shares of the Corporation or otherwise.

9.2 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, quarterly MD&A 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.

9.3 Approval of Directors

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

9.4 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 18, 2014

Schedule A

BOARD OF DIRECTORS' MANDATE

The Board of Directors of SNC-Lavalin Group Inc. (the “**Corporation**”) supervises the management of the Corporation’s business and affairs.¹

Composition. The articles of the Corporation provide that the Board of Directors shall consist of a minimum number of eight (8) and a maximum number of twenty (20) Directors to be elected annually. A majority of Directors must be “independent”, as determined by the Board including in light of Canadian securities legislation and regulations. The only officer who is currently a member of the Board is the President and Chief Executive Officer (“**CEO**”).

Although Directors may be nominated by the Board and elected by shareholders to bring a special expertise, experience or point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interest of the Corporation must be paramount at all times, taking into account those interests which in its judgment the Board may consider appropriate to consider from time to time.

Directors’ commitment. The involvement and commitment of Directors is evidenced by regular Board and committee attendance, review of available meeting materials in advance, availability to consult with other Directors or management as necessary, and preparation and active participation in Board deliberations.

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

Committees. The Board may establish, seek the recommendations of, and delegate responsibilities to committees of the Board. Such delegation does not relieve the Board of its overall responsibilities. The Board reserves the right to supervise, review and approve committee activity. Committees review specific aspects of the Corporation’s business and affairs as outlined in their mandates. They provide a smaller, more intimate forum than full Board meetings and are designed to be more conducive to deeper discussion on assigned subjects. Committees analyze policies and strategies which are developed by management. They examine alternatives and where appropriate make recommendations to the full Board. Committees do not take action or make decisions on behalf of the Board unless specifically mandated to do so.

The Board has established the following standing committees:

- Audit Committee;
- Governance and Ethics Committee;
- Health & Safety, Security and Environment Committee;
- Human Resources Committee; and
- Project Risk Review Committee.

The members of the above-mentioned standing committees must be Directors who are “independent” as determined by the Board including in light of Canadian securities legislation and regulations.

PRINCIPAL BOARD DUTIES

The Board’s principal duties fall into the following eight (8) categories. Section 9 below addresses meeting organization and procedures.

¹ This is sometimes referred to as the Board’s oversight function.

1. BOARD AND SENIOR MANAGEMENT

- (a) Subject to the Articles and By-Laws of the Corporation, the Board manages its own affairs, including planning its size and composition and that of its committees, selecting its Chairman, who shall not be the CEO, nominating candidates for election to the Board, appointing the members of its committees, establishing the responsibilities of its committees, determining Board compensation, monitoring Board succession planning process and assessing, through the Governance and Ethics Committee, the performance of the Board, Board committees, Chairman of the Board, Board committee chairs and individual directors.
- (b) The Board provides advice and counsel to the CEO, and takes action if and when performance falls short of its goals or other special circumstances warrant.
- (c) The Board chooses the CEO, upon the advice of the CEO approves the appointment and replacement of senior management, and monitors the succession planning process of the CEO and other members of senior management.
- (d) The Board reviews the list of objectives of senior management for the ensuing year, including that of the CEO, assesses their performance and approves their compensation.
- (e) The Board provides an orientation and induction program for new Directors and encourages and provides opportunities for all Directors to periodically update their skills as well as their knowledge of the Corporation, its business and affairs, and its senior management.

2. STRATEGIC SUPERVISION AND MONITORING

- (a) 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. The Board, among other assessment processes, evaluates 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 reviews the Corporation's annual strategic plan and budget with senior management prior to the commencement of each year and approves them. The plan shall take into account, among other things, the opportunities and risks of the Corporation's business.
- (c) The Board monitors the Corporation's progress towards its goals, and revises and alters its direction in light of changing circumstances. At every regularly scheduled meeting, the Board reviews recent developments, if any, that affect 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 factors or constraints which are relevant to the Corporation's business.

3. RISK EVALUATION

The Board ensures through reasonable measures that the principal risks of the Corporation's business and affairs are identified and that measures to mitigate and manage such risks are implemented. The Board also monitors progress on corrective and mitigation actions.

4. CORPORATE GOVERNANCE, ETHICS, POLICIES AND PROCEDURES

- (a) The Board adopts, updates and monitors compliance with the corporate governance practices described in the Corporate Governance Handbook as well as all significant policies and procedures it approves.
- (b) The Board adopts, updates and monitors compliance with the Corporation's written Code of Ethics and Business Conduct, grants any waivers from compliance to Directors and officers and, if required, causes disclosure of any such waivers to be made in the Corporation's next quarterly report, including the circumstances and rationale for granting the waiver.
- (c) The Board monitors through reasonable measures the Corporation's compliance with applicable legal and regulatory requirements.
- (d) The Board takes reasonable measures to satisfy itself as to the integrity of executive officers and that executive officers create a culture of integrity throughout the Corporation.

5. DISCLOSURE TO SHAREHOLDERS AND OTHERS

- (a) The Board ensures through reasonable measures 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 in compliance with applicable laws.
- (b) The Board ensures through reasonable measures 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 in compliance with applicable laws.
- (c) The Board reviews and approves the Corporation's annual information form and management proxy circular, as well as prospectuses and any other disclosure document required to be disclosed or filed by the Corporation under applicable securities laws, before their public disclosure or filing with regulatory authorities.
- (d) In relation to communications with shareholders, the Board approves resolutions to call meetings of shareholders or renews any normal course issuer bid, and reviews and approves the general content of the disclosure documents disclosed or filed by the Corporation in relation to meetings of shareholders.
- (e) The Board reviews the Corporation's communication policy governing the Corporation's communications with analysts, investors and the public.

