Management Proxy Circular and Notice of Annual Meeting of Shareholders

March 14, 2016

SNC · LAVALIN

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Glossary of Terms

AIP Annual Incentive Plan

Board or Board of Directors SNC-Lavalin Group Inc.'s board of directors

CCAA Companies' Creditors Arrangement Act

CCO Chief Compliance Officer

CEO Chief Executive Officer

CFO Chief Financial Officer

COO Chief Operating Officer

Chairman / Chair Chairman of the Board / Chairs of the Committees

Committee A committee established by the Board of Directors of the Company

Common Shares SNC-Lavalin Group Inc.'s common shares

Company SNC-Lavalin Group Inc.

Computershare Computershare Investor Services Inc.

Directors Members of the Board of Directors of the Company

E-DSUs Executive Deferred Share Units

E-DSUP Executive Deferred Share Unit Plan

EPC Engineering, procurement and construction

EPS Earnings Per Share

ESOP Employee Share Ownership Plan

Executive Committee A committee established by management comprised of nine (9) Executive Vice-Presidents

G&E Committee Governance and Ethics Committee of the Board

Harvest Harvest Retirement Savings Program

Harvest Plus Harvest Plus Retirement Savings Program

HR Committee Human Resources Committee of the Board

Kentz Kentz Corporation Limited

Meeting SNC-Lavalin Group Inc.'s annual meeting of shareholders to be held on May 5, 2016

MSOP Management Share Ownership Program

NEOs Named Executive Officers

PSUs Performance Share Units

PSUP Performance Share Unit Plan

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 and other individuals reporting directly to the President and CEO, as determined by the HR Committee

SNC-Lavalin SNC-Lavalin Group Inc.

Stock Option Plan Any of SNC-Lavalin Group Inc.'s three (3) effective Stock Option Plans established in 2009, 2011 & 2013

SWPR Committee Safety, Workplace and Project Risk Committee of the Board

Valerus Valerus Field Solutions Holdings, LLC

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Invitation to Shareholders

Dear Fellow Shareholders:

On behalf of the Board of Directors, management and employees of SNC-Lavalin Group Inc., 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 5, 2016, at 11:00 a.m. (Eastern Time).

During my first full year as Chairman, we accomplished a great deal and I'm very pleased with our progress on several fronts, including the appointment of our new President and CEO, our improved financial results and our continued resolute commitment to ethics and compliance.

In October 2015, Neil Bruce took the reins of the Company and is driving our strategic plan to improve our financial performance and shareholder value, as reflected in our stronger 2015 financial results. He has been successfully refocusing our organization on enhancing execution and growing earnings with the Board's full endorsement. Neil joined SNC-Lavalin in 2013 as President of our resource businesses; he transformed our Oil & Gas sector into a world-class organization and then, as COO, implemented our new operational model.

I would like to take this opportunity to thank Neil's predecessor, Robert Card, for helping us stabilize our business throughout three of our most challenging years. Robert changed the face of the executive team and, among other achievements, put in place an industry-leading ethics and compliance system.

Our broad ethics and compliance actions laid the groundwork for an important milestone in late 2015 when we signed an administrative agreement under the Government of Canada's new Integrity Regime. We believe that Canada should align with approaches employed by certain G7 countries such as the U.K. and U.S. to enhance corporate self-reporting and to effectively resolve matters without resorting to legal proceedings. Adopting these efficient and pragmatic settlement mechanisms, called Deferred Prosecution Agreements ("DPAs"), would protect the public and be good for our shareholders, clients and all Canadian companies that work internationally.

I want to reassure our shareholders that SNC-Lavalin's renewed focus on performance and results will not come at the expense of hard-earned progress in key areas like ethics and compliance. In fact, an extensive independent review of our Board in 2015 revealed that ethics and compliance remain the top priority. This review was part of an ongoing Board renewal process launched in 2012.

We also welcomed two new board members in 2015. Steven Newman brings over 25 years of senior leadership and direct international experience in one of our key markets: energy. Jean Raby has over 25 years of experience in investment banking, law and finance, including 16 years at Goldman Sachs. Their valuable insight and perspective will further strengthen our team. We would like thank Mr. Zin Smati for accepting to stand for election as director of the Company. With over 35 years of senior leadership and direct international experience in the energy sector, we are proud to present him as a Board nominee. We would also like to thank Lise Lachapelle, who will be leaving the Board on March 31, 2016 and Michael D. Parker, who will not be standing for re-election, for their significant contribution over the past few years to our Board.

As a Board, we're pleased to approve initiatives like our new Diversity Program that enhance diversity and gender equality across the company, including at the Board and senior management levels. We're also proud to have established a world-class ethics and compliance system and to have launched our House of Policies. Driven by the Board and our ethics and compliance professionals, this mechanism allows us to continually review all our policies and procedures that guide employees in their daily decisions and activities.

In closing, I would like to thank our dedicated management team and Board members for working tirelessly to ensure SNC-Lavalin's sustained success. I look forward to continuing this journey together in 2016.

Yours truly,

Lawrence N. Stevenson *(signed)*
Chairman of the Board

Notice of Annual Meeting of Shareholders

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

NOTICE IS HEREBY GIVEN THAT the annual meeting of the shareholders (the "**Meeting**") of the Company 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 5, 2016, commencing at 11:00 a.m., Eastern Time, for the following purposes:

1. to receive the consolidated financial statements of the Company for the year ended December 31, 2015 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 Company 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 the "Adoption of a Say on Pay Resolution" subsection under the "Business of the 2016 Annual Meeting of Shareholders" section of the accompanying Management Proxy Circular) providing for a non-binding advisory vote on the Company's approach to executive compensation;
5. to consider a shareholder proposal set forth in Schedule A of this Management Proxy Circular; 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 14, 2016.

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 COMPANY (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 3, 2016. 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.

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 Company, for use at the Meeting to be held on Thursday, May 5, 2016, 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. Information in this Management Proxy Circular is given as of March 14, 2016.

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 7, 2016.

As of March 14, 2016, the Company had 149,824,664 Common Shares outstanding. As of March 14, 2016, to the knowledge of the Directors and officers of the Company 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 Company is the Caisse de dépôt et placement du Québec (the "**Caisse**"), an institutional fund manager. As of March 14, 2016, based on shareholders' public filings, the Caisse beneficially owned, or controlled or directed, directly or indirectly, 18,504,200 Common Shares representing 12.35% of the outstanding Common Shares of the Company.

What will I be voting on?

Shareholders will be voting to (i) elect Directors; (ii) appoint the auditor of the Company for the ensuing year and authorize the Board to determine its compensation; (iii) adopt a resolution (the full text of which is reproduced in the "Adoption of a Say on Pay Resolution" subsection under the "Business of the 2016 Annual Meeting of Shareholders" section of this Management Proxy Circular) providing for a Say on Pay vote; and (iv) consider one shareholder proposal set forth in Schedule A of this Management Proxy Circular.

The Board of Directors and management of the Company recommend that shareholders vote FOR the resolutions described in items (i), (ii) and (iii). The Board of Directors recommends that the shareholders vote AGAINST the proposal described in item (iv).

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.

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".

Who can I call with questions?

If you have questions about the information contained in this Management Proxy Circular or require assistance in completing your form of proxy, please contact Computershare by mail at Computershare Investor Services Inc., 100 University Ave, 8th Floor, North Tower, Toronto, Ontario M5J 2Y1, by telephone at 1-800-564-6253 (toll free in Canada and the United States) between 8:30 a.m. and 8:00 p.m. Eastern Time or 514-982-7555 (international direct dial) or online at www.investorcentre.com/service.

REGISTERED SHAREHOLDER VOTING

If your name appears on a share certificate or on the list of registered shareholders maintained by Computershare, you are considered as a "registered shareholder". If however your Common Shares are listed in an account statement provided to you by your broker or the SNC-Lavalin employee share ownership plan administrator, you are considered as a "non-registered shareholder". If this is the case, see the "Non-Registered Shareholder Voting" subsection below.

Can I vote by proxy and how?

If your name appears on a share certificate or on the list of registered shareholders maintained by Computershare, 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 Company. **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 Company. Make sure that the person you appoint is aware that he or she is appointed and attends the Meeting, otherwise your vote will not be taken into account.

You can choose from among three different ways to vote your 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, otherwise your vote will not be taken into account.

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, otherwise your vote will not be taken into account.

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 3, 2016, 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.

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

Common 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, Common 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 the determination of the auditor's compensation by the Board, as well as the Say on Pay resolution and will be voted AGAINST the shareholder proposal set forth in Schedule A of this Management Proxy Circular.

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 Company 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 Common Shares represented thereby in accordance with their best judgment.**

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 Tuesday, May 3, 2016, 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.

Can I vote 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.**

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". For example, if your Common Shares are listed in an account statement provided to you by your broker or the SNC-Lavalin employee share ownership plan administrator, 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 Company or "non-objecting beneficial owners" or "NOBOs", who do not object to such disclosure. The Company 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.

How do I give my 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.

Can I vote 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. Computershare must receive your appointment no later than 11:00 a.m. (Eastern Time) on Tuesday, May 3, 2016. 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.

Business of the 2016 Annual Meeting of Shareholders

1 CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The consolidated financial statements of the Company for the fiscal year ended December 31, 2015, and the independent auditor's report thereon, including management's discussion and analysis, are contained in the Company's 2015 Financial Report which is available on its website (**www.snclavalin.com**) and on the SEDAR website (**www.sedar.com**) under the name of SNC-Lavalin Group Inc.

2 ELECTION OF DIRECTORS

TEN (10) NOMINEES FOR 2016

Jacques Bougie	Alain Rhéaume
Neil Bruce	Chakib Sbiti
Patricia A. Hammick	Eric D. Siegel
Steven L. Newman	Zin Smati
Jean Raby	Lawrence N. Stevenson

The Board of Directors has fixed at ten (10) the number of Directors to be elected for the current year. The term of office of each Director so elected will expire upon the election of 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 Company does not contemplate that any of the nominees will be unable, or for any reason will become unwilling, to serve as a Director. Should this occur for any reason prior to the election, the persons named in the 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.

The "Information on our Director Nominees" section of this Management Proxy Circular sets out detailed information on each of these nominees. All nominees are currently Directors of the Company, except for Mr. Zin Smati.

Lise Lachapelle, an independent Director who has served as a Director of the Company since May 2, 2013, will leave the Board on March 31, 2016.

Michael D. Parker, an independent Director who has served as a Director of the Company since July 7, 2010, 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 Company, 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.**

3 APPOINTMENT OF AUDITOR

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

Management and the Board of Directors recommend that Deloitte LLP be appointed to serve as auditor of the Company 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 Company, to hold office until the next annual meeting of shareholders, at a remuneration to be fixed by the Directors.**

Auditor's Fees

The aggregate fees paid, including the Company'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, 2015, and the year ended December 31, 2014, are presented in the following table:

	Year Ended December 31, 2015	Year Ended December 31, 2014
Audit fees[1]	$5,804,859	$3,961,856
Audit-related fees[2]	$1,999,273	$1,856,944
Tax fees[3]	$ 487,289	$ 505,683
Other fees[4]	$ 506,702	$ 441,702
Total[5]	$8,798,123	$6,766,185

[1] Audit fees include fees for professional services rendered for the audit of the Company's annual financial statements and the review of the Company'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 Company's subsidiaries as well as services that generally only the Company's auditor can provide, such as comfort letters, consents and assistance with and review of documents filed with the securities commissions.

The increase of $1,843,003 from $3,961,856 in 2014 to $5,804,859 in 2015 is mainly due to additional audit scope regarding Kentz as well as timing in paying 2014 fees.

[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 started in 2013), accounting consultations in connection with various transactions, and the audit of the Company'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".

[5] The aggregate fees paid to Deloitte LLP, irrespective of the Company's proportionate interests in its joint ventures and other investees, totalled $9,211,439 in 2015 and $7,125,398 in 2014.

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 Company. If a significant number of shareholders vote against the Say on Pay resolution, the Board will consult with the Company's shareholders so that they may voice their concerns about the compensation plans in place and so that Directors clearly understand their concerns. The Board will then review the Company's approach to compensation in light of these concerns.

The Board took note of the Say on Pay vote and the 96.76% of favourable votes obtained at the 2015 Annual Meeting of the Shareholders of the Company held on May 7, 2015.

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 Company's Management Proxy Circular delivered in advance of the 2016 annual meeting of shareholders of the Company."

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.**

5 SHAREHOLDER PROPOSAL

Schedule A to this Management Proxy Circular sets forth one proposal from a shareholder that has been submitted for consideration at the Meeting, along with the Board of Directors' reasons for opposing said proposal.

The Board of Directors recommends that the shareholders vote "**AGAINST**" the proposal for the reasons described in Schedule A to this Management Proxy Circular. **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 AGAINST the proposal.**

Information on Our Director Nominees

DIRECTOR NOMINEES

The following is a summary of relevant biographical and compensation information relating to each director proposed for election. For further details on the compensation components, see the "Directors' Compensation Discussion and Analysis" section of this Management Proxy Circular.

Areas of Expertise:
- CEO/Senior Executive Role
- International Experience
- Operations
- Accounting/Finance
- Human Resources/Industrial Relations

Director since: **May 2, 2013**
Age: **68**
Latest date of retirement: **May, 2020**

Jacques Bougie, O.C.

Montreal (Quebec), Canada
Independent

Mr. Bougie is a corporate director and 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 operations, major project development, planning and general management. He became President and COO 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 chairman of Atrium Innovations Inc. and a director of CSL Group Inc. and McCain Foods Limited. An active community volunteer, Mr. Bougie chairs the Advisory Board of the Montreal Neurological Institute and Hospital and 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., Rona Inc. and the Gairdner Foundation. 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.

Board/Committee Membership as at December 31, 2015	Overall Attendance 100%		Public Board Memberships During the Last Five (5) Years
	Regular	Special	
Board	5 of 5	16 of 16	• AbitibiBowater Inc. (formerly Abitibi-Consolidated Inc. and now Resolute Forest Products Inc.) (2004 – 2010)
G&E Committee (became Chair and a member on March 16, 2015)	3 of 3	2 of 2	
HR Committee	5 of 5	4 of 4	
SWPR Committee	4 of 4	–	

Securities Held

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 Requirement (3 X Annual Retainer)
As at Dec. 31, 2015	–	7,214	7,214	$296,640	In process
As at Dec. 31, 2014	–	3,975	3,975	$176,132	In process

Voting Results of 2015 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
106,737,273	98.90%	1,184,180	1.10%

Neil Bruce

Westmount (Quebec), Canada
Non-Independent (member of management)

Mr. Bruce has been President and CEO of the Company since October 5, 2015. He has over 30 years of experience in the oil and gas, mining, energy and infrastructure industries. Mr. Bruce joined the Company in January 2013 as President of the Resources, Environment & Water group, leading the Company's global businesses in oil and gas, mining and metallurgy and environment and water. He was the architect of the Kentz acquisition that transformed the Company's oil and gas business. In April 2015, Mr. Bruce became COO until his appointment as President and CEO in October 2015. Prior to joining the Company, Mr. Bruce spent 15 years in roles of increasing responsibility at AMEC plc (now Amec Foster Wheeler plc) (consultancy, engineering, and project management services), where he was COO, Natural Resources (2005-2008), and then Executive Director and COO (2009-2012). As such, Mr. Bruce was responsible for the operational delivery of Amec's consultancy, engineering and project management services to the oil and gas, mining, clean energy, environment and infrastructure markets worldwide.

Mr. Bruce is a Chartered Marine Architect and holds a Master's degree, both from Newcastle University. He is an Honorary Professor at Aberdeen Business School at Robert Gordon University, where he was awarded an honorary degree of Doctor of Business Administration. Mr. Bruce is also a Fellow of both the Energy Institute and the Institute of Directors based in the UK, from whom he was awarded the Director Award for Developing Young People in 2008. Since 2013, Mr. Bruce has been an independent non-executive director at Air Energi (delivery of energy, process and infrastructure workforce solutions). He has also been an avid supporter of industry development and philanthropic organizations, including former Chairman of the UKTI Oil & Gas Sector Advisory Group, a member of the UK Government's new Trade and Economic Growth Board for Scotland, patron of the CLAN (Cancer Link Aberdeen & North-East) charity, and a Trustee of Engineers Against Poverty. In 2012, Mr. Bruce was appointed Officer of the Most Excellent Order of the British Empire (OBE) by The Queen in Her Majesty's New Year's Honours List 2012 for Services to Engineering.

Areas of Expertise:
- Industry Experience
- CEO/Senior Executive Role
- International Experience
- Risk Management
- Project Management

Director since: **October 5, 2015**
Age: **55**

Board/Committee Membership as at December 31, 2015[1]	Overall Attendance 100% Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	2 of 2	1 of 1	• AMEC plc (now Amec Foster Wheeler plc) (2009 – 2012)

Securities Held[2]

Year	Common Shares	Deferred Share Units (E-DSUs)	Total Common Shares and E-DSUs	Total Market Value of Common Shares and E-DSUs	Meets Minimum Shareholding Requirement (5 X Base Salary)
As at Dec. 31, 2015	20,584	18,012	38,596	$1,587,068	In process
As at Dec. 31, 2014[3]	2,617	4,434	7,051	$312,430	In process

Voting Results of 2015 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
N/A	N/A	N/A	N/A

[1] Mr. Bruce, as President and CEO, attended Board Committee meetings as a non-voting participant. He does not receive compensation as a member of the Board of Directors of the Company. For details on Mr. Bruce's compensation as President and CEO, see the "Executive Compensation Discussion and Analysis" section of this Management Proxy Circular.
[2] Note that the President and CEO does not have a minimum shareholding requirement as a Director. For details on Mr. Bruce's share ownership requirement as President and CEO, see the "Executive Share Ownership Guidelines" subsection under the "Executive Compensation Discussion and Analysis" section of this Management Proxy Circular.
[3] Note that Mr. Bruce was Group President, Resources, Environment and Water as at December 31, 2014. His share ownership requirement was three times his base salary.

Patricia A. Hammick, Ph.D.

Kilmarnock (Virginia), United States
Independent

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 senior 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.

Areas of Expertise:
- Industry Experience
- CEO/Senior Executive Role
- Risk Management
- Government/Regulatory Affairs
- Accounting/Finance

Director since: **January 1, 2007**
Age: **69**
Latest date of retirement: **May, 2019**

Board/Committee Membership as at December 31, 2015	Overall Attendance 95.1% Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	5 of 5	14 of 16	• Consol Energy Inc. (2001 – 2013)
Audit Committee (Chair)	5 of 5	–	• Dynegy Inc. (2003 – 2011)
G&E Committee	4 of 4	2 of 2	
HR Committee	5 of 5	4 of 4	

Securities Held

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 Requirement (3 X Annual Retainer)
As at Dec. 31, 2015	–	17,341	17,341	$713,062	Yes
As at Dec. 31, 2014	–	14,270	14,270	$632,304	Yes

Voting Results of 2015 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
106,063,333	98.28%	1,858,120	1.72%

Steven L. Newman

Holladay (Utah), United States
Independent

Mr. Newman is a corporate director and brings over 25 years of experience in the energy industry. From March 2010 to February 2015, he was President and CEO and a director of Transocean, Ltd. (oil and gas drilling and exploration), the world's largest offshore contract driller. Mr. Newman joined Transocean in 1994 and held various management and operational positions. He served as President and COO from May 2008 until November 2009, and subsequently as President until March 2010 when he was appointed President and CEO. In his early career, Mr. Newman was Financial Analyst at Chevron Corporation and Reservoir Engineer at Mobil E&P US.

Mr. Newman is an independent non-executive director of Dril-Quip, Inc. and Bumi Armada Berhad. Mr. Newman holds a Bachelor of Science degree in Petroleum Engineering from the Colorado School of Mines and a Master of Business Administration from Harvard Graduate School of Business. He is a member of the Society of Petroleum Engineers and the National Association of Corporate Directors.

Areas of Expertise
- Industry Experience
- CEO/Senior Executive Role
- International Experience
- Operations
- Human Resources/Industrial Relations

Director since: November 5, 2015
Age: 51
Latest date of retirement: May, 2031

Board/Committee Membership as at December 31, 2015	Overall Attendance 100% Regular	Special	Public Board Memberships During the Last Five (5) Years
Board (became a member on Nov. 5, 2015)	2 of 2	1 of 1	• Dril-Quip, Inc. (2015 – Present)
HR Committee (became a member on Nov. 5, 2015)	1 of 1	–	• Bumi Armada Berhad (2015 – Present)
			• Transocean, Ltd. (2010 – 2015)

Securities Held

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 Requirement (3 X Annual Retainer)
As at Dec. 31, 2015	3,750	914	4,664	$191,784	In process
As at Dec. 31, 2014	N/A	N/A	N/A	N/A	N/A

Voting Results of 2015 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
N/A	N/A	N/A	N/A

Jean Raby

Paris, France
Independent

Mr. Raby was Executive Vice-President, Chief Financial and Legal Officer of Alcatel-Lucent S.A. (telecommunication equipment) from September 2013 to February 2016. Effective March 1, 2016, he stepped down from his role following the acquisition of Alcatel-Lucent by Nokia Corporation (telecommunication equipment). He currently serves as adviser to the CFO of Nokia. Mr. Raby has more than 25 years of experience in investment banking, law and finance. Prior to his role at Alcatel-Lucent, he spent 16 years in roles of increasing responsibility at the investment banking division of Goldman Sachs & Co. (investment banking, securities, and investment management), in Paris, France, where he became Co-CEO of the division in France in 2006 (then CEO in 2009), and in Russia where he became Co-CEO of Goldman Sachs' activities in Russia and the Commonwealth of Independent States in 2011. He retired from Goldman Sachs at the end of 2012. In his early career, Mr. Raby was a corporate lawyer with the law firm Sullivan & Cromwell in New York (1989-1992) and in Paris (1992-1996).

Mr. Raby is a member of the board of Université Laval. He holds a law degree from Université Laval, a Master of Philosophy in International Relations from University of Cambridge in the U.K., and a Master of Laws from Harvard Law School. Mr. Raby is also a member of the New York State Bar Association.

Areas of Expertise
- CEO/Senior Executive Role
- International Experience
- Risk Management
- Government/Regulatory Affairs
- Accounting/Finance

Director since: November 5, 2015
Age: 51
Latest date of retirement: May, 2031

Board/Committee Membership as at December 31, 2015	Overall Attendance 100% Regular	Special	Public Board Memberships During the Last Five (5) Years
Board (became a member on Nov. 5, 2015)	2 of 2	1 of 1	None
Audit Committee (became a member on Nov. 5, 2015)	N/A[1]	N/A[1]	

Securities Held

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 Requirement (3 X Annual Retainer)
As at Dec. 31, 2015	–	655	655	$26,934	In process
As at Dec. 31, 2014	N/A	N/A	N/A	N/A	N/A

Voting Results of 2015 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
N/A	N/A	N/A	N/A

[1] No meetings of the Audit Committee were held between November 5, 2015 and December 31, 2015.

Alain Rhéaume

Lac-Delage (Quebec), Canada
Independent

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 as Associate Deputy Minister, Financial Policies and Operations from 1988 to 1992, and from 1992 to 1996 as Deputy Minister. In 1996, Mr. Rhéaume joined Microcell Telecommunications 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 Chairman and public director of the Canadian Investor Protection Fund and a former public director of the Canadian Public Accountability Board. Mr. Rhéaume graduated from Université Laval with a License in Business Administration (Finance and Economics).

Areas of Expertise:
- CEO/Senior Executive Role
- Project Management
- Government/Regulatory Affairs
- Accounting/Finance
- Human Resources/Industrial Relations

Director since: May 2, 2013
Age: 64
Latest date of retirement: May, 2024

Board/Committee Membership as at December 31, 2015	Overall Attendance 97.1% Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	5 of 5	16 of 16	• Boralex Inc. (2010 – Present)
Audit Committee	4 of 5	–	• Resolute Forest Products Inc. (2010 – Present)
HR Committee (became Chair and a member on Feb. 1, 2015)	5 of 5	4 of 4	• Redline Communications Group Inc. (2011 – 2013)
			• Boralex Power Income Fund (2007 – 2010)
			• DiagnoCure Inc. (2005 – 2010)

Securities Held

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 Requirement (3 X Annual Retainer)
As at Dec. 31, 2015	–	6,797	6,797	$279,493	In process
As at Dec. 31, 2014	–	3,975	3,975	$176,132	In process

Voting Results of 2015 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
106,231,426	98.43%	1,690,027	1.57%

Chakib Sbiti

Dubai, United Arab Emirates
Independent

Mr. Sbiti is a corporate director and was Executive Advisor to the CEO of Schlumberger Limited, an international oilfield services company with over 115,000 employees in approximately 85 countries, from 2010 to 2014. He spent over 30 years at Schlumberger Limited. 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 is an independent non-executive director of Genel Energy plc. He graduated from École Nationale Supérieure d'Ingénieurs in France with a degree in Electrical Engineering and a Master's degree in the same field. Mr. Sbiti is a member of the Society of Petroleum Engineers.

Areas of Expertise:
- Industry Experience
- CEO/Senior Executive Role
- International Experience
- Operations
- Human Resources/Industrial Relations

Director since: November 2, 2012
Age: 61
Latest date of retirement: May, 2027

Board/Committee Membership as at December 31, 2015	Overall Attendance 96.7% Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	5 of 5	15 of 16	• Genel Energy plc (2012 – Present)
Audit Committee	5 of 5	–	
SWPR Committee	4 of 4	–	

Securities Held

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 Requirement (3 X Annual Retainer)
As at Dec. 31, 2015	–	8,920	8,920	$366,790	In process
As at Dec. 31, 2014	–	6,048	6,048	$267,987	In process

Voting Results of 2015 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
107,361,991	99.48%	559,462	0.52%

Eric D. Siegel, ICD.D

Ottawa (Ontario), Canada
Independent

Mr. Siegel joined Export Development Canada (EDC), a Crown corporation and Canada's export credit agency, in 1979. In 1997, he became Executive Vice-President and in 2005, COO, assuming overall leadership for EDC's business development and transacting groups. In December 2006, he was appointed President and CEO, a position he held until his retirement in December 2010.

Mr. Siegel is currently a director of Citibank Canada, 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). He graduated from the University of Toronto with a Bachelor of Arts degree in History and Economics and from York University with a Master of Business Administration. He also completed the Senior Executive Program at Columbia University and the Institute of Corporate Directors' Director Education Program. On January 21, 2011, Mr. Siegel was honoured with a Lifetime Achievement Award by the Chinese Business Chamber of Canada (CBCC).

Areas of Expertise:
- CEO/Senior Executive Role
- International Experience
- Risk Management
- Government/Regulatory Affairs
- Accounting/Finance

Director since: **January 1, 2012**
Age: **62**
Latest date of retirement: **May, 2026**

Board/Committee Membership as at December 31, 2015	Overall Attendance 100%		Public Board Memberships During the Last Five (5) Years
	Regular	Special	
Board	5 of 5	16 of 16	None
Audit Committee	5 of 5	–	
G&E Committee	4 of 4	2 of 2	
SWPR Committee (Chair)	4 of 4	–	

Securities Held

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 Requirement (3 X Annual Retainer)
As at Dec. 31, 2015	–	12,028	12,028	$494,591	In process
As at Dec. 31, 2014	–	9,081	9,081	$402,379	In process

Voting Results of 2015 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
107,360,571	99.48%	560,882	0.52%

Zin Smati, Ph.D.

Houston (Texas), United States
Independent

Mr. Smati is Senior Advisor at LS Power (developer, owner, operator and investor in power generation and electric transmission infrastructure in the U.S.) and Chairman and CEO of LifeEnergy – an affiliate of an LS Power fund. He brings 35 years of U.S. and international experience in the energy sector. Mr. Smati is the former President and CEO of GDF SUEZ Energy North America, Inc. (power generation, liquefied natural gas, gas distribution and transmission, marketing and trading and retail energy), part of ENGIE, one of the world's leading energy groups. Mr. Smati joined GDF SUEZ Energy North America in 2001 as its Executive Vice-President of Strategy and M&A and became President and CEO of GDF SUEZ Energy Resources NA in 2002. In 2006, he was appointed President and CEO of all energy activities of GDF SUEZ in the U.S., Canada and Mexico, a position he held until his retirement on December 31, 2015. Prior to that, Mr. Smati held various executive positions in a number of energy companies in the U.S. and the U.K., including President and CEO of BP Amoco Global Power, Senior Vice-President of Business Development and Marketing of Amoco Power, Vice-President of Worldwide Power Development of Arco and Manager of Business Development of National Power International of the U.K.

Mr. Smati is a member of the board of the University of Houston's Bauer College of Business. He is a former Chairman of the Executive Committee of the Electric Power Supply Association (EPSA) and a former member of the National Petroleum Council, an industry advisory body to the U.S. Secretary of Energy. Mr. Smati holds a Ph.D. from Brunel University, England, a Master of Business Administration from Henley Management College, England, a Master of Science degree from Nottingham University, England and a Bachelor of Engineering degree from Sheffield University, England.

Areas of Expertise
- Industry Experience
- CEO/Senior Executive Role
- International Experience
- Risk Management
- Operations

Director since: **N/A**
Age: **58**
Latest date of retirement: **N/A**

Board/Committee Membership as at December 31, 2015	Overall Attendance N/A		Public Board Memberships During the Last Five (5) Years
	Regular	Special	
N/A	N/A	N/A	• Gaz Métro inc. (2008 – 2011)

Securities Held

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 Requirement (3 X Annual Retainer)
As at Dec. 31, 2015	N/A	N/A	N/A	N/A	N/A
As at Dec. 31, 2014	N/A	N/A	N/A	N/A	N/A

Voting Results of 2015 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
N/A	N/A	N/A	N/A

Lawrence N. Stevenson

Toronto (Ontario), Canada
Independent

Mr. Stevenson has been Chairman of the Board of the Company since March 16, 2015 and has served as a Director since 1999. Mr. Stevenson is the Managing Director of Clearspring Capital Partners (formerly Callisto Capital LP), a private equity firm based in Toronto. He served as Chief Executive and director of Pep Boys Inc. from 2003 to 2006. Mr. Stevenson was also the founder and CEO of Chapters as well as the co-founder and managing director of Bain & Company in Canada.