6. FINANCIAL MATTERS AND INTERNAL CONTROLS

- (a) The Board: (i) reviews and approves the Corporation's unaudited quarterly financial statements and accompanying notes, together with the related management's discussion and analysis and press release, (ii) ensures through reasonable measures that the Corporation's audited annual financial statements are presented fairly and in accordance with generally accepted accounting standards, and (iii) reviews and approves such audited annual financial statements and accompanying notes, together with the related management's discussion and analysis and press release.
- (b) The Board monitors through reasonable measures the Corporation's internal control and management information systems.

7. HEALTH & SAFETY, SECURITY AND ENVIRONMENT

- (a) The Board ensures through reasonable measures that the Corporation has appropriate policies, practices, systems and resources to provide for the health & safety, security and environmental performance of the Corporation in accordance with applicable laws.

8. GENERAL LEGAL OBLIGATIONS APPLYING TO AND GOVERNING CONDUCT

The Board shall act in accordance with the *Canada Business Corporations Act*, securities, environmental and other relevant legislation and the Corporation's Articles and By-Laws, including:

- (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 interests of the Corporation;
- (c) to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and
- (d) 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 or appointing additional 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.

Nothing contained in this mandate shall expand applicable standards of conduct or other obligations under any law or regulation for the Directors of the Corporation.

9. MEETING ORGANIZATION AND PROCEDURES

- (a) Meetings of the Board shall be held at least quarterly and as required. In addition, another meeting of the Board shall be held, at least annually, to review the Corporation's strategic plan. The quorum at any meeting of the Board is a majority of Directors in office. The Board sets the schedule of the Board and Board committee meetings to be held in any given calendar year, a year or more in advance.
- (b) The Chairman of the Board and the CEO shall develop the agenda for each meeting of the Board, in consultation with the Corporate Secretary. The agenda and appropriate materials shall be provided to Board members in a timely manner prior to any meeting of the Board. Senior management will be made accessible to Board members at Board and Board Committee meetings to help them to fulfill their obligations.
- (c) A Director may participate in a meeting of the Board or of a Board Committee by means of telephone or other communications facilities which permit all persons participating in the meeting to hear each other, and a Director participating in such a meeting by such means is deemed to be present at the meeting. If a regular meeting has been convened, physical participation in the meeting by individual Board members is encouraged and expected, except in special circumstances.
- (d) At the beginning or end of each of the regularly scheduled meetings of the Board and Board Committees, an in camera session of the independent Directors shall be held, including when compensation issues are discussed.

* * * * *

Schedule B

POSITION DESCRIPTIONS

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 Board¹

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 Committees²

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 CEO³

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 Senior Executive Vice-Presidents (Group Presidents) and the Executive Vice-Presidents 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". The last update of this Policy took place in January 2014.

¹ A copy of the mandate of the Chairman of the Board is posted on the Corporation's website (www.snclavalin.com), under "About Us"/"Governance", a paper copy of which may also be obtained on request from the Vice-President and Corporate Secretary.

² The general terms concerning the responsibilities of the Chairmen of the Board Committees are set out in the mandate of each Board Committee, which are posted on the Corporation's website (www.snclavalin.com), under "About Us"/"Governance", a paper copy of which may be obtained on request from the Vice-President and Corporate Secretary.

³ 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"/"Governance", a paper copy of which may also be obtained on request from the Vice-President and Corporate Secretary.

Schedule C

SUMMARY OF THE 2007, 2009, 2011 AND 2013 STOCK OPTION PLANS

SUMMARY OF 2007 STOCK OPTION PLAN

On February 23, 2007, subject to the approval of the TSX and 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 sixth 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 five trading days immediately preceding the Date of Effect; and (ii) the closing price per Common Share on the first trading day immediately preceding the Date of Effect. Each option may be exercised only during a period commencing on the first day of the third year following the Date of Effect of the option and expiring on the last day of the fifth 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 first 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 second 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 first year of the Option Period; and (iii) during the third 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 to the option exercise price and 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.

On December 6, 2013, the Board of Directors approved certain amendments to the 2007 Plan to allow certain senior executives of the Corporation to exercise options even if they fail to comply with minimum shareholding requirements applicable to them, provided that they comply with those requirements discussed below. The foregoing amendments did not require shareholder approval. Under the 2007 Plan, as amended as of December 6, 2013, at the time of exercising options, (i) an Optionee who is an Executive Vice-President of the Corporation is required to own Common Shares having a value at least equal to two times his/her annual base salary, (ii) an Optionee who is President of a business unit/product, as determined by the Board of Directors, is required to own Common Shares having a value at least equal to three times his/her annual base salary, and (iii) an Optionee who is the President and CEO of the Corporation is required to own Common Shares having a value at least equal to five times his/her annual base salary. Should an Executive Vice-President, a President of a business unit/product, or the President and CEO of the Corporation fail to comply with the shareholding requirements described above at the time of exercising his/her options, he/she will be required to hold (and is prohibited from selling) underlying Common Shares equivalent in value to the entire "after tax gain" resulting from the exercise of such options, until the requirements are met. For the purposes of the above, "after tax gain" means, with respect to the exercise of options, the amount corresponding to the difference between (i) the market price of the Common Shares issued pursuant to such exercise, and (ii) the sum of the exercise prices and all taxes to be paid by the Optionee with respect to the exercise of such options.