Mr. Stevenson serves as the Honorary Colonel of the Queen's Own Rifles of Canada. He is also the Chairman of Town Shoes Limited and Logistik Unicorp Inc. Mr. Stevenson graduated from the Royal Military College in Kingston (Ontario) with an undergraduate degree (Honours) and from Harvard Business School with a Master of Business Administration. In 2010, he was presented with an Honorary Doctorate from the Royal Military College. Mr. Stevenson 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.

Areas of Expertise:
- CEO/Senior Executive Role
- International Experience
- Operations
- Accounting/Finance
- Human Resources/Industrial Relations

Director since: **August 6, 1999**
Age: **59**
Latest date of retirement: **May, 2017** (extended for another year for a second time)

Board/Committee Membership as at December 31, 2015	Overall Attendance 100% Regular	Special	Public Board Memberships During the Last Five (5) Years
Board (Chairman since March 16, 2015)	5 of 5	16 of 16	• CAE Inc. (1998 – 2013)
G&E Committee (was Chair from Feb. 1, 2015 to March 16, 2015)	1 of 1	–	
HR Committee (was Chair from Jan. 1, 2015 to Feb. 1, 2015)	1 of 1	1 of 1	

Securities Held

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 Requirement (3 X Annual Retainer)
As at Dec. 31, 2015	33,250	23,686	56,936	$2,341,208	Yes
As at Dec. 31, 2014	30,750	18,575	49,325	$2,185,591	Yes

Voting Results of 2015 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
106,289,865	98.49%	1,631,588	1.51%

ADDITIONAL INFORMATION ON OUR DIRECTOR NOMINEES

Except as described below, to the knowledge of the Company, in the last ten (10) years, none of the above-named nominees is or has been a director or officer of any company that, while that person was acting in that capacity, was the subject of a cease trade order or similar order, or an order that denied the relevant company access to any exemptions under securities legislation, for a period of more than thirty (30) consecutive days. In addition, to the knowledge of the Company, in the last ten (10) years, none of the above-named nominees is or has been a director or officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets, except as described below.

i) **Jacques Bougie**, a Director of the Company, served as a director of AbitibiBowater Inc. ("**AbitibiBowater**") (formerly Abitibi-Consolidated Inc. and now Resolute Forest Products Inc.) from 2004 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. 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.

ii) **Patricia A. Hammick**, a Director of the Company, became a director of Dynegy Inc. ("**Dynegy**") in April 2003 and ceased to be a director of Dynegy on June 15, 2011. On December 1, 2011, Dynegy and its direct subsidiary Dynegy Holdings LLC ("**Dynegy Holdings**") filed, as co-plan proponents, a plan of reorganization in respect of Dynegy Holdings. On April 3, 2012, Dynegy announced that it had reached an agreement with key Dynegy Holdings creditors contemplating the resolution of all disputes with such creditors. On July 6, 2012, Dynegy filed a voluntary petition for relief pursuant to the U.S. Bankruptcy Code. On September 5, 2012, Dynegy 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 was never a director of Dynegy Holdings.

iii) **Alain Rhéaume**, a Director of the Company, 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.

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

Directors' Compensation Discussion and Analysis

DIRECTORS' COMPENSATION PHILOSOPHY, REVIEW AND PROCESS

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

> Recruit and retain qualified individuals to serve as Directors of the Company;

> Align the interests of the Directors with those of shareholders by requiring Directors to hold a multiple of their annual retainer in Common Shares or Directors Deferred Share Units ("**D-DSUs**");

> Provide compensation reflecting the risks and responsibilities inherent to the role of Director and recognizing the increasing complexity of the Company's business; and

> Provide competitive compensation based on market standards by positioning Directors' compensation at approximately the median of the compensation paid by the Comparator Groups.

The G&E Committee is responsible for reviewing Directors' compensation every year and recommending changes to the Board, if required. In order to appropriately benchmark Directors' compensation, the G&E Committee reviews our Directors' compensation scheme against that of a Canadian Comparator Group and a U.S. Comparator Group. The Comparator Groups are created with the assistance of an external consultant who the Company retains to benchmark its Directors' compensation. Based on these findings and the above guiding principles, the G&E Committee makes its recommendations to the Board thereon.

The last review with respect to the compensation of the Chairman and non-employee Directors was carried out in August 2015. The services of Towers Watson were retained for this review in order to assess if the level and structure of our Directors' Compensation were aligned with market practices.[1]

The Comparator Groups used by Towers Watson in August 2015 to assess our Chairman and non-employee Directors' compensation are the same that were used to benchmark executive compensation in early 2015.[2]

Only Axalta Coating Systems Ltd. was excluded from the review as it is a controlled company that does not have a majority of independent directors sitting on its board and compensation and governance committees.

With respect to the benchmarking of the Chairman's compensation, the review was made using organizations whose chairman is a non-executive chairman and is not a CEO or a controlling shareholder. Out of the 29 organizations composing the Canadian and U.S. Comparator Groups, only the information of the following 14 organizations (eight Canadian and six U.S.) was used: Agrium Inc., Air Canada, Encana Corporation, Finning International Inc., Fortis Inc., Kinross Gold Corporation, Pembina Pipeline Corporation, Teck Resources Limited, Chicago Bridge & Iron Company N.V., EMCOR Group Inc., Jacobs Engineering Group Inc., KBR, Inc., Murphy Oil Corporation and Quanta Services, Inc.

Pursuant to this review, the G&E Committee recommended, and the Board approved, an increase of the Annual Retainer paid to the Chairman effective August 6, 2015 in order to align his compensation with market median. As for the Annual Retainer of the other Directors, the G&E Committee recommended that it remains unchanged as it is on average in line with market median.

For further details on the changes made to the compensation of our Chairman and other non-employee Directors, see the table under the "Directors' Compensation Package" subsection of this Directors' Compensation Discussion and Analysis.

[1] For details on the fees paid to Towers Watson for work completed on Directors' compensation, see the "Directors' Compensation Consultants" subsection of this Directors' Compensation Discussion and Analysis.

[2] For details on the Comparator Groups used to benchmark executive compensation in early 2015, see the "Pay Comparator Groups" subsection under the "Executive Compensation Discussion and Analysis" section of the 2015 Management Proxy Circular dated March 16, 2015.

DIRECTORS' COMPENSATION PACKAGE

The following table outlines the compensation received by our non-employee Directors and our Chairman, in 2015. Note that our President and CEO does not receive compensation as a member of the Board of Directors of the Company. For details on our President and CEO's compensation, see the "Executive Compensation Discussion and Analysis" section of this Management Proxy Circular.

ANNUAL RETAINER	AMOUNT ($) 2015
Director Retainer	
Annual retainer consisting of:	
i) a cash award[1]	70,000
ii) a lump sum credited in D-DSUs[2]	110,000
Total:	**180,000**
Chairman Retainer	
Annual retainer consisting of:	
i) a cash award[3]	182,500
ii) a lump sum credited in D-DSUs[4]	217,500
Total:	**400,000**
Committee Chair Retainer (Cash)	
Audit Committee	16,000
All other Committees[5]	12,000
MEETING FEES (CASH)	
Director	
Any Board or Committee meeting – in person[6][7]	2,250
Any Board or Committee meeting – by telephone	925
Chairman	
Special Board or special Committee meeting – in person[8]	2,250
Special Board or special Committee meeting – by telephone	925
TRAVEL FEES (CASH)[9]	
For travel requiring more than three (3) hours but less than five (5) hours (one way)	1,500
For travel requiring five (5) hours or more (one way)	3,000

[1] On August 2, 2013, the Board approved an increase of the cash award payable to Directors from $60,000 to $70,000 effective January 1, 2015. Directors may elect to receive 0% or 100% of their cash award in cash or D-DSUs.

[2] On August 2, 2013, the Board approved an increase of the lump sum payable to Directors from $100,000 to $110,000 effective January 1, 2015.

[3] On August 6, 2015, the Board approved an increase of the cash award payable to the Chairman from $165,000 to $182,500 effective August 6, 2015. The Chairman may elect to receive 0% or 100% of his cash award in cash or D-DSUs.

[4] On August 2, 2013, the Board approved an increase of the lump sum payable to the Chairman from $190,000 to $200,000 effective January 1, 2015. On August 6, 2015, the Board approved a second increase of the lump sum payable to the Chairman from $200,000 to $217,500 effective August 6, 2015.

[5] On May 7, 2015, the Board approved an increase of the annual retainer paid to the Chair of the G&E Committee and the Chair of the SWPR Committee from $8,000 to $12,000 effective May 7, 2015.

[6] On May 7, 2015, the Board approved an increase of the meeting fees paid to Directors for any meetings of the G&E Committee or the SWPR Committee from $1,500 to $2,250 effective May 7, 2015. On August 6, 2015, the Board approved an increase of the meeting fees paid to Directors for any meetings of the Board from $1,500 to $2,250 effective August 6, 2015. Effective May 7, 2015, Directors who attend meetings of Committees on which they do not sit are not paid meeting fees for these meetings.

[7] A Director (excluding the Chairman) is paid $2,250 when he/she is required to meet with management or any other person in the course of his/her work as Director. This fee is payable per day of meeting, notwithstanding the number of meetings held during that day.

[8] On May 7, 2015, the Board approved an increase of the meeting fees paid to the Chairman for any special meeting of the G&E Committee or the SWPR Committee from $1,500 to $2,250 effective May 7, 2015. On August 6, 2015, the Board approved an increase of the meeting fees paid to the Chairman for any special meeting of the Board from $1,500 to $2,250 effective August 6, 2015.

[9] This is a lump sum amount paid to the Chairman or Directors when travelling to Board or Committee meetings or meetings with management or any other person the Chairman or Director is required to meet in the course of his/her work as Chairman or Director.

The Company also reimburses for any reasonable travel and other out-of-pocket expenses relating to his/their duties as Chairman or Directors.

D-DSUs

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

Under the Directors Deferred Share Unit Plan ("**D-DSUP**"), Directors are credited D-DSUs as part of their annual retainer. D-DSUs track the value of our Common Shares. They accumulate during the Director's term in office and are redeemed in cash when the Director leaves the Board. For the purposes of redeeming D-DSUs, the value of a D-DSU on any given date is equivalent to the average of the closing price for a Common Share on the Toronto Stock Exchange for the five trading days immediately prior to such date.

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

Anti-Hedging and Anti-Monetization

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

Directors' Compensation Consultants

The following table provides the fees paid to Towers Watson for work completed on Directors' compensation.

Nature of Work	Consultant	2015	2014
Compensation of the Chairman and non-employee Directors	Towers Watson	$35,179	$0
Other	–	–	–

DIRECTORS' SHARE OWNERSHIP REQUIREMENT

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

As part of its 2015 review of our Chairman's and Directors' compensation, Towers Watson also carried out a review of their Share Ownership Requirement. Towers Watson prepared a benchmarking study using the same Comparator Groups that were used for benchmarking the Chairman's and Directors' compensation. Following this review, Towers Watson concluded that the Company's current practice with respect to share ownership by its Chairman and Directors was in line with market median and therefore, the G&E Committee did not recommend any changes to the Board in this respect.

Directors' Share Ownership Requirement[1]
5-Year Target = 3 X Annual Retainer

Individuals	2015 (approx.)
Non-employee Directors	$ 540,000
Chairman	$1,200,000

[1] The value of the share ownership requirement is determined as the greater of:

- The actual cost incurred in buying Common Shares; or
- The market value of all Common Shares held.

Ownership can be achieved by purchasing Common Shares and by participating in the Company's D-DSUP. All Directors, including the Chairman, with the exception of the President and CEO, are required to continue to hold their Common Shares and/or D-DSUs throughout their tenure as Directors.

For further details on each Director's Share Ownership Requirement, see the "Securities Held" section of each nominee Director's biographical and compensation information located under the "Information on Our Director Nominees" section of this Management Proxy Circular.

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

TOTAL DIRECTORS' COMPENSATION

DIRECTOR COMPENSATION TABLE										
	Fees Earned									
Director	Non-Employee Director Retainer and Chairman Retainer[1] ($)	Committee Chair Retainer ($)	Board and Committee Meeting Fees[2] ($)	Share-based Awards[3] ($)	Option-based Awards ($)	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation[4] ($)	TOTAL ($)	Percentage of Total Fees Received in D-DSUs[5] (%)
J. Bougie[6]	52,500	8,950	89,225	127,500	–	–	–	23,948	302,123	44%
I.A. Bourne[7]	33,917	–	16,450	41,112	–	–	–	9,240	100,719	45%
P.A. Hammick	70,000	16,000	85,475	110,000	–	–	–	15,586	297,061	42%
L. Lachapelle	70,000	–	53,675	110,000	–	–	–	5,198	238,873	48%
C. Mongeau[8]	24,616	–	23,900	38,682	–	–	–	21,400	108,598	51%
S.L. Newman[9]	–	–	26,250	38,343	–	–	–	–	64,593	59%
M.D. Parker	70,000	–	67,125	110,000	–	–	–	14,831	261,956	48%
J. Raby[10]	10,843	–	24,000	27,500	–	–	–	–	62,343	44%
A. Rhéaume[11]	70,000	10,967	73,700	110,000	–	–	–	5,198	269,865	43%
C. Sbiti	70,000	–	74,850	110,000	–	–	–	7,290	262,140	45%
E.D. Siegel	70,000	10,594	66,025	110,000	–	–	–	10,350	266,969	45%
L.N. Stevenson[12]	152,511	2,990	37,125	188,539	–	–	–	20,456	401,621	52%
TOTAL	**694,387**	**49,501**	**637,800**	**1,121,676**	**–**	**–**	**–**	**133,497**	**2,636,861**	**47%**

[1] Such amounts represent the portion of the annual retainer elected to be received in cash by the Chairman and each non-employee Director.

[2] Such amounts include (i) fees paid to members of non-standing Board Committees, (ii) fees paid to our Chairman and non-employee Directors for attendance at special Board and special Committee meetings, and (iii) travel fees paid to our non-employee Directors (totaling $112,500 in 2015). Note that for the December Board meeting held over two days, the Company pays its non-employee Directors for attendance at two meetings.

[3] Such amounts represent (i) the percentage of the cash award portion of the annual retainer elected to be received in D-DSUs by the Chairman and each non-employee Director and (ii) the lump sum portion of the annual retainer payable in D-DSUs.

[4] Such amounts represent (i) D-DSUs from dividend equivalents, (ii) fees paid to Mr. Bougie for meetings with management, external consultants and senior management candidates which he attended in his capacity as Chair of the G&E Committee, and (iii) a donation of $5,000 made in the name of each of Mr. Bourne and Mr. Mongeau to a charity of their choice upon their departure from the Board on March 16, 2015 and May 7, 2015 respectively.