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 all 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 all other share compensation arrangements of the Corporation (a) to insiders, within any one-year period, must be less than 5% of the issued Common Shares; and (b) to any one insider and such insider's associates, within any one-year period, must be less than 2.5% of the issued Common Shares; and (iii) the aggregate number of Common Shares reserved for issuance pursuant to options granted to any one 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 ten 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 terminate, 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 a 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 a 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 18, 2014, there were 0 options outstanding under the 2007 Plan, representing 0% of the total number of Common Shares of the Corporation outstanding (i.e. 152,065,359) 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.

SUMMARY OF 2009 STOCK OPTION PLAN

On March 6, 2009, subject to the approval of the TSX and 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 sixth 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 five trading days immediately preceding the Date of Effect; and (ii) the closing price per Common Share on the first trading day immediately preceding the Date of Effect. Each option may be exercised only during a period commencing on the first day of the third year following the Date of Effect of the option and expiring on the last day of the fifth 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 first 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 second 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 first year of the Option Period; and (iii) during the third 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 to the option exercise price and 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.

On December 6, 2013, the Board of Directors approved certain amendments to the 2009 Plan to allow certain senior executives of the Corporation to exercise options even if they fail to comply with minimum shareholding requirements applicable to them, provided that they comply with those requirements discussed below. The foregoing amendments did not require shareholder approval. Under the 2009 Plan, as amended as of December 6, 2013, at the time of exercising options, (i) an Optionee who is an Executive Vice-President of the Corporation is required to own Common Shares having a value at least equal to two times his/her annual base salary, (ii) an Optionee who is President of a business unit/product, as determined by the Board of Directors, is required to own Common Shares having a value at least equal to three times his/her annual base salary, and (iii) an Optionee who is the President and CEO of the Corporation is required to own Common Shares having a value at least equal to five times his/her annual base salary. Should an Executive Vice-President, a President of a business unit/product, or the President and CEO of the Corporation fail to comply with the shareholding requirements described above at the time of exercising his/her options, he/she will be required to hold (and is prohibited from selling) underlying Common Shares equivalent in value to the entire "after tax gain" resulting from the exercise of such options, until the requirements are met. For the purposes of the above, "after tax gain" means, with respect to the exercise of options, the amount corresponding to the difference between (i) the market price of the Common Shares issued pursuant to such exercise, and (ii) the sum of the exercise prices and all taxes to be paid by the Optionee with respect to the exercise of such options.

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 all 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 one-year period, must be less than 5% of the issued Common Shares; and (b) to any one insider and such insider's associates, within any one-year period, must be less than 2.5% of the issued Common Shares; and (iii) the aggregate number of Common Shares reserved for issuance pursuant to options granted to any one 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 ten 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

(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.

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 terminate, 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 a 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 ten trading days following the end of the period during which insiders are prohibited from trading. However, such ten 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 a 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 18, 2014, there were 1,020,897 options outstanding under the 2009 Plan, representing 0.67% of the total number of Common Shares of the Corporation outstanding (i.e. 152,065,359) on that date.

The Board may, subject to receipt of TSX 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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SUMMARY OF 2011 STOCK OPTION PLAN

On March 4, 2011, subject to the approvals of the TSX and 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 sixth 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 five trading days immediately preceding the Date of Effect; and (ii) the closing price per Common Share on the first trading day immediately preceding the Date of Effect. Each option may be exercised only during a period commencing on the first day of the third year following the Date of Effect of the option and expiring on the last day of the fifth 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 first 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 second 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 first year of the Option Period; and (iii) during the third 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 to the option exercise price and 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.

On December 6, 2013, the Board of Directors approved certain amendments to the 2011 Plan to allow certain senior executives of the Corporation to exercise options even if they fail to comply with minimum shareholding requirements applicable to them, provided that they comply with those requirements discussed below. The foregoing amendments did not require shareholder approval. Under the 2011 Plan, as amended as of December 6, 2013, at the time of exercising options, (i) an Optionee who is an Executive Vice-President of the Corporation is required to own Common Shares having a value at least equal to two times his/her annual base salary, (ii) an Optionee who is President of a business unit/product, as determined by the Board of Directors, is required to own Common Shares having a value at least equal to three times his/her annual base salary, and (iii) an Optionee who is the President and CEO of the Corporation is required to own Common Shares having a value at least equal to five times his/her annual base salary. Should an Executive Vice-President, a President of a business unit/product, or the President and CEO of the Corporation fail to comply with the shareholding requirements described above at the time of exercising his/her options, he/she will be required to hold (and is prohibited from selling) underlying Common Shares equivalent in value to the entire "after tax gain" resulting from the exercise of such options, until the requirements are met. For the purposes of the above, "after tax gain" means, with respect to the exercise of options, the amount corresponding to the difference between (i) the market price of the Common Shares issued pursuant to such exercise, and (ii) the sum of the exercise prices and all taxes to be paid by the Optionee with respect to the exercise of such options.