[5] Such percentage is calculated by dividing the aggregate of the value provided under the share-based awards column and the dividend equivalents included in the all other compensation column, by the value provided under the total column.

[6] Mr. Bougie became Chair of the G&E Committee on March 16, 2015. As a result, his Committee Chair retainer was prorated.

[7] Mr. Bourne ceased to be our Chairman and a Director of the Company on March 16, 2015. As a result, his compensation was prorated.

[8] Mr. Mongeau ceased to be a Director and a member of the Audit and HR Committees on May 7, 2015. As a result, his compensation was prorated.

[9] Mr. Newman was appointed to the Board and became a member of the HR Committee on November 5, 2015. As a result, his compensation was prorated.

[10] Mr. Raby was appointed to the Board and became a member of the Audit Committee on November 5, 2015. As a result, his compensation was prorated.

[11] Mr. Rhéaume became Chair and a member of the HR Committee on February 1, 2015. As a result, his Committee Chair retainer was prorated.

[12] Mr. Stevenson became Chairman on March 16, 2015. He was Chair of the HR Committee from January 1, 2015 to February 1, 2015 and Chair of the G&E Committee from February 1, 2015 to March 16, 2015. As a result, his compensation was prorated.

OUTSTANDING SHARE-BASED AWARDS

The following table reflects all awards outstanding as at December 31, 2015 with respect to our Chairman and non-employee Directors.

	Share-based Awards[1]	
Director[3]	Number of shares or units of shares that have not vested (#)	Market or payout value of Share-based Awards that have not vested[2] ($)
J. Bougie	7,214	296,640
P.A. Hammick	17,341	713,062
L. Lachapelle	6,797	279,493
S.L. Newman	914	37,584
M.D. Parker	16,576	681,605
J. Raby	655	26,934
A. Rhéaume	6,797	279,493
C. Sbiti	8,920	366,790
E.D. Siegel	12,028	494,591
L.N. Stevenson	23,686	973,968

(1) This table represents information with respect to D-DSUs held by our Chairman and non-employee Directors as at December 31, 2015.

(2) The value of outstanding D-DSUs is based on the closing price for a Common Share on the Toronto Stock Exchange on December 31, 2015 ($41.12).

(3) Note that Mr. Bourne and Mr. Mongeau are not included in the above table as they redeemed all of their D-DSUs throughout the course of 2015 following their departure from the Board on March 16, 2015 and May 7, 2015 respectively.

Board Committee Reports

REPORT OF THE AUDIT COMMITTEE[1]

Mandate

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

The mandate of the Audit Committee 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. Patricia A. Hammick and Alain Rhéaume are currently members of both the Audit and HR Committees. The mandate of the Audit Committee also provides for at least one member to sit on the SWPR Committee and vice versa in order to understand the operational issues which may have a negative impact on the financial outcome of a project, and thus mitigate risks. Chakib Sbiti and Eric D. Siegel are currently members of both the Audit and SWPR Committees. For further details on the mandate of the Audit Committee, see the Company's Annual Information Form available on SEDAR's website (**www.sedar.com**) and on the Company's website (**www.snclavalin.com**) under "Investors"/"Investor's Briefcase"/"Annual Information Form".

Composition

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

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 Company's Audit Committee, the Board has adopted the definition of "financial literacy" set out in Section 1.6 of National Instrument 52-110 – Audit Committees ("**NI 52-110**"), 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 Company'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.

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. The following is a brief description of the relevant professional qualifications/ business experience of each Audit Committee member:

> **Patricia A. Hammick** has over 12 years of experience as an independent director at multiple boards, including audit committee tenures. She is a former director and member of the Audit & Finance Committee of Consol Energy Inc. and former Chairman of the Board, lead director and *ex officio* member of the Audit & Compliance 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 senior management team at Columbia Energy Group. She graduated from George Washington University with a Ph.D. in Mathematical Statistics and from the University of California with an M.A. in Physics. Dr. Hammick also completed the Wharton Business School executive management training as well as various trainings in financial statement evaluation and audit committee issues from the National Association of Corporate Directors and the National Investor Relations Institute.

> **Jean Raby** Mr. Raby was Executive Vice-President, Chief Financial and Legal Officer of Alcatel-Lucent S.A. from September 2013 to February 2016. Effective March 1, 2016, he stepped down from his role following the acquisition of Alcatel-Lucent by Nokia Corporation. He currently serves as adviser to the CFO of Nokia. Mr. Raby has more than 25 years of experience in investment banking, law and finance. Prior to his role at Alcatel-Lucent, he spent 16 years in roles of increasing responsibility at the investment banking division of Goldman Sachs & Co. ("**Goldman Sachs**"), in Paris, France, where he became Co-CEO of the division in France in 2006 (then CEO in 2009), and in Russia where he became Co-CEO of Goldman Sachs' activities in Russia and the Commonwealth of Independent States in 2011. He retired from Goldman Sachs at the end of 2012. In his early career, Mr. Raby was a corporate lawyer with the law firm Sullivan & Cromwell in New York (1989-1992) and in Paris (1992-1996). Mr. Raby is a member of the board of Université Laval. He holds a law degree from Université Laval, a Master of Philosophy in International Relations from University of Cambridge in the U.K., and a Master of Laws from Harvard Law School. Mr. Raby is also a member of the New York State Bar Association.

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

- > **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 Quebec Government from 1974 to 1996, acting as Associate Deputy Minister, Financial Policies and Operations from 1988 to 1992, and from 1992 to 1996 as Deputy Minister. In 1996, Mr. Rhéaume joined Microcell Telecommunications 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 member of the Audit Committee of Boralex Inc. as well as Chairman and public director of the Canadian Investor Protection Fund. Mr. Rhéaume is a former public director of the Canadian Public Accountability Board and a former audit committee member of five publicly-traded corporations. Mr. Rhéaume graduated from Université Laval with a License in Business Administration (Finance and Economics).
- > **Chakib Sbiti** is the former Executive Advisor to the CEO of Schlumberger Limited ("**Schlumberger**"), a position he held until 2014. Mr. Sbiti spent over 30 years with Schlumberger. 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 in the same field. Mr. Sbiti is a member of the Society of Petroleum Engineers. He is currently a director of Genel Energy and a member of its Audit Committee.
- > **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, COO, 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. Mr. Siegel graduated from the University of Toronto with a Bachelor of Arts degree in history and economics and from York University with a Master of Business Administration.

Letter to Shareholders

Dear Fellow Shareholders:

During 2015, the Audit Committee's major oversight activities targeted ongoing efficiencies and improvements in the quarterly and annual financial statements. A major focus continued to be management's progress toward improved internal control processes, accelerated remediation of significant deficiencies, acquisition integration including conversion of accounting systems and certifying internal controls, purchase price allocations, goodwill estimation and appropriate disclosures on all issues before the Committee. We are seeing steady improvements in on-going indicators.

The Committee retained Deloitte LLP to conduct an integrated audit of both the financial statements and internal controls over financial reporting for the third straight year. The resulting audit opinion for 2015 was unqualified. Notwithstanding, actions continue to be taken to further strengthen controls.

The Committee initiated a formal review of its processes conducted by our independent auditor to assist in identifying better practices and communicating those needs to management. New Directors with additional financial expertise have also been added to the Committee.

Internal Audit completed the plan approved by the Committee and thirty-one (31) audits, which spanned the entire Company were conducted. The Committee received reports that all audits were completed and reviewed the status of corrective actions with management at the regular quarterly meetings. In addition, and in conjunction with the G&E Committee, the Audit Committee continued to review the progress and results of financially relevant investigations conducted by the Compliance team.

As part of the quarterly review of the financial statements, the Committee focussed on management decisions regarding business and financial judgments including revenue recognition, assessment of difficult projects, cost of disposal and valuation of goodwill and intangible assets. Proper disclosure of significant items was also reviewed at each quarterly meeting.

Finally, the Committee reviewed acquisition and integration issues, other management projects and activities involving corporate liquidity, cash management, tax filing compliance, insurance programs, information technology and cyber security.

Yours truly,

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

REPORT OF THE GOVERNANCE AND ETHICS COMMITTEE

Mandate

The G&E Committee assists the Board in developing the Company'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 G&E Committee also provides the Statement of Corporate Governance Practices required under the Canadian Securities Administrator disclosure requirements which is found in the "Statement of Corporate Governance Practices" section of this Management Proxy Circular. For a complete copy of the G&E Committee mandate, see the Company's website (www.snclavalin.com), under "About Us"/"Governance".

Composition

The members of the G&E Committee are: Jacques Bougie (Chair since March 16, 2015), Patricia A. Hammick, Lise Lachapelle (until March 31, 2016), Michael D. Parker (until May 5, 2016) and Eric D. Siegel. Each of the members of the G&E Committee is independent.

Please note that Ian A. Bourne, our former Chairman of the Board (until March 16, 2015), acted as Chair of the G&E Committee until February 1, 2015 when he was replaced by Lawrence N. Stevenson. Mr. Stevenson acted as Chair of the Committee from February 1, 2015 until his appointment as Chairman of the Board on March 16, 2015. Mr. Stevenson also stepped down as a Committee member at that date. Jacques Bougie replaced him as Chair of the Committee on March 16, 2015.

Letter to Shareholders

Dear Fellow Shareholders:

As Chairman of the G&E Committee, I am pleased to provide you with a review of its activities in 2015.

During the year, the Committee devoted much time and effort into overseeing the Company's ethics and compliance framework. Recognizing the reporting relationship to the Committee of the Chief Compliance Officer ("**CCO**"), the Committee was involved in the selection of both the new Executive Vice-President and General Counsel, Hartland J.A. Paterson, who is head of the Legal Affairs and Ethics and Compliance teams, and the new CCO, Hentie Dirker, both of whom joined the Company in the fall of 2015. Throughout 2015, the Committee continued to review regular quarterly reports by the CCO and the Compliance team so as to provide them with timely and constructive feedback and oversight on the ethics framework and programs.

With the assistance from external resources, the Committee spent a considerable amount of time in 2015 on board renewal and on reviewing board succession planning processes. Two new directors joined the Board in 2015, Steven Newman and Jean Raby, both highly experienced senior executives with considerable international experience. Mr. Zin Smati who is a seasoned senior executive in the energy industry, has accepted to stand for election at the Meeting. Further information on their background is set out in the "Information on our Board Nominees" section of this Management Proxy Circular.

In 2015, the Committee also retained the services of an independent consultant to assist with re-designing and conducting the process for the 2015 Board assessment. This effort spanned over a six month period and included a complete restructuring of our evaluation tools and processes, an extensive data gathering and analysis effort and vital feedback. The exercise was robust and resulted in a board action plan to address areas of opportunities for the Board in 2016.

I would like to take this opportunity to thank David Wilkins, our former CCO who left the Company in 2015, for all the time and dedication spent in building our world class ethics and compliance program and wish him all our best.

I would also like to thank Lise Lachapelle and Michael Parker who will be leaving the Board in 2016, for their valued contribution to this Committee and the Board as a whole over the years.

Finally, I would like to express my sincere appreciation to all Committee members for their efforts and support as we continue to implement global best practices in governance and ethics standards.

Yours truly,

Jacques Bougie, O.C. ***(signed)***
Chair of the G&E Committee

REPORT OF THE SAFETY, WORKPLACE AND PROJECT RISK COMMITTEE

Mandate

The SWPR Committee assisted the Board in discharging its responsibilities with regard to the overall framework for managing project risks ("**Project Risk(s)**") and health, safety, security, environmental, business continuity and emergency preparedness risks ("**Safety and Workplace Risk(s)**") arising from the Company's operations and business it undertakes with clients.

Effective January 1, 2015, the SWPR Committee replaced the Health & Safety, Security and Environment Committee and the Project Risk Review Committee. For a complete copy of the SWPR Committee mandate, see the Company's website (www.snclavalin.com), under "About Us"/"Governance".

Composition

The members of the SWPR Committee are: Eric D. Siegel (Chair), Jacques Bougie, Lise Lachapelle (until March 31, 2016), Michael D. Parker (until May 5, 2016) and Chakib Sbiti. Each of the members of the SWPR Committee is independent.

Letter to Shareholders

Dear Fellow Shareholders:

As Chair of the SWPR Committee, I am pleased to provide you with a review of its activities in 2015.

2015 was the first year for which the Committee operated under its new mandate, having consolidated the responsibilities of respectively the Project Risk Review and the Health & Safety, Security and Environment Committees into one at the end of 2014. The consequence is that oversight of all significant risks pertaining to the execution of the Company's project business now reside under one roof. The goal is a more seamless identification of those risks, their impact and how effectively they are being mitigated at the project and corporate level.

The existence of such a Board Committee and the breadth of risks it follows, from my experience, is the exception and not the norm for Engineering and Construction companies. The Committee's agenda focuses on three areas: the quarterly review of the Company's performance against a series of leading and lagging indicators addressing each of the major risk categories as well as initiatives to enhance and refine those indicators; reviewing the progress of significant new projects and the disposition and resolution of challenged projects; and, the periodic assessment of the processes, systems and policies applicable to the management of these risks, including, from time to time, external benchmarking.

Improving project management was a key priority for 2015 and significant progress was achieved including the resolution of a number of difficult projects. A notable change has been the designation of global leaders for each of the key project delivery functions. These leaders provide valuable support to their respective functional players at the project level. PM+, the Company's proprietary project management system was enhanced and a PM+ lite version was rolled out to cover smaller projects. Management updated the Committee on the Peer Reviews planned and conducted during the year. Two "100 Day" reviews were completed as part of management's objective to complete earlier and more frequent project performance reviews. The number of projects covered by formal Peer Reviews has increased such that, combined with past reviews, the Peer Review Program now covers approximately 85% of the gross margin backlog tied to projects which are less than 75% complete. Following the acquisition of Kentz in 2014, the Kentz risk review and approval processes have now been fully integrated into the the Company's framework. Finally, as part of the 2015 Internal Audit Plan, audits were conducted on the corporate practices for estimating, project management and forecasting and a number of improvements have been put in place.

The health and safety of our employees and all of our partners is of paramount importance at SNC-Lavalin. Throughout the year there was a positive downward trend in "total recordable incidents" and "lost time incidents" with both finishing the year better than targeted. The overall performance can be attributed to a strong tone from the top and full engagement of the executive team. Various initiatives were introduced to improve health, safety, security and environment performance including a formal "Behavioral Intervention Program" adopted through the integration of Kentz. Supplementing these measures in 2016 will be a new concept "Perfect Days", an account of the days where company projects and operations are incident free. The Committee will be monitoring the Company's adherence to preventative practices as leading indicators of a safe work environment. Tragically, and despite the positive results, the year was not free of fatalities. Three major incidents occurred during the year that did result in fatalities. One, a bus collision in Saudi Arabia, resulted in 13 fatalities amongst a sub-contractor's staff. Management responded to these incidents as though they were fully within their scope of control including full investigations into the root causes to distribute learnings and preventative measures across the Company.

The Company tracks and categorizes all environmental incidents not just those which require notification to authorities. Zero significant environmental spills or incidents occurred in 2015, although the Company does have some legacy issues to manage. Management presented a sustainability strategy and demonstrated strong progress in its implementation including a presentation of the *Envision* certification program being developed on Montreal's new Champlain Bridge Corridor project.

The SWPR Committee will play an on-going role by providing advice as to the scope and reporting framework for the strategy.

Finally, the security of the Company's people, property, and information systems is another major concern. Management introduced a series of key performance indicators in 2015 to track security performance targets and targets were generally met. Notable was the focus on the Company's business resilience and recovery plan for which head office was subjected to an extensive one-day test in 2015. The avoidance of any travel security incidents, particularly with respect to travel in high or extreme risk markets has also been a priority and the Committee is pleased to observe that employee awareness and adherence to travel security policies has been significantly enhanced.

In closing I want to thank all the members of the Committee and management for their contributions and commitment to making the SWPR Committee a valuable component the Company's overall governance framework.

Yours truly,

Eric D. Siegel, ICD.D ***(signed)***
Chair of the SWPR Committee

REPORT OF THE HUMAN RESOURCES COMMITTEE

Mandate

The HR Committee is responsible for assisting the Board of Directors of the Company in discharging its responsibilities relating to the attraction and retention of an engaged workforce to deliver on the Company's approved strategic plan and objectives.

The HR Committee is responsible for the development and review of our executive compensation philosophy and strategy, reviewing and recommending to the Board, CEO and Senior Officer performance objectives and assessing performance against such objectives and supporting CEO succession planning by developing succession plans for annual Board review and approval. The HR Committee is also responsible for supervising the operation of compensation programs, including the Company's pension plans, and for ensuring that compensation design and practices do not incentivize undue risk-taking. Additional responsibilities include monitoring our management development programs.

The HR Committee mandate requires 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 and to further ensure the mitigation of compensation-related risks. Patricia A. Hammick and Alain Rhéaume are currently members of both Committees. For a complete copy of the HR Committee mandate, see the Company's website at **www.snclavalin.com**, under "About Us"/"Governance".

Composition

The members of the HR Committee are: Alain Rhéaume (Chair), Jacques Bougie, Patricia A. Hammick and Steven L. Newman. Each of the members of the HR Committee is independent.

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

> **Alain Rhéaume (Chair since February 1, 2015 in replacement of Lawrence N. Stevenson)** has extensive experience in human resources and compensation matters acquired during his 25-year career in both the public and private sectors. He worked for the Ministry of Finance of the Quebec Government from 1974 to 1996, acting as Associate Deputy Minister, Financial Policies and Operations from 1988 to 1992, and from 1992 to 1996 as Deputy Minister. In 1996, Mr. Rhéaume joined Microcell Telecommunications 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 presently Chairman as well as a member of the Governance, Nominating and Human Resources Committee of the Canadian Investor Protection Fund. He is also a former member of the Human Resources Committee of the Canadian Public Accountability Board.

> **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. Mr. Bougie is presently a member of the Human Resources Committee of CSL Group Inc., McCain Foods Limited and Atrium Innovations Inc. He has sat on the Human Resources Committee of seven companies over the past 28 years, including that of AbitibiBowater Inc. (formerly Abitibi-Consolidated Inc. and now Resolute Forest Products Inc.) from 2004 to 2010.

> **Patricia A. Hammick** has experience in overseeing various executive human resources matters. She is a former Senior Vice-President and a member of the eight-member senior management team at Columbia Energy Group as well as a former Vice-President of the Natural Gas Supply Association. Dr. Hammick has extensive experience in hiring, retention plans, performance reviews, and compensation and benefits programs. In addition to attending various executive education programs, she 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.

> **Steven L. Newman** has many years of experience in overseeing various executive human resources matters. He is the former President and CEO and director of Transocean, Ltd. ("**Transocean**"). Mr. Newman joined Transocean in 1994 and held various management and operational positions. He notably served as Senior Vice-President, Human Resources, Treasury and Information Technology. As such, he had direct responsibility for liaising with the Compensation Committee's Chair as well as with the compensation consultant. During this time, Mr. Newman was also a member of the Society for Human Resources Management ("**SHRM**"). From 2008 to 2015, as COO and as President and CEO, he was responsible for engaging with the Compensation Committee on establishing the compensation policy and was directly accountable for implementing said policy for Transocean's executives. Mr. Newman is currently a member of the Compensation Committee of Dril-Quip, Inc.

Please note that, until March 16, 2015, the HR Committee was composed of a fifth member, Lawrence N. Stevenson. Mr. Stevenson acted as Chair of the Committee until February 1, 2015 when he was replaced by Alain Rhéaume. Mr. Stevenson remained a Committee member until his appointment as Chairman of the Board on March 16, 2015.

Mr. 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. and acted as the Chairman of CAE's Human Resources Committee for more than a decade. Mr. Stevenson has served and continues to serve as the Chairman of the Board of a number of Clearspring Capital Partners' private portfolio companies.

Key Activities Undertaken

During 2015, the Committee undertook the following key activities:

Annual Activities

> Reviewed and recommended for Board approval:

- the updated Executive Compensation Policy;
- salary increases;
- the Annual Incentive Plan payouts for 2014 (paid in 2015) and the performance factor and settlement (i.e. cancellation) of the performance share unit ("**PSU**") awards made in 2012;
- the short-term incentive plan structure, financial and non-financial performance metrics and targets for 2015;
- the long-term incentive awards granted during 2015 under the 2014 Performance Share Unit Plan ("**2014 PSUP**"), Restricted Share Unit Plan ("**RSUP**") and Executive Deferred Share Unit Plan ("**E-DSUP**");
- the President and CEO's performance objectives for 2015;
- the executive compensation section of the 2015 Management Proxy Circular ("**MPC**");
- the President and CEO succession plans; and
- updates to the HR Committee mandate.

> Reviewed:

- the Ethics and Compliance Quarterly Reports;
- the status of the Share Ownership Requirements;

- the performance of its independent executive compensation consultant; and
- the results of the Company-wide Talent Review Process.

Event-Driven Activities

> Reviewed and recommended for Board approval:

- the appointment, compensation and employment terms for Senior Officers hired in 2015, including the CEO;
- the end of employment terms and conditions of the Senior Officers that have left the company in 2015; and
- a new peer group for the 2014 PSUP following the acquisition and subsequent de-listing of two peer companies.

Executive Compensation Consultants

Since 2008, the Committee has retained Hugessen Consulting Inc. ("**Hugessen**") to provide it with independent advice on executive compensation and related performance assessment and governance matters. The nature and scope of services provided by Hugessen to the Committee during 2015 included:

> Review and advice on:

- President and CEO compensation and contractual matters;
- corporate and individual performance as it relates to determining President and CEO and other NEO compensation;
- the pay benchmarking analysis;
- the PSU performance peer group;
- the 2015 MPC Compensation Discussion and Analysis ("**CD&A**") section;
- management-prepared materials and recommendations in advance of HR Committee meetings as requested; and

> Attendance at HR Committee meetings as requested.

Hugessen does not provide any services to management directly and work conducted by Hugessen raises no conflicts of interest. Any services provided by Hugessen require HR Committee pre-approval and the Chair of the Committee approves all invoices for work performed by Hugessen. The Committee has the authority to hire and fire its independent advisor and it reviews Hugessen's performance at least annually.

Additionally, the Company retains the services of Towers Watson to advise generally on executive and director compensation benchmarking and related matters. During 2015, Towers Watson provided the following information and advice to the Company:

> Compensation survey and benchmarking data for select executive and non-executive roles;

> Review of the Board of Directors' compensation;

> Advice on Pay Equity compliance;

> Support on the implementation of the HR Management System; and

> Pension and benefits consulting services.

The HR Committee reviews the information and advice provided by Hugessen and the information provided by Towers Watson, among other factors, in making its executive compensation decisions and recommendations to the Board.

Fees Paid to Executive Compensation Consultants

The table below outlines the fees paid by the Company to **Hugessen** during 2014 and 2015:

Nature of work	2015 Fees	2014 Fees
Basic HR Committee mandates – Annual Review	$ 69,323	$ 96,063
All other fees:		
• Other requested HR Committee mandates outside of Annual Work Plan scope	$ 105,485	$ 115,845
• Special non-recurring mandates relating to executive hires and departures	$ 118,429	$ 18,437
Total	**$293,237**	**$230,345**

The table below outlines the fees paid by the Company to **Towers Watson** during 2014 and 2015:

Nature of work	2015 Fees	2014 Fees
Executive Compensation	$ 138,823	$ 49,457
All other fees:		
• Benefits	$ 785,335	$ 25,309
• Global Job Classification and Compensation Surveys	$ 55,634	$ 117,185
• Market Benchmarking (Non-Executive) and Pay Equity	$ 85,436	$ 39,174
• HR Management System – Support	$ 1,993,412	$ 3,855,224
• Change Management	$ 36,753	–
Total	**$3,095,393**	**$4,086,349**

Letter to Shareholders

Dear Fellow Shareholders:

The HR Committee and the Board of Directors of the Company believe in providing our shareholders with clear and comprehensive disclosure so that they may fully understand the levels of compensation paid to our executives and the programs in which they participate. In this letter, we are pleased to provide you with an overview of the Board's assessment of the Company's performance during 2015 and how this performance informed and guided our executive compensation decisions.

2015 Performance

The Company embarked on the next stage of its evolution with the appointment of Neil Bruce as President and CEO, succeeding Robert G. Card. Under Mr. Card's tenure, the Company was able to turn its ethics and compliance system into a benchmark for the industry and is now an integral part of the daily activities of our employees. Under the leadership of Mr. Bruce, the Company continues to focus on delivering improved results and returns.

More specifically, during 2015, the Company:

> Added important projects like Montreal's new Champlain Bridge Corridor and Toronto's Eglinton Crosstown Light Rail Transit ("**LRT**") projects;

> Introduced the STEP Change program to further improve operational efficiency, including the realignment of corporate and operations within the organization;

> Disposed of its interest in the Ambatovy Nickel Mine; and

> Maintained a motivated and dedicated workforce through continued turbulence that affected the Company, following the events that occurred in previous years.

In an ongoing effort to build a renewed executive team to lead the development and execution of our growth strategy and industry-leading ethics & compliance standards, among others, the Company also made the following key appointments:

> Marie-Claude Dumas as Executive Vice-President, Global Human Resources;

> Ian Edwards as President, Infrastructure;

> José J. Suárez as President, Mining and Metallurgy;

> Dale Clarke as Executive Vice-President, Integrated Management Systems;

> Hartland J.A. Paterson as Executive Vice-President and General Counsel; and

> Alan McLean as Executive Vice-President, FEED and Engineering.

2015 CEO and Other Senior Officer Compensation

The Company's financial results were in line with the target performance level, which resulted in payouts under the financial component of the 2015 Annual Incentive Plan of 103% of target.

In addition to the regular annual grants under the Long-Term Incentive Plan ("**LTIP**"), Mr. Bruce also received the following grants under the Company's LTIP:

> 7,500 Restricted Share Units ("**RSUs**") in recognition of his nomination to the role of COO (prior to his nomination to the role of CEO) and of the work done on the acquisition and integration of Kentz;

> 7,844 Executive Deferred Share Units ("**E-DSUs**") in recognition of his nomination to the role of CEO; and

> 13,000 E-DSUs as a special one-time matching grant equal to the number of shares purchased by Mr. Bruce following his nomination to the role of CEO, half of which vest subject to performance conditions.

Performance Share Units ("**PSUs**") that were granted in 2013 were cancelled on December 31, 2015 as cumulative Earnings Per Share ("**EPS**") did not meet threshold performance levels for the 2013 to 2015 performance period.

Alignment of Pay and Performance over the Longer Term

The last five years have been challenging for the Company and disappointing for our shareholders, with annualized total shareholder return of -5.3%, compared to 2.3% for the S&P/TSX Composite Index. It is worth noting, however, that the average annualized total shareholder return of our direct peers is -4.5% for the same period.

Reflecting the Board's commitment to design and administer compensation plans and awards that directly link pay outcomes to Company results and align executive pay with the shareholder experience, the compensation earned by our executives during this timeframe reflects these challenges:

> Short-term incentive plan payout factors have averaged 76% of target between 2012 and 2015;

> PSU awards granted between 2010 and 2013 inclusively did not payout to participants as the cumulative EPS did not meet the pre-determined threshold performance levels for the performance periods ending in 2012, 2013, 2014, and 2015; and

> As at December 31, 2015, one of the three stock option grants is underwater.

Realized and realizable (i.e. unvested and outstanding) compensation to our President and CEO is 80% of the grant-date target value of compensation awarded in 2013, 2014, and 2015. For our other NEOs, realized and realizable compensation with respect to the same period is 91% of the grant-date value awarded at target.

Conclusion

The HR Committee and Board continue to monitor the Company's executive compensation programs and policies and are committed to listening to and considering the feedback of our shareholders in order to ensure that these programs and policies are in line with shareholder interests and provide an appropriate balance between fixed and variable compensation and risk and reward.

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

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

Yours truly,

Alain Rhéaume *(signed)*
Chair of the HR Committee

Executive Compensation Discussion and Analysis

INTRODUCTION

The following section outlines the compensation programs in which the Named Executive Officers ("**NEOs**") participate. During 2015, the NEOs were:

> Neil Bruce – President and CEO ("**CEO**")

> Robert G. Card – Former President and CEO ("**Former CEO**")

> Alain-Pierre Raynaud – Executive Vice-President ("**EVP**") and Chief Financial Officer ("**CFO**")

> Christian Brown – President, Oil & Gas Sector

> Alexander (Sandy) Taylor – President, Power Sector

> Ian Edwards – President, Infrastructure Sector

Executive Committee

Our NEOs are part of our Executive Committee, a team of nine (9) select EVPs led by the CEO. Our Executive Committee is responsible for delivering on commitments made to shareholders, setting the strategic direction for the Company, monitoring performance against targets, and setting policies and common operating procedures.

This Compensation Discussion and Analysis ("**CD&A**") focuses on the plans in which the NEOs participate.

ANNUAL OVERSIGHT OF EXECUTIVE COMPENSATION

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

The HR Committee, with support from the Committee's independent advisor, and management and its advisor, undertakes the following process:

At the Outset of the Year:

Establish Target Levels and Mix of Compensation

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

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

Establish Performance Objectives and Targets

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

The HR Committee annually evaluates financial and operational objectives under our short and long-term incentive plans to ensure alignment with our strategic plan. We believe that key financial results, including Company earnings before interest and taxes ("**EBIT**") and operating cash flow ("**OCF**"), measure the sustainability of our core operations and drive long-term value creation. Our non-financial operating goals reflect our strong commitment to ethical business practices, the health and safety of our employees, and the environment. Our long-term incentive plan incorporates relative total shareholder return targets, thereby strengthening the alignment of our executive compensation with growth in shareholder value.

Performance targets under both our annual and long-term incentive plans are set on an annual basis. The target-setting process occurs in conjunction with our annual budget-setting process and stress-testing of proposed performance goals is undertaken by management and reviewed by the HR Committee with support from its independent advisor. Recommendations by management are put forward for HR Committee review and Board approval. In assessing these recommendations, the HR Committee and Board confer with the Audit Committee, consider historical performance achievement, and market and stakeholder expectations.