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 all 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 one-year period, must be less than 5% of the issued Common Shares; and (b) to any one insider and such insider's associates, within any one-year period, must be less than 2.5% of the issued Common Shares; and (iii) the aggregate number of Common Shares reserved for issuance pursuant to options granted to any one 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 ten 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

(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.

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 terminate, 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 a 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 ten trading days following the end of the period during which insiders are prohibited from trading. However, such ten 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 a 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 18, 2014, there were 1,810,700 options outstanding under the 2011 Plan, representing 1.19% of the total number of Common Shares of the Corporation outstanding (i.e. 152,065,359) on that date.

The Board may, subject to receipt of TSX 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.

SUMMARY OF 2013 STOCK OPTION PLAN

On March 8, 2013, subject to the approvals of the TSX and the Corporation's shareholders, which approvals were subsequently obtained, the Board of Directors of the Corporation adopted the 2013 Stock Option Plan (the "**2013 Plan**") in favour of key employees of the Corporation and its subsidiaries and other corporations in which the Corporation has an equity interest.

The 2013 Plan provides for the granting of non-transferable options to purchase Common Shares. The total number of authorized and unissued Common Shares available for options under the 2013 Plan is equal to 3,200,000 which, together with the number of options outstanding (i.e., granted but not exercised) as at March 11, 2013 under previous stock option plans, totals less than 5% of the Common Shares of the Corporation outstanding as at the same date. The Board of Directors of the Corporation will select the optionees (the "**Optionees**"), determine the number of Common Shares covered under each option, and the grant date for each option. The Board of Directors shall further have the discretion to establish, within the restrictions set forth in the 2013 Plan, the time of exercise, expiry dates, exercise price and other particulars applicable to an option granted under the 2013 Plan. The exercise price for an option on a grant date will be determined by the Board of Directors and will not be less than the average closing price per Common Share on the TSX for the five trading days immediately preceding such grant date (the "**Share Value**"). Should the Board of Directors resolve to grant an option during a period self-imposed by the Corporation during which Directors, officers and certain employees of the Corporation are precluded from trading in the securities of the Corporation (a "**Blackout Period**"), the exercise price for such option is presumed to be the Share Value on the sixth trading day following the end of the Blackout Period. Each option may only be exercised during a period commencing on the first day of the third year following the grant date of the option and expiring on the last day of the sixth year following such grant date or the last day of an extension of ten business days from the end of a Blackout Period if the expiry date of an option falls within the Blackout Period or within ten business days after the end of the Blackout Period (the "**Blackout Extension Term**") (and collectively, such period the "**Option Period**"). Options may be exercised during the Option Period to which they relate in accordance with the following schedule: (i) during the first year of the Option Period, an Optionee may exercise up to 33.33% of the options; (ii) during the second year of the Option Period, the Optionee may exercise an additional 33.33% of the options; and (iii) during the third year of the Option Period, the Optionee may exercise the balance (including all) of the options.

At the time of exercising options, (i) an Optionee who is an Executive Vice-President of the Corporation is required to own Common Shares having a value at least equal to twice his/her annual base salary, (ii) an Optionee who is president of business units/products, as determined by the Board of Directors, is required to own Common Shares having a value at least equal to three times his/her annual base salary, and (iii) an Optionee who is the President and CEO of the Corporation is required to own Common Shares having a value at least equal to five times his/her annual base salary. Should an Executive Vice-President, a president of business unit/products or the President and CEO of the Corporation fail to comply with the shareholding requirements described above at the time of exercising his/her options, he/she will be required to hold (and is prohibited from selling) underlying Common Shares equivalent to at least 25% of the after-tax gain resulting from such exercise until the requirements are met.

The 2013 Plan includes the following quantitative restrictions: (i) the number of Common Shares issuable to insiders, at any time, under the 2013 Plan and other share compensation arrangements of the Corporation must be less than 5% of the issued Common Shares; (ii) the number of Common Shares issued under the 2013 Plan and other share compensation arrangements of the Corporation (a) to insiders, within any one-year period, must be less than 5% of the issued Common Shares; and (b) to any one insider and such insider's associates, within any one-year period, must be less than 2.5% of the issued Common Shares; and (iii) the aggregate number of Common Shares reserved for issuance pursuant to options granted to any one individual under the 2013 Plan must be less than 2.5% of the issued Common Shares. Common Shares in respect of which options are granted but not exercised prior to the expiration, termination or lapse of such options shall be available for new grants of options pursuant to the provisions of the 2013 Plan.

An Optionee who becomes a Retiree before the expiration of the Option Period may exercise his/her options as 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 5 years of continuous service with the Corporation and is 55 years of age or older. If an Optionee becomes a Retiree before the expiration of the Option Period but he/she engages in certain activities competing with those of the Corporation, as more fully described in the 2013 Plan, his/her unexercised vested options will be forfeited and his/her unvested options will expire, effective upon his/her last day of work as a full-time regular employee of the Corporation.

If an Optionee is granted authorized leave of absence for sickness or other reasons, before the expiration of the Option Period, the Optionee will be entitled to exercise his/her options during his/her leave of absence. If an Optionee dies before the expiration of the Option Period, his/her legal representatives will be entitled to exercise his/her vested options within a period of one year following such death and all unvested options will expire as of the date of the death.