During the Year and Following Year-End:

Assess the Executive Compensation Policy and Programs

Annually, the HR Committee reviews the Company's Executive Compensation Policy and programs against the Company's compensation philosophy and strategy, evolving best practices, market trends, and shareholder expectations. As appropriate, adjustments to compensation programs are considered and implemented.

Assess Performance against Objectives
The CEO shares and reviews performance results with the HR Committee, and discusses how the Company, Senior Officers and other Executive Vice-Presidents not reporting directly to the CEO are tracking against the performance targets and objectives established at the beginning of the year. Adjustments to performance goals are considered, on an as needed basis, in light of any acquisitions and/or divestitures by the Company during the year.

At the end of the year, the HR Committee reviews performance against pre-set financial and non-financial operational goals considering input from management and the Committee's independent advisor. Additionally, the CEO shares with the HR Committee individual performance assessments for each Senior Officer and other Executive Vice-Presidents not reporting directly to the CEO.

Recommend Pay Outcomes for Board Approval
All incentive plan payouts are put forward by the HR Committee to the Board for final approval. The Board, in its sole discretion and considering recommendations from the HR Committee, may exercise discretion to adjust formula-calculated incentive plan payouts in order to achieve the appropriate outcomes in light of unanticipated internal or external developments. In 2015, the Board did not exercise discretion in approving award payouts with the exception of Mr. Raynaud's 2015 AIP award which was reduced to reflect that the management of certain responsibilities fell below expectations.

OUR COMPENSATION PHILOSOPHY

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

> Linking compensation outcomes directly with Company (including Sector and Business Unit) and individual performance objectives over multiple time horizons;

> Motivating Senior Officers and senior management to achieve and exceed the Company financial, operational and strategic objectives by providing above-target awards for above-target performance over the short and long-term; and

> Promoting an ownership mentality through equity awards and share ownership guidelines for our leadership and thus a long-term view of Company strategy and performance.

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

Additionally, we believe that, among other factors, the following policies and guidelines (described in greater detail throughout this document) help to discourage inappropriate risk-taking:

Anti-Monetization and Anti-Hedging Policy – a prohibition on hedging SNC-Lavalin equity exposure and trading in derivatives of the Company exists for all insiders of the Company.

Clawback Policy – incentive compensation awarded to executive officers is subject to the Clawback Policy which provides the Board with discretion to seek reimbursement of all or part of paid incentives under specific circumstances.

Share Ownership Guidelines – share ownership by Senior Officers and Executive Vice-Presidents not reporting directly to the CEO, required under our Share Ownership Guidelines, contributes to our success and helps to align shareholder and executive interests. The CEO is also subject to a minimum share ownership requirement for one year following retirement.

Pay Comparator Groups
The Company uses Pay Comparator Groups in order to provide competitive market context to support pay level and pay mix decision-making, and to provide context regarding compensation design practices. Reflecting the Company's global status, we use both Canadian and U.S. Pay Comparator Groups that include companies with a diverse global employee and client base, recognizing that there are few global engineering and construction companies in the world.

These Pay Comparator Groups are developed based on the following selection criteria:

> Publicly-traded companies;

> Companies with annual revenues, market capitalization, and total enterprise value of between half to two times that of SNC-Lavalin's;

> Industrial sectors where we compete for talent, including, but not limited to, Engineering and Construction, Oil and Gas, Utilities and Chemicals; and

> Direct competitors that do not meet the scoping criteria (annual revenues, market capitalization, or total enterprise value).

We also refer to other markets where appropriate.

The HR Committee reviews the Pay Comparator Groups periodically to ensure that they represent the most appropriate and reliable sample possible, verifying that the companies included continue to meet the selection criteria and determining whether additional companies should be included. The last review was undertaken at the beginning of 2015. Details on the Pay Comparator Groups may be found in the 2015 MPC.

The Company also employs a Performance Comparator Group, which is used to assess the Company's relative Total Shareholder Return ("**TSR**") under the current Performance Share Unit Plan ("**PSUP**"). This group is described in this CD&A, under the description of the PSUP.

Target Positioning

Our Executive Compensation Policy targets total direct compensation ("**TDC**"), specifically base salary and target short-term and long-term incentive awards (grant-date fair value), at median compared to the Pay Comparator Groups, giving equal weighting to both the Canadian and U.S. Pay Comparator Groups, with above median pay realized through incentive payouts for above target performance and below median pay realized for below target performance.

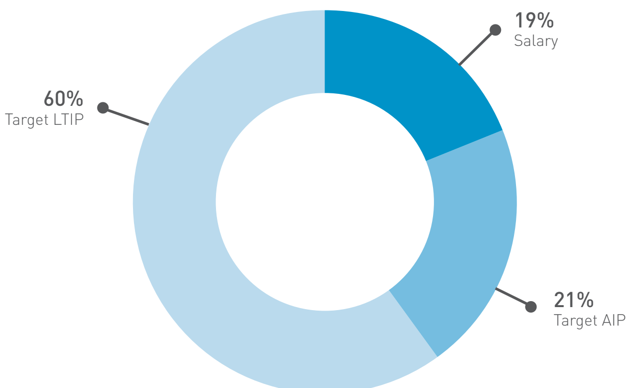
Perquisites, benefits, and retirement benefits are targeted at a level that is competitive with similarly sized local companies.

EXECUTIVE COMPENSATION DESIGN AND MIX

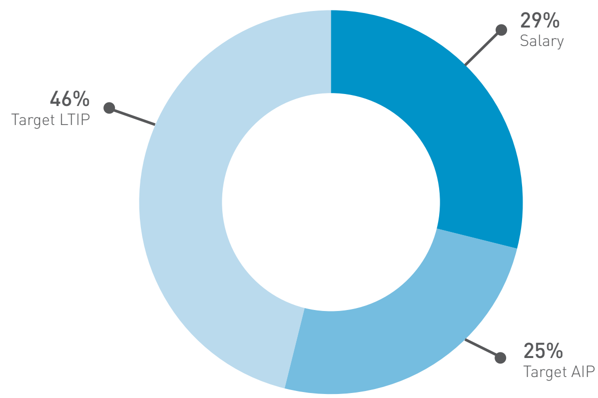
There are six elements incorporated in our executive compensation program: i) base salary, ii) annual incentive plan ("**AIP**"), iii) long-term incentive plan ("**LTIP**"), iv) employee share ownership plan ("**ESOP**"), v) pension benefits, and vi) executive perquisites.

A significant portion of our NEOs' compensation is variable and linked to performance against our short-term financial and non-financial operating and strategic objectives under our annual incentive plan, and TSR and share price performance under our long-term incentive plan. The following charts illustrate our CEO's 2015 target total direct compensation mix as well as that of the other NEOs (on average).

CEO Target Total Direct Compensation Mix(1)(2)



Average NEO Target Total Direct Compensation Mix



(1) Reflects the Target Total Direct Compensation mix of Mr. Bruce effective October 5, 2015.

(2) Mr. Bruce has the option to convert up to 100% of his bonus under the Annual Incentive Plan ("**AIP Payout**"), subject to a $500,000 cap, into Executive Deferred Share Units ("**Elected E-DSUs**"). The Company will provide a matching grant of E-DSUs ("**Matching E-DSUs**") to Mr. Bruce in a number equal to 50% of his Elected E-DSUs. For the purposes of this chart, the Matching E-DSUs are included in the Target LTIP percentage.

COMPONENTS OF COMPENSATION

Our NEOs have the opportunity to receive compensation that is both fixed (guaranteed) and variable (at risk) and triggered by Company and individual executive performance.

Component	Risk	Objectives	Time Frame	Description
Components of Total Direct Compensation ("TDC")				
Base Salary	Fixed	Provides competitive level of fixed compensation	Set annually	• Main fixed component of TDC • Typically set in reference to median of comparator group • Individual NEO salaries reflect level of responsibility, skills and experience
Annual Incentive Plan ("**AIP**")	Variable	Rewards for personal contributions to and achievement of Company objectives	1 year	• Cash bonus • Payout based on combination of Board-approved financial and non-financial objectives
2014 Performance Share Unit Plan ("**2014 PSUP**")	Variable	Rewards performance and creates incentive to enhance shareholder value	3 years	• Annual grants • Cliff vesting (0-200% of units granted) based on Company relative TSR performance vs. Performance Comparator Group
Restricted Share Unit Plan ("**RSUP**")	Variable	Promotes retention and rewards contribution to long-term value creation	3 years	• Annual grants • RSUs cliff vest on their third anniversary
Executive Deferred Share Unit Plan ("**E-DSUP**")	Variable	Aligns the interests of management with those of shareholders and rewards contribution to long-term value creation	5 years (vesting)	• Grants are made on an *ad hoc* basis under special circumstances • Ratable vesting of 20% at the end of each calendar year following the date of grant • Payout of vested units made one year following the termination of employment
Other Components of Compensation				
Employee Share Ownership Plan ("**ESOP**")	Variable	Encourages share ownership and aligns participant interests with shareholders	3 years	• Voluntary share purchase plan • Employee contributions of up to 10% of base salary in a given year with a 35% Company matching contribution over the subsequent two-year period
Management Share Ownership Plan ("**MSOP**")	Variable		5 years	• Plan is closed, however Company matching contributions remain outstanding • Voluntary share purchase plan • Executive contributions of up to 25% of AIP Payout with a 100% Company matching contribution over five equal annual installments
Benefits and Perquisites	Fixed	Provides an effective and attractive executive compensation program	1 year	• Group life and health insurance program and perquisites allowance
Retirement Benefits	Fixed		1 year	• Harvest Plus – defined contribution supplemental executive retirement plan ("**SERP**")

COMPONENTS OF TOTAL DIRECT COMPENSATION ("TDC")

Base Salary

We set NEO base salaries by reference to the median of the Pay Comparator Groups, with each individual's salary taking into account experience, level of responsibility and skills. Base salaries for the CEO's direct reports are recommended by our CEO and are reviewed by the HR Committee for final Board approval in the first quarter of each calendar year, in conjunction with a review of total compensation. The CEO's base salary is recommended by the HR Committee for Board approval.

In 2015, Mr. Card and Mr. Taylor both received a base salary increase of 4%. Mr. Raynaud received a base salary increase of 14% in consideration of competitive market pay levels for the position of CFO. Mr. Bruce's salary was set by reference to his new role as CEO effective October 5, 2015. Mr. Brown received a base salary increase of 3.5%. Mr. Edwards' salary was adjusted to reflect the increased scope of responsibility of his new role as Sector President, Infrastructure, following the restructuring of the Company (i.e. the appointment of the new CEO and Sector Presidents in 2015).

The following table outlines our NEOs' 2015 base salaries:

Executive	Annualized Base Salary at Year-End		
	2014	2015	Change from 2014
Neil Bruce[1]	$ 830,000	$ 1,100,000	33%
Robert G. Card	$ 985,000	$ 1,025,000	4%
Alain-Pierre Raynaud	$ 532,000	$ 604,000	14%
Christian Brown[2]	$803,400 USD	$831,519 USD	3.5%
Sandy Taylor	$ 625,000	$ 650,000	4%
Ian Edwards	$ 575,000	$ 650,000	13%

[1] Prior to his nomination to the role of CEO, Mr. Bruce received a regular base salary increase of 3.6% (revised salary of $860,000), which was subsequently increased to $950,000 on April 14, 2015 to reflect his appointment to the role of COO.

[2] Starting on August 24, 2015, Mr. Brown's actual paid salary was adjusted to $415,760 USD to reflect a more flexible work schedule.

AIP

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

Plan Design

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

Base Salary ($) × **AIP Target (% salary)** × **Performance Score (0-200%)** = **AIP Payout ($)**

Target Award Levels

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

Executive	Below Threshold	Target	Maximum
Neil Bruce	0%	110%	220%
Robert G. Card	0%	100%	200%
Alain-Pierre Raynaud	0%	75%	150%
Christian Brown[1]	0%	120%	240%
Sandy Taylor	0%	75%	150%
Ian Edwards	0%	75%	150%

[1] Mr. Brown's target award levels were grandfathered from his previous role as CEO of Kentz.

Performance Measurement

The Performance Score under the AIP is calculated as follows:

Performance Score (0-200%)

=

Financial Objectives (2/3 Weighting)

1. SNC-Lavalin EBIT (80%)
2. SNC-Lavalin Operating Cash Flow (20%)

\+

Non-Financial Objectives (1/3 Weighting)

1. Ethics and Compliance (25%)
2. Health, Safety, Security and Environment (10%)
3. Individual goals – Strategy, Organization and People (65%)

2015 Financial Performance Objectives and Achievement

In 2015, our financial measures were Company EBIT and Operating Cash Flow. It should be noted that actual results for these measures are net of adjustments to neutralize the impact of elements not included in the targets, with all such adjustments approved by the HR Committee and the Board.

Performance Measure (Weighting)	Threshold (0% payout)	Target (100% payout)	Maximum (200% payout)	Actual Achievement[1]	Actual Score[2]
SNC-Lavalin EBIT (000s) (80%)[3]	$ 355,322	$ 418,026	$ 480,730	$ 418,026	100%
SNC-Lavalin Operating Cash Flow (20%)[4]	70%	95%	110%	97%	113%

[1] Results were adjusted to reflect a partial recognition of the proceeds from the sale of the Company's interest in the Ambatovy Nickel Mine.

[2] Payouts are interpolated on a linear basis between threshold, target and maximum performance levels.

[3] Adjusted to neutralize the impact of transactions and specific events.

[4] Operating Cash Flow expressed as a percentage of actual EBIT.

The overall financial performance of the Company, as measured under the AIP, was slightly above target, resulting in a weighted performance score of 103% of target under the financial performance objectives.

2015 Non-Financial Performance Objectives and Achievement

In 2015, our non-financial performance measures included Ethics and Compliance, and Health, Safety, Security and Environment ("**HSSE**").

Performance Measure (Weighting)	Objectives	Achievements
Ethics and Compliance (25%)	• Continue to implement an effective and sustainable Ethics and Compliance program • Effectively execute and operationalize the Ethics and Compliance Program	• The Ethics and Compliance program was implemented and improved and is generally credited as a standard-setter for the industry • Assessment: Above target
HSSE (10%)	• No major environmental incidents • Total Recordable Incident Frequency ("**TRIF**"): 0.25 • Lost Time Incident Frequency ("**LTIF**"): 0.06 • Leading indicators (ex: site safety visits, safety training, etc.) • Audit Scoring • Score of 0% in case of a fatality	• Our performance continues to improve and exceeds established objectives • Assessment: Above target
Strategy, Organization and People (65%)	• Each NEO had specific individual performance objectives related to this measure	• For a discussion regarding individual executive achievements against these objectives, see the "CEO Compensation and Review" and "Other NEO Compensation and Review" subsections of this CD&A.