Under the 2013 Plan, unless otherwise determined by the Board, if an Optionee is terminated without cause or submits a resignation for good reason within 24 months following a change of control (as defined below): (i) each unexercised vested option then held by the Optionee shall remain exercisable for a period of 24 months from the date of termination or resignation, but not later than the end of the Option Period, and thereafter any such option shall expire; and (ii) each unvested option then held by the Optionee shall become exercisable upon such termination or resignation and shall remain exercisable for a period of 24 calendar months from the date of such termination or resignation, but not later than the end of the Option Period, and thereafter any such option shall expire. For the purposes of the 2013 Plan, a “change of control” means, at any time, the occurrence of any of the following events: (a) a person or a number of persons acting jointly or in concert holds or exercises control over, directly or indirectly, 50% or more of the shares of a class of voting shares of the Corporation; (b) a person or a number of persons acting jointly or in concert successfully completes a take-over bid or an exchange bid for 50% or more of the shares of a class of voting shares of the Corporation; (c) a majority of the members of the Board of Directors of the Corporation is replaced during any twelve-month period by directors whose appointment or election is not proposed by management and endorsed by a majority of the members of the Board of Directors of the Corporation prior to the date of the appointment or election; or (d) a person or a number of persons acting jointly or in concert acquires (or has acquired during the twelve-month period ending on the day of the most recent acquisition by such person or persons) assets representing 50% or more of the total gross fair market value of all assets directly involved in the engineering activities of the Corporation immediately prior to such acquisition or acquisitions.

If an Optionee’s employment is otherwise terminated or if an Optionee should resign from his/her employment, all of his/her unvested options will expire effective on the date of such termination or resignation, and he/she will have a period of 30 days from the date of such termination or resignation to exercise his/her unexercised vested options, at the end of which period such options will expire.

The 2013 Plan includes an amendment provision pursuant to which the Board may amend any of the provisions of the 2013 Plan or amend the terms of any then-outstanding award of options under the 2013 Plan, provided, however, that the Corporation shall obtain shareholder approval for: (a) any amendment to the number of Common Shares issuable under the 2013 Plan, except for adjustments in the case of a declaration of dividend, a subdivision, consolidation, reclassification or other change or action affecting the Common Shares (“**Shares Adjustment**”); (b) any change which would allow non-employee Directors to participate in the 2013 Plan; (c) any amendment which would permit any option granted under the 2013 Plan to be transferable or assignable other than by will or pursuant to the laws of succession; (d) any reduction in the exercise price of an option after the option has been granted or any cancellation of an option and the substitution of that option by a new option with a reduced exercise price, except in the case of Shares Adjustment; (e) any extension to the term of an option beyond the original Option Period, unless it falls within a Blackout Period, in which case the Option Period will be extended by the Blackout Extension Term; (f) any increase to the number of Common Shares that may be granted to (i) insiders under the 2013 Plan and other share compensation arrangements of the Corporation or (ii) any one insider and such insider’s associates in any one-year period, except in the case of Shares Adjustment; and (g) any change to the amendment provision other than amendments of a “housekeeping” or clerical nature or to clarify such provision.

No amendment, suspension or termination shall, except with the written consent or deemed consent of the Optionees concerned, have an adverse effect on unexercised options previously granted under the 2013 Plan.

On March 18, 2014, there were 1,158,900 options outstanding under the 2013 Plan, representing 0.76% of the total number of Common Shares of the Corporation outstanding (i.e. 152,065,359) on that date.

The Board may, subject to receipt of TSX approval, if required, in its sole discretion, make all other amendments to the 2013 Plan or to awards of options that are not contemplated above, including, without limitation, the following: (a) amendments of a “housekeeping” or clerical nature as well as any amendment clarifying any provision of the 2013 Plan; (b) a change to the vesting provisions of an option; (c) a change to the termination provisions of an option which does not entail an extension beyond the original Option Period, as extended by the Blackout Extension Term, if applicable; (d) any change to the value of the Common Shares which certain officers and/or employees are required to maintain in order to exercise their options, such minimum Common Share holding requirements being discussed above; (e) any Shares Adjustment; and (f) suspending or terminating the 2013 Plan.

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Schedule D

ONGOING DIRECTOR EDUCATION AND SITE VISITS

The following table provides details on the ongoing training initiatives for 2013.