2015 AIP Payouts

Based on the financial and non-financial performance results described above, the NEOs were awarded the following AIP payouts with respect to the 2015 performance year:

Executive	Actual AIP Payout	Actual AIP as a % of Target
Neil Bruce[1][2]	$ 1,421,795	118%
Robert G. Card[3]	$ 777,880	100%
Alain-Pierre Raynaud	$ 416,600	92%
Christian Brown	$ 967,000USD	118%
Sandy Taylor	$ 522,000	107%
Ian Edwards	$ 574,800	118%

[1] Mr. Bruce's AIP Payout was calculated using:

- a target of 100% of his base salary as COO prorated from January 1, 2015 to October 4, 2015; and
- a target of 110% of his base salary as CEO prorated from October 5, 2015 to December 31, 2015.

[2] Mr. Bruce has elected to convert $500,000 of his AIP Payout into E-DSUs ("Elected E-DSUs") which entitles him to a Company-matching grant equal to 50% of the number of Elected E-DSUs ("Matching E-DSUs"). Therefore, the net amount payable in cash is $921,795.

[3] Mr. Card received his bonus at target, prorated from January 1, 2015 to October 4, 2015 (his last day in the position of CEO), in accordance with his mutual agreement with the Company, as described in detail in the "Retirement and Termination Compensation" subsection of this CD&A.

LTIP

In addition to our AIP, our NEOs are eligible for annual long-term incentive grants with a mix of PSUs (60% of annual LTIP grant) and RSUs (40% of annual LTIP grant).

PSUP

PSU Design

Under the PSU plan design, which was adopted in 2014, the interests of our eligible employees and executives are aligned with the interests of our shareholders by tying the vesting of PSUs to our TSR relative to our Performance Comparator Group over a three-year period. TSR measures the appreciation of our Common Shares as well as dividends paid during the performance period assuming dividend reinvestment.

The 2015 PSU grant has a performance period from January 1, 2015 to December 31, 2017 and units vest at the end of the third calendar year. At vesting, the number of units granted will be adjusted by the performance payout multiplier, which will be between 0% and 200% of units granted based on performance according to the following schedule:

Relative TSR Rank vs. Performance Comparator Group	Performance Payout Multiplier[1]
Below 25th Percentile	0%
25th Percentile	25%
Median	100%
At or above the 75th Percentile	200%

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

The Performance Comparator Group for relative TSR measurement includes the following global engineering and construction services companies, against which we compete directly for business and investment capital:

• Actividades de Construcción y Servicios, S.A.	• Fluor Corporation
• AECOM	• Jacobs Engineering Group Inc.
• Amec Foster Wheeler plc	• KBR, Inc.
• Balfour Beatty plc	• Technip S.A.
• Chicago Bridge & Iron Company N.V.	• VINCI S.A.
• Ferrovial, S.A.	• WorleyParsons Limited

At the end of the three-year period, the actual number of vested units, adjusted for performance, is settled in cash or if elected by the executive, in shares purchased on the open market, net of all applicable taxes.

2015 PSU Grant

Under this plan, we award participants a number of units based on a target percentage of the participant's base salary. The following PSU grants were made to NEOs in 2015:

Executive	2015 PSU Awards			
	Target LTI as a % of Base Salary	Portion of LTI grant in PSUs	$ Grant-Date Fair Value	Number of Units Awarded[1]
Neil Bruce[2]	210%	60%	$1,083,600	27,835
Robert G. Card[3]	260%	60%	$1,599,000	41,074
Alain-Pierre Raynaud	180%	60%	$ 652,320	16,757
Christian Brown[4][5]	100%	60%	$ 636,860	16,360
Sandy Taylor	180%	60%	$ 702,000	18,033
Ian Edwards	180%	60%	$ 621,000	15,860

[1] For the purposes of determining the number of PSUs granted, each PSU is attributed a notional value equivalent to the average closing price of Common Shares for the five business days immediately preceding the date of grant (March 16, 2015), which was $38.93. For Mr. Edwards, 3,010 of the 15,860 PSUs were granted on August 17, 2015. The average closing price of Common Shares for the five business days immediately preceding the August 17, 2015 grant was $40.12.

[2] As President, Resources, Environment and Water and prior to his nomination to the role of COO and subsequent nomination to the role of CEO, Mr. Bruce's Target LTI was 210% of his Base Salary. His Target LTI effective October 5, 2015, is 300% of his Base Salary.

[3] Mr. Card has subsequently forfeited all PSUs that were granted to him in accordance with his mutual agreement with the Company.

[4] Mr. Brown's target award levels were grandfathered from his previous role as CEO of Kentz.

[5] Mr. Brown's PSU award valued at 498,911 USD has been converted to CAD using the spot rate, as of the date of grant (March 16, 2015), of 1 USD = 1.2765 CAD.

2013 PSU Vesting and Settlement

PSU awards made by the Company between 2010 and 2013 vest and are paid out based on cumulative Earnings Per Share ("**EPS**") targets. The performance payout multiplier for the 2013 grant (performance period from January 1, 2013 to December 31, 2015) was determined according to the following schedule:

Cumulative EPS	Cumulative 2013-2015 EPS	Performance Payout Multiplier[1]
Below Threshold	<$6.09	0%
Threshold	$6.09	50%
Target	$7.05	150%
Maximum	$8.11	200%

[1] The performance payout multiplier is interpolated between the quartiles on a linear basis.

During this performance period, the Company achieved a cumulative EPS of $2.20 (adjusted to neutralize the impact of transactions and specific events), which was below the threshold level of performance. As a result, none of the PSUs granted during 2013 vested, as was the case in 2010, 2011 and 2012. Therefore, no payments related to the 2013 grants were made.

RSUP

The RSUP aligns the interests of participants with those of shareholders and rewards the creation of shareholder value by tying payout of units to the value of our Common Shares. It further promotes employee and executive retention through time-based vesting. RSUs vest three years following the date of grant.

2015 RSU Grants

Under this plan, participants are awarded a number of units based on a target percentage of the participant's base salary as of the year of grant. The following RSU grants were made to NEOs in 2015:

	2015 RSU Awards			
Executive	Target LTI as a % of Base Salary	Portion of LTI grant in RSUs	Grant-Date Fair Value $	Number of Units Awarded[1]
Neil Bruce[2]	210%	40%	$ 722,400	18,557
Robert G. Card[3]	260%	40%	$1,066,000	27,383
Alain-Pierre Raynaud	180%	40%	$ 434,880	11,171
Christian Brown[4][5]	100%	40%	$ 424,574	10,907
Sandy Taylor	180%	40%	$ 468,000	12,022
Ian Edwards	180%	40%	$ 414,000	10,574

[1] For the purposes of determining the number of RSUs granted, each RSU is attributed a notional value equivalent to the average closing price of Common Shares for the five business days immediately preceding the date of grant (March 16, 2015), which was $38.93. For Mr. Edwards, 2,007 of the 10,574 RSUs were granted on August 17, 2015. The average closing price of Common Shares for the five business days immediately preceding the August 17, 2015 grant was $40.12.

[2] As President, Resources, Environment and Water and prior to his nomination to the role of COO and subsequent nomination to the role of CEO, Mr. Bruce's Target LTI was 210% of his Base Salary. His Target LTI effective October 5, 2015, is 300% of his Base Salary.

[3] Mr. Card has agreed to forfeit all outstanding RSUs that were scheduled to vest following his departure on December 1, 2015, in accordance with his mutual agreement with the Company.

[4] Mr. Brown's target award levels were grandfathered from his previous role as CEO of Kentz.

[5] Mr. Brown's RSU award valued at 332,608 USD has been converted to CAD using the spot rate, as of the date of grant (March 16, 2015), of 1 USD = 1.2765 CAD.

Additional RSU Grant to Neil Bruce

In addition to the annual grants indicated in the table above, Mr. Bruce received a grant of 7,500 RSUs on April 15, 2015, in order to recognize his nomination to the role of COO (prior to his nomination to the role of CEO) and the work done on the acquisition and integration of Kentz.

E-DSUP

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

Similar to the RSUP, the E-DSUP aligns the interests of participants with those of shareholders and rewards the creation of shareholder value by tying payout of units to the value of our Common Shares. It additionally promotes employee and executive retention through time-based vesting. E–DSUs generally vest 20% at the end of each calendar year and are paid out one year following termination of employment.

2015 E-DSU Grants

The Board approved a special one-time grant of 7,844 E-DSUs valued at $300,000 to Mr. Bruce on September 13, 2015 as part of his CEO employment agreement. The number of units granted was determined based on the five-day average closing price of Common Shares following the date of grant.

In addition, the Board approved an initial share purchase matching grant of E-DSUs to Mr. Bruce, who upon the purchase of Common Shares within a period of three months following his nomination to the role of CEO, would be entitled to a Company matching grant of a number of E-DSUs equal to the number of Common Shares purchased. This matching E-DSU grant may not exceed $500,000 by reference to such purchase. Mr. Bruce purchased 13,000 Common Shares on September 18, 2015, for a total cost of $500,891, including commissions. As such, Mr. Bruce subsequently received a matching grant of 13,000 E-DSUs on November 9, 2015. The vesting of these E-DSUs is as follows:

> half of the E-DSUs from this matching grant (6,500 E-DSUs) will vest as per the normal plan provisions (i.e. 20% per calendar year); and

> The remaining half (6,500 E-DSUs) will vest on December 31, 2016, subject to the achievement of specific financial objectives.

Stock Option Plan

Effective 2014, annual recurring grants under our stock option plan have been discontinued; however, previous grants of stock options made to eligible executives, including some of our NEOs, remain outstanding and vest in accordance with specific plan rules. Stock options granted under our 2013 Stock Option Plan have a term of six years and those granted under our 2011 Stock Option Plan have a five-year term. Vesting of options granted under all of these plans occurs one-third per year beginning two years from the date of grant. No stock options were granted in 2015.

OTHER COMPONENTS OF COMPENSATION

ESOP

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

In order to encourage and facilitate the purchase of Common Shares through an automatic plan, the ESOP also allows participants who are subject to share-ownership requirements (i.e., Senior Officers and EVPs not reporting directly to the CEO) to contribute up to 20% of their base salary in the ESOP. However, contributions in excess of 10% of base salary do not attract the Company-matching contribution. Approximately 7,700 employees participated in the ESOP and through this plan held Common Shares representing approximately 3% of all Common Shares outstanding as at December 31, 2015.

MSOP

The Company no longer offers participation in the MSOP. However, Company-matching contributions under this program remain outstanding for some NEOs.

The MSOP offered participants an additional opportunity to increase their participation in the shareholding of the Company by allowing them to contribute 25% of their gross bonus payment under the AIP towards the purchase of Common Shares. The Company would make, in five annual equal installments, a total contribution equal to the participant's contribution, which is used to purchase Common Shares of the Company, provided that during this time, the participant remains an employee of the Company and does not sell the underlying Common Shares. A participant may sell shares in the MSOP at any time; however, if this occurs prior to all Company-matching installments having been made, such future Company contributions are forfeited.

Pension

Unless otherwise done for tax reasons, our NEOs located in Canada (all but Mr. Brown) participate in the Harvest Plan ("**Harvest**"), our group registered retirement savings plan/ deferred profit-sharing plan available to substantially all of our Canadian employees. Annually, the Company contributes a percentage of the participating NEO's annual base salary to the Harvest, subject to the application of the tax limits.

To provide an attractive and competitive compensation plan and to supplement their income after retirement, the NEOs located in Canada also participate in our Harvest Plus Plan, a defined contribution Supplemental Executive Retirement Plan ("**SERP**") implemented in 2002. Contributions in excess of the maximum allowed under the Income Tax Act (Canada) for registered plans are credited to a notional account under the SERP (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 installments paid over a period of five or ten years, at the participant's option.

Due to their tax residence, some NEOs receive their retirement contribution as a taxable allowance instead of having the contribution accumulate in the notional account.

Mr. Brown, in accordance with his employment agreement, receives his retirement savings in the form of a taxable cash allowance of 7% of his annual base salary.

Benefits and Perquisites

To provide an attractive compensation plan, the Company provides executives with select benefits and perquisites. These benefits and perquisites are designed to be competitive with those offered to executives at comparable organizations and are reviewed periodically by the HR Committee. Our executive benefits program includes life, medical, dental and disability insurance. Perquisites are provided to our executives, including the NEOs, in the form of a taxable cash allowance.

Other Compensation Arrangements for Christian Brown

Following the acquisition of Kentz, the Company entered into an agreement with Mr. Brown providing him with a one-time cash integration bonus representing 120% of his base salary at target, up to a maximum bonus opportunity of 240% of base salary, subject to the achievement of pre-established integration goals and objectives. One-half of the bonus is payable in 2015, with the remaining half payable in 2016, each payment being subject to the degree of attainment of the stated integration objectives. As such, Mr. Brown was awarded with an integration bonus representing 200% of his base salary for a total of $1,606,800 USD. Therefore, the first half of the integration bonus amounting to $803,400 USD was earned in 2014 and paid in 2015. The remaining half of the integration bonus amounting to $803,400 USD was earned in 2015 and paid in 2016.

Mr. Brown was also provided with a cash retention bonus representing 300% of his base salary amounting to a total of $2,410,200 USD. The first portion, in the amount of $1,636,440 USD was earned and paid in 2015, with the remaining portion in the amount of $773,760 USD to be earned and paid in 2016.

CEO COMPENSATION AND REVIEW

Effective October 5, 2015, and per the terms of his executive employment agreement as CEO, Mr. Bruce is entitled to the following annual compensation package:

> a base salary of $1,100,000;

> a target AIP opportunity of 110% of base salary;

> a target LTIP opportunity of 300% of base salary (PSUs and RSUs); and

- > subject to Mr. Bruce electing to convert up to a maximum of $500,000 of his bonus under the AIP into E-DSUs ("**Elected E-DSUs**"), a Company-matching grant of 50% of the Elected E-DSUs (therefore a maximum grant value of $250,000)
  - The Elected E-DSUs fully-vested at the time of grant, and are not forfeitable; and
  - The Company-matching grant of 50% of the Elected E-DSUs, vest in accordance with the E-DSU plan provisions. (i.e. 20% vesting at the end of each calendar year for a five-year period).

Performance Overview

Financial performance in 2015 showed a net improvement relative to 2014 as both EBIT and Operating Cash Flow measures were at or slightly above target levels. The Company met the 2015 guidance, maintained a stable and increasingly diversified revenue backlog and ended the year with strong cash balances. On the non-financial side, the Company continues to support a standard-setter ethics and compliance program and has delivered above target HSSE performance.

AIP Payout

In light of this performance, the CEO received a bonus payout under the 2015 AIP of $1,421,795 which represents 118% of his target.

2015 LTIP Grants

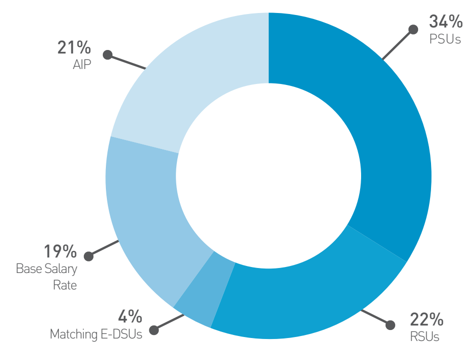
In 2015, Mr. Bruce's annual LTIP grant was 210% of salary (i.e. $1,806,000), 60% of which was granted in the form of PSUs and 40% of which was granted in the form of RSUs.