TOPIC	PRESENTATION BY:	PRESENTATION Internal = I External = E	DIRECTORS PRESENT	
Business Strategy	Management To: Board of Directors	I	Jacques Bougie Ian A. Bourne Robert G. Card David Goldman Patricia A. Hammick Lise Lachapelle Pierre H. Lessard Edythe A. Marcoux	Lorna R. Marsden Claude Mongeau Gwyn Morgan Michael D. Parker Alain Rhéaume Chakib Sbiti Eric D. Siegel Lawrence N. Stevenson
New Directors Induction Program – Review of Risk Monitoring Processes	Management To: Board of Directors	I	Jacques Bougie Ian A. Bourne Patricia A. Hammick Lise Lachapelle	Lorna R. Marsden Alain Rhéaume Chakib Sbiti Eric D. Siegel
Board Governance	Marc Barbeau (Stikeman Elliott LLP, independent legal counsel to the Board) To: Board of Directors	I	Jacques Bougie Ian A. Bourne Robert G. Card Patricia A. Hammick Lise Lachapelle Lorna R. Marsden	Claude Mongeau Michael D. Parker Alain Rhéaume Chakib Sbiti Eric D. Siegel Lawrence N. Stevenson
Board Renewal	Peter Simon (Spencer Stuart) To : Governance and Ethics Committee	I	Ian A. Bourne Robert G. Card Patricia A. Hammick Lise Lachapelle	Michael D. Parker Eric D. Siegel Lawrence N. Stevenson
Bribery and Corruption	PriceWaterhouseCoopers LLP	E	Jacques Bougie	
3 seminars: Health and Safety, Executive Compensation and Governance	Institute of Corporate Directors	E	Ian A. Bourne	
2 seminars: Transformational Transactions and Audit Committee Issue	Deloitte Directors' Series	E	Ian A. Bourne	
Annual Conference	Institute of Corporate Directors	E	Ian A. Bourne	Eric D. Siegel
3 seminars: Special Situations, Risk Management and Compensation Issues	Institute of Corporate Directors	E	Ian A. Bourne	
CERA Conference	HIS Energy	E	Robert G. Card	
World Copper Conference	CRU	E	Robert G. Card	
Annual CEO Forum	FMI & Farkas Berkowitz & Company	E	Robert G. Card	
Annual Convention	Edison Electric Institute	E	Robert G. Card	
Financial Products	Manulife Financial Canada	E	Lorna R. Marsden	
Various seminars on topics relating to Economics, Finance and Human Resources	Ernst & Young LLP	E	Michael D. Parker	
Compensation Matters	The Hay Group	E	Michael D. Parker	
3 seminars: Anti-Bribery and Corruption – Are you doing enough after an acquisition M&A Due Diligence – What Directors Should Know Audit Committee Effectiveness	Institute of Corporate Directors	E	Eric D. Siegel	

TOPIC	PRESENTATION BY:	PRESENTATION Internal = I External = E	DIRECTORS PRESENT
3 seminars: Fraud Risk and Compliance IT Concerns for Boards Reputation at Risk	Institute of Corporate Directors Ottawa Chapter	E	Eric D. Siegel
Directors' Dinner	Hugessen Consulting Inc.	E	Lawrence N. Stevenson

The Board of Directors also had access to a series of conferences, webcasts and documentation provided by Deloitte LLP on the following subjects: 1) Audit committees: Raising the bar on audit and reporting quality; 2) Transformational transactions – The board's role; and 3) CEO transition: tackling the thorny issues.

2013 SITE VISITS BY BOARD MEMBERS

The following site visits were organized in 2013.

Site	Director(s)		Date
Interfleet, Derby, United Kingdom	Robert G. Card	Michael D. Parker	January, 2013
Desalting Plant, Algeria	Robert G. Card	Chakib Sbiti	February, 2013
CHU Ste-Justine, Montreal, Quebec	Patricia A. Hammick	Eric D. Siegel	March, 2013
Agrium Mine, Saskatoon, Saskatchewan	Ian A. Bourne Lise Lachapelle Lorna R. Marsden Michael D. Parker	Alain Rhéaume Chakib Sbiti Eric D. Siegel	June, 2013
CHU Ste-Justine, Montreal, Quebec	Jacques Bougie		August, 2013
McGill University Health Centre (MUHC), Montreal, Quebec	Jacques Bougie		August, 2013
Camille-Claudel Museum, France	Michael D. Parker		September, 2013
Confederation Line LRT, Ottawa, Ontario	Lise Lachapelle Lorna R. Marsden Michael D. Parker	Chakib Sbiti Eric D. Siegel Lawrence N. Stevenson	October, 2013

Mr. Robert G. Card also visited numerous project sites around the world in 2013 in his capacity as President and CEO of the Corporation.

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Schedule E

BOARD COMMITTEES' REPORTS REPORT OF THE AUDIT COMMITTEE¹

Dear Fellow Shareholders:

During 2013, the Audit Committee oversaw financial management, internal audit and the audits conducted by Deloitte LLP, the Corporation's independent auditor. The main focus was management's progress toward improving internal control processes.

As Chair of the Audit Committee, I was also involved in the selection and appointment of Alain-Pierre Raynaud as CFO. In his capacity as CFO, he has a direct reporting relationship with the Audit Committee as well as with the President and CEO.

The Committee retained Deloitte to conduct an integrated audit of both the Financial Statements and Internal Controls over Financial Reporting for the second year. The resulting audit opinion for 2013 was unqualified. Notwithstanding, actions continue to be taken to further strengthen controls.

Internal Audit completed the plan approved by the Committee early in the year. Thirty-six (36) audits which spanned the entire company were conducted. The Committee received reports on all audits as completed and the status of corrective actions was reviewed at the Committee's regular quarterly meetings. In addition and, in conjunction with the Governance and Ethics Committee, the Audit Committee reviewed the progress and results of relevant investigations conducted by the CCO.

As part of the quarterly reviews of the financial statements, the Committee reviewed management decisions regarding business and financial judgments including revenue recognition, assessment of legacy projects and valuation of goodwill and intangible assets.

Finally, the Committee reviewed other management projects and activities involving corporate liquidity, cash management, insurance programs and information technology.

Yours truly,

Patricia A. Hammick (*signed*)
Chair of the Audit Committee

Members

The members of the Audit Committee are: Patricia A. Hammick (Chair), Claude Mongeau, Alain Rhéaume and Eric D. Siegel. Each of the members of the Audit Committee is independent.

Mandate²

The Audit Committee assists the Board in supervising the Corporation's financial controls and reporting. It also monitors, through reasonable measures, whether the Corporation complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

The mandate of the Audit Committee also provides for at least one 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 (Dr. Patricia A. Hammick and Mr. Claude Mongeau are currently members of both the Audit and HR Committees).

On May 2, 2013, Mr. Bourne stepped down as Chair of the Audit Committee and was replaced by Dr. Patricia A. Hammick.

¹ 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.

² For further details on the Committee's mandate, see the Corporation's AIF available on SEDAR's website (www.sedar.com) and on the Corporation's website (www.snclavalin.com) under "Investors"/"Investor's Briefcase"/"Annual Information Form", a paper copy of which may also be obtained on request from the Vice-President and Corporate Secretary.

Audit and Related Experience and Financial Literacy of Audit Committee Members

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, as part of the Director continuing education program, the members of the Audit 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 as provided for in the mandate of the Governance and Ethics Committee.

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.

Patricia A. Hammick

- is a former director and member of the Finance Committee of Consol Energy Inc. and former Chairman of the Board, lead director and member of the Audit Committee of Dynegy Inc. 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. Dr. Hammick graduated from George Washington University with a Ph.D. in Mathematical Statistics and from the University of California with an M.A. in Physics.

Claude Mongeau

- has been President and CEO of Canadian National Railway Company since January 1, 2010. He joined CN in 1994 and has held the positions of Vice-President, Strategic and Financial Planning, and Assistant Vice-President, Corporate Development. He was appointed Executive Vice-President and CFO of CN in 2000. Mr. Mongeau is the Chairman of the Railway Association of Canada, a director of the Canadian Council of Chief Executives and a former member of the Audit Committee of Nortel Networks. He holds an MBA from McGill University and was named Canada's CFO of the Year in 2005.

Alain Rhéaume

- is the Co-Founder and Managing Partner of Trio Capital Inc. and has over 25 years of senior management experience in the private and public sectors. He worked for the Ministry of Finance of the Québec Government from 1974 to 1996, acting from 1988 to 1992 as Associate Deputy Minister, Financial Policies and Operations, and from 1992 to 1996 as Deputy Minister. In 1996, Mr. Rhéaume joined Microcell Telecommunication Inc. as CFO. He was subsequently promoted to President and CEO of Microcell PCS (2001-2003) and President and COO of Microcell Solutions Inc. (2003-2004). Until June 2005, Mr. Rhéaume was Executive Vice-President, Rogers Wireless Inc., and President of Fido Solutions Inc. (a division of Rogers Wireless Inc.), a role he assumed when Microcell Telecommunications Inc. was acquired by Rogers. Mr. Rhéaume is the Chair of the Audit Committee of Resolute Forest Products Inc. and a member of its Finance Committee. He is also a public director of the Canadian Investor Protection Fund and of the Canadian Public Accountability Board. Mr. Rhéaume is a former audit committee member of 5 publicly-traded corporations. Mr. Rhéaume graduated from Université Laval in 1973 with a License in Business Administration (Finance and Economics).

Eric D. Siegel

- is the former President and CEO of Export Development Canada (EDC), a position he held from 2007 until his retirement in December 2010. Mr. Siegel joined EDC 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 until his appointment as President and CEO in 2007. He is currently a director of Citibank Canada as well as a member of its Audit Committee, is a member of the Dean's Advisory Council of York University's Schulich School of Business and a Chapter Executive of the Institute of Corporate Directors (Ottawa Chapter). Mr. Siegel graduated from the University of Toronto in 1976 with a Bachelor of Arts in history and economics and from York University in 1979 with a Master's of Business Administration. He completed the Senior Executive Program at Columbia University in 2012 and the Director Education Program in 2010.

REPORT OF THE GOVERNANCE AND ETHICS COMMITTEE

Dear Fellow Shareholders:

As Chair of the Governance and Ethics Committee, I am pleased to provide you with a review of its activities in 2013.

During the year, the Committee devoted much time and effort overseeing the implementation of a strong and effective ethics and compliance framework. With the arrival of Andreas Pohlmann as CCO, the Committee changed its mandate to integrate quarterly reports by the CCO and provide our Ethics and Compliance team with timely feedback, insight and oversight on the ethics framework and programs being implemented. The Committee's mandate was also amended to include a dual reporting system for the CCO whereby the role is directly accountable to the Board via the Committee as well as to the President and CEO.

As well, the Committee spent time on board renewal. With the aid of external resources, the Committee also reviewed and continue to review the Board's Director Profile and Skills Matrix and director recruitment as well as board succession planning processes.

In 2013, we reevaluated the Board and all Board Committees mandates to balance workload and clarify responsibilities including the addition of a specific risk oversight responsibility within each Committee's area of expertise. Above and beyond the important amendments to the Committee's mandate mentioned above, significant changes were also brought to the Project Review Committee. This Committee has now become the Project Risk Review Committee to reflect its enhanced role in overseeing how project risk is understood and managed throughout the Corporation.

I would like to thank my Committee colleagues for their contribution as we try to implement the global best practices in governance and ethics standards.

Yours truly,

Ian A. Bourne (*signed*)

Chair of the Governance and Ethics Committee

Members

The members of the Governance and Ethics Committee are: Ian A. Bourne (Chair) Patricia A. Hammick, Lise Lachapelle, Michael D. Parker, Eric D. Siegel and Lawrence N. Stevenson. Each of the members of the Governance and Ethics Committee is independent.

Mandate¹

The Governance and Ethics Committee assists the Board in developing the Corporation's approach to corporate governance and ethical and compliance issues, proposing new Board nominees and assessing the effectiveness of the Board and its committees, their respective chairs and individual directors.

The Governance and Ethics Committee also provides the Statement of Corporate Governance Practices required under the CSA disclosure requirements which is found throughout Sections 2, 3, 5, 6, 7 and Schedules A, B, D and E of this Management Proxy Circular.

REPORT OF THE HSS&E COMMITTEE

Dear Fellow Shareholders:

SNC-Lavalin has a "WE CARE" value statement which reinforces values that have formed the cornerstone of the Corporation's culture for more than 100 years. Health, safety, security and environment form a part of this "WE CARE" value statement which reiterates the Corporation's commitment to the well-being of its employees, the health and safety of people working on project sites and in offices worldwide, the communities in which its employees live and work, a sustainable environment and quality. As Chair of the Health & Safety, Security and Environment Committee, I am proud to form part of, and contribute to, the oversight and advancement of health, safety, security and environment strategies, policies and processes which are so important to our everyday business. It is in this context that I am pleased to present the report of our Committee to our shareholders.

¹ For a complete copy of the Governance and Ethics Committee mandate, see the Corporation's website (www.snclavalin.com), under "About Us"/"Governance".

Health and Safety

In 2013, the Committee provided oversight of the health and safety systems and processes within the Corporation. It reviewed health and safety reports which showed downward trends in the Corporation's incident frequencies indicating a positive shift in safety performance. It also reviewed and provided management with feedback on the Corporation's internal audit of the corporate global health and safety system, as well as the remedial action plan developed and the corrective actions to be implemented in connection with this system. The Committee considered and provided management with feedback on changes to be considered with respect to the organizational structure for health and safety reporting systems within the Corporation and reviewed the 2014 health and safety objectives, which include two objectives specifically targeted at measuring each Executive Vice-President's personal investment in health and safety.

Security

During 2013, the Committee entered into its second year of reviewing global security matters. It worked with management on the replacement of the Senior Vice-President, Security, reviewed and provided feedback on the design of a new strategy based on a risk-based global security management system framework, and oversaw the process for the recruitment of professional security resources both at corporate and regional levels.

Environment

From an environment and sustainability perspective, the Committee was apprised of a benchmarking study done by management on the issue of corporate sustainability programs. The Corporation was compared to members of its peer group and key clients to assess sustainability programs using the global reporting initiative standard. This exercise enabled the Corporation to identify a road map for better sustainability management and reporting.

As Chair of the Health & Safety, Security and Environment Committee, I would like to extend my sincere thanks to you for taking the time to review our Committee disclosure.

Yours truly,

Michael D. Parker (*signed*)
Chair of the HSS&E Committee

Members

The members of the HSS&E Committee are: Michael D. Parker (Chair), Lise Lachapelle, Lorna R. Marsden and Chakib Sbiti. Each of the members of the HSS&E Committee is independent.

Mandate¹

The HSS&E Committee assists the Board in discharging its responsibilities with regard to health and safety, security and environmental issues.

REPORT OF THE PROJECT RISK REVIEW COMMITTEE

Dear Fellow Shareholders:

I am pleased to report that the Committee has made significant progress over the course of the year in implementing and expanding upon its vision for supervision of the Corporation's project business. An important component of the Corporation's enterprise risk management framework, the creation of the Project Review Committee by the Board in late 2012, was designed to enhance Board insight into the identification, mitigation and overall management of the risks arising from the Corporation's business portfolio of projects. The Committee's focus in 2013 was twofold. First, over the course of the year, the Committee reviewed eleven projects totalling approximately \$20 billion of potential revenue prior to authorization. Second, working with management, the Committee developed a compliance framework to quantify and monitor the Corporation's exposure to project risk throughout the project

¹ For a complete copy of the HSS&E Committee mandate, see the Corporation's website (www.snclavalin.com), under "About Us"/"Governance".

lifecycle and its capacity for risk management through its people, processes and systems. The result at year end was the approval of a new and expanded mandate for what will now be called the Project Risk Review Committee. Additionally, following their election to the Board of Directors at the 2013 Annual and Special Meeting of the Shareholders, the Committee's membership was expanded and competencies broadened with the addition of Jacques Bougie and Alain Rhéaume.

I would like to thank my Committee colleagues for their hard work, insight and invaluable advice throughout the year. I'd also like to thank my predecessor, David Goldman, whose leadership as the first Chair of the Committee until his retirement from the Board on May 2, 2013, was instrumental in developing the initial mandate for the Committee and bringing it to life.

Yours truly,

Eric D. Siegel (*signed*)
Chair of the PRRC

Members

The members of the PRRC are: Eric D. Siegel (Chair), Jacques Bougie, Michael D. Parker, Alain Rhéaume and Chakib Sbiti. Each of the members of the PRRC is independent.

Mandate¹

The PRRC assists the Board in supervising the management of the comprehensive framework for project risk arising from business the Corporation undertakes with clients inclusive of policies, processes and risks limits, monitoring the level of portfolio risk arising from projects, supervising the corporate management of specific project risks and high risk projects and, when required, in reviewing, on behalf of or in support of the Board, specific projects as per management's levels of authority requirements or as requested by management.

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¹ For a complete copy of the PRRC Mandate, see the Corporation's website (www.snclavalin.com), under "About Us"/"Governance".



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