As described earlier in this CD&A, Mr. Bruce also received the following additional grants:

- > 7,500 RSUs following his appointment to the role of COO; and
- > a special one-time grant of 7,844 E-DSUs and an initial share purchase matching grant of 13,000 E-DSUs following his appointment to the role of CEO.

Summary of CEO Compensation

Compensation Component	Target Compensation *(Effective October 5, 2015)*	Target Pay Mix *(Excluding One-Time Awards)*
Base Salary Rate	**$1,100,000**	
AIP		
Financial Component (2/3)	$ 806,667	
Non-Financial Component (1/3)	$ 403,333	
Total	**$1,210,000**	
Long-Term Incentives		
PSUs	$ 1,980,000	
RSUs	$ 1,320,000	
Matching E-DSUs	$ 250,000	
Total	**$3,550,000**	
Annual TDC	**$5,860,000**	
One-Time Awards		
E-DSUs	$ 829,750	
Total	**$ 829,750**	



CEO Realized and Realizable Compensation: 2013-2015

The following table compares the value of Target Total Direct Compensation (i.e. recurring compensation excluding special awards) awarded to our CEO with the value of Realized/Realizable Total Direct Compensation (i.e. what was actually received or "realized" plus the market value of outstanding awards, or what was "realizable", as at December 31, 2015).

Specifically, Target Total Direct Compensation includes salary, target AIP, and grant date fair value of annual recurring long-term incentives. Realized Compensation includes salary, the actual paid bonus under the AIP as well as the value at vesting of annual recurring share-based awards and the value of stock options exercised during the period. Realizable Compensation includes the market value of share-based awards that are still outstanding, and the in-the-money value of outstanding stock options.

Mr. Bruce's compensation prior to his nomination to the role of CEO is included.

Year	Target Total Direct Compensation Awarded ($000s)	Realized/Realizable Total Direct Compensation as at Dec 31, 2015 ($000s)	Period	Value of $100 invested annually in compensation and in shares	
				CEO[1][2]	Shareholders[3]
2013	3,062	1,551	Jan. 1, 2013 – Dec. 31, 2015	$ 51	$109
2014	3,313	2,741	Jan. 1, 2014 – Dec. 31, 2015	$ 83	$ 90
2015[4]	4,130	4,161	Jan. 1, 2015 – Dec. 31, 2015	$101	$ 95
Aggregate	10,505	8,453	Jan. 1, 2013 – Dec. 31, 2015	$ 80	$ 98

[1] Represents the actual aggregate value earned or outstanding for each $100 awarded to the CEO in target total direct compensation during the fiscal year indicated.

[2] Outstanding units under the LTIP are valued using the closing share price of $41.12 as at December 31, 2015. Based on the Company's relative TSR as at December 31, 2015, performance factors of 0.75x and 1.00x are assumed for PSUs granted in 2015 and 2014, respectively. PSUs granted in 2013 are valued at 0.0x.

[3] Represents the cumulative value of a $100 investment in shares made on the first trading day of the period indicated, assuming reinvestment of dividends.

[4] Mr. Bruce's salary of $950,000 and target bonus of 100% for his role as COO are prorated from January 1, 2015 to October 4, 2015, combined with his salary of $1,100,000 and target bonus of 110% for his role as CEO prorated from October 5, 2015 to December 31, 2015.

OTHER NEO COMPENSATION AND REVIEW

Individual AIP Objectives and Achievements

The following table provides an overview of the individual achievements of each of the other NEOs during 2015:

Executive	Achievements During 2015
Alain-Pierre Raynaud	• Drove Working Capital optimization program • Implemented a Global Finance Shared Services Center for transactional accounting • Achieved a buyback program of $122 million • Optimized the Group occupancy rate
Christian Brown	• Consolidated Valerus, SNC-Lavalin and Kentz organizations creating a single aligned and effective global Oil & Gas business • Built a fully-integrated execution model to secure SNC-Lavalin prime Tier 1 EPC contracts • Completed the analysis of SNC-Lavalin Oil & Gas positioning and implemented actions to mitigate economic cycle effects • Retained all key customers and contracts during the Kentz / Valerus integration process
Sandy Taylor	• Successfully completed a number of key EPC projects in Hydro (Waneta, BC and Matala, Angola), Thermal (Newark Energy Center, NJ, US) and Transmission & Distribution (multiple in Alberta) • Further streamlined the business from a four to a three-business unit structure with the integration of the Hydro and Transmission & Distribution business units to obtain both costs and go-to market synergies • Implemented strategic initiatives specifically in account management and business development and increased geographic market presence in Canada, the U.S. and Asia and targeted overseas markets, leveraging the geographic strengths of SNC-Lavalin
Ian Edwards	• In 2015, returned the Infrastructure Sector to profitability • Won two of the largest public-private partnerships ("**P3**") projects in North America, Montreal's new Champlain Bridge Corridor and Toronto's Eglinton Crosstown LRT projects, representing over $7 billion in construction (with $2.3 billion representing the Company's share) • Maintained control over legacy projects and high risk businesses • Assessed and implemented a focused and aligned strategy for future growth in the Infrastructure Sector

Aggregate NEO Realized and Realizable Compensation: 2013-2015

The following table compares the value of Target Total Direct Compensation (i.e. recurring compensation excluding special awards) awarded to our other NEOs with the value of Realized/Realizable Total Direct Compensation (i.e. what was actually received or "realized" plus the market value of outstanding awards, or what was "realizable", as at December 31, 2015).

Specifically, Target Total Direct Compensation includes salary, target AIP, and grant date fair value of annual recurring long-term incentives. Realized Compensation includes salary, the actual paid bonus under the AIP as well as the value at vesting of annual recurring share-based awards and the value of stock options exercised during the period. Realizable Compensation includes the market value of share-based awards that are still outstanding, and the in-the-money value of outstanding stock options.

Historical data are scarce given that our NEOs have been with the Company for less than three years as at December 31, 2015.

Year	Target Total Direct Compensation Awarded ($000s)	Realized/Realizable Total Direct Compensation as at Dec 31, 2015 ($000s)	Period	Value of $100 invested annually in compensation and in shares	
				Other NEOs[1][2]	Shareholders[3]
2013[4]	1,013	593	Jan. 1, 2013 – Dec. 31, 2015	$59	$109
2014[5]	3,718	2,962	Jan. 1, 2014 – Dec. 31, 2015	$80	$ 90
2015[6]	9,524	9,347	Jan. 1, 2015 – Dec. 31, 2015	$98	$ 95
Aggregate	14,255	12,902	Jan. 1, 2013 – Dec. 31, 2015	$91	$ 98

[1] Represents the actual aggregate value earned or outstanding for each $100 awarded to NEOs in target total direct compensation during the fiscal year indicated.

[2] Outstanding units under the LTIP are valued using the closing share price of $41.12 as at December 31, 2015. Based on the Company's relative TSR as at December 31,2015, performance factors of 0.75x and 1.00x are assumed for PSUs granted in 2015 and 2014, respectively. PSUs granted in 2013 are valued at 0.0x.

[3] Represents the cumulative value of a $100 investment in shares made on the first trading day of the period indicated, assuming reinvestment of dividends.

[4] Includes Mr. Raynaud only.

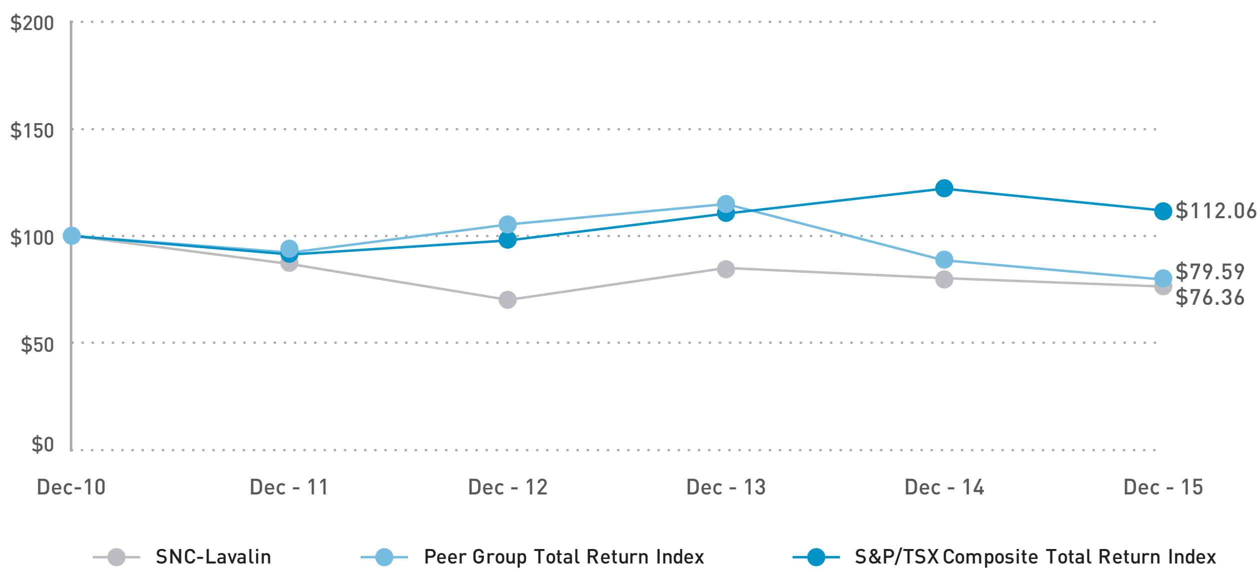
[5] Includes Mr. Raynaud and Mr. Taylor.

[6] Includes Mr. Raynaud, Mr. Taylor, Mr. Brown and Mr. Edwards.

PERFORMANCE GRAPH

The graph depicts the cumulative return of a $100 investment on December 31, 2010, in the Company's Common Shares, in the S&P/TSX Composite Total Return Index, and in an index composed of a peer group of Engineering and Construction companies, which includes AECOM, Amec Foster Wheeler plc, Fluor Corporation, Jacobs Engineering Group Inc., Technip S.A. and WorleyParsons Limited. For calculation purposes, a weighted average based on market capitalization of each company in the peer group was used.

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



Financial Years	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14	Dec-15
SNC-Lavalin	100.00	86.81	70.15	84.97	80.32	76.36
Peer Group Total Return Index	100.00	92.36	105.41	114.97	88.67	79.59
S&P/TSX Composite Total Return Index	100.00	91.29	97.85	110.56	122.23	112.06

Value of $100 invested on December 31, 2010 (assumes dividends are reinvested)

It is difficult to directly compare our NEO compensation with the share price trend over the last five years as illustrated above given the significant changes in our management team and the evolution in our compensation programs during this period. Our CEO was newly appointed on October 5, 2015 and our other active NEOs have been with the Company for less than three years as at December 31, 2015.

The Company believes in providing a significant portion of NEO compensation in the form of long-term incentives, which mirror the trend in share price movement and serve to align the interests of management with those of our shareholders. As previously illustrated, the value of realized and realizable compensation for our current NEOs is tracking below equivalent shareholder returns over the same period.

SUMMARY COMPENSATION TABLE

The following table sets forth, for the fiscal years ended December 31, 2015, December 31, 2014 and December 31, 2013, the compensation paid by the Company to the NEOs for services rendered in all capacities.

2015 SUMMARY COMPENSATION TABLE

					Non-equity incentive plan compensation ($)				
Name and principal position	Year	Salary ($)	Share-based Awards[1] ($)	Option-based Awards ($)	Annual Incentive Plans[2]	Long-term incentive plans[3]	Pension Value[4] ($)	All Other Compensation[5] ($)	Total Compensation ($)
Neil Bruce[6]	2015	1,117,913	2,986,020	-	1,421,795	-	-	511,404	6,037,132
President and CEO	2014	947,767	2,158,000	-	271,900	-	-	188,996	3,566,663
	2013	782,002	1,335,069	720,101	300,000	-	-	163,581	3,300,753
Robert G. Card[7]	2015	931,041	2,705,075	-	777,880	-	-	8,633,452	13,047,448
Former President and CEO	2014	975,775	3,791,432	-	-	-	-	195,155	4,962,362
	2013	934,622	1,921,296	1,980,277	576,500	-	-	216,895	5,629,590
Alain-Pierre Raynaud	2015	591,573	1,087,200	-	416,600	-	117,479	-	2,212,852
Executive Vice-	2014	518,846	718,200	-	174,300	-	103,769	-	1,515,115
President and CFO	2013	252,116	356,272	237,946	367,096	-	51,200	43,156	1,307,786
Christian Brown[8]	2015	874,378	1,061,434	-	1,237,157	3,121,475	-	61,182	6,355,626
President, Oil & Gas	2014	319,661	-	-	520,866	887,417	-	22,282	1,750,226
	2013	-	-	-	-	-	-	-	-
Sandy Taylor	2015	645,685	1,170,000	-	522,000	-	128,849	7,320	2,473,854
President, Power	2014	487,992	1,125,000	-	971,700	-	97,598	-	2,682,290
	2013	-	-	-	-	-	-	-	-
Ian Edwards	2015	581,370	1,035,000	-	574,800	-	115,407	-	2,306,577
President, Infrastructure	2014	61,925	442,400	-	247,900	-	12,385	-	764,610
	2013	-	-	-	-	-	-	-	-

[1] Share-based awards include RSUs, PSUs, E-DSUs, and Company contributions to the MSOP as described in detail under the "LTIP" subsection of this CD&A.

Mr. Card's 2015 RSU and PSU grant, valued at $1,066,000 and $1,599,000 respectively, were subsequently cancelled on December 1, 2015.

[2] Bonus amounts earned in the respective year and paid in the subsequent year under the AIP.

For 2015, Mr. Bruce has elected to convert $500,000 of his AIP Payout into E-DSUs ("Elected E-DSUs") which entitles him to a Company-matching grant equal to 50% of the number of Elected E-DSUs ("Matching E-DSUs"). Therefore, the net amount payable in cash is $921,795. The Elected E-DSUs of $500,000 and the Matching E-DSUs of $250,000 will be granted in 2016 and are therefore excluded from this Summary Compensation Table.

In 2014, Mr. Taylor and Mr. Edwards received a cash signing bonus in the amount of $800,000 and $225,000, respectively. Mr. Raynaud received a cash signing bonus of $200,000 in 2013.

[3] As previously described in this CD&A, Mr. Brown received a one-time cash bonus for the successful integration of Kentz in two installments of $803,400 USD. The first installment was earned in 2014 and paid in 2015. The second installment was earned in 2015 and will become payable in 2016. Mr. Brown also received the first portion of his retention cash bonus in the amount of $1,636,440 USD in 2015. The second portion of this retention bonus amounting to $773,760 USD will be earned and become payable on August 22, 2016 and is therefore excluded from this Summary Compensation Table.

[4] Includes the Company's contributions to Mr. Raynaud, Mr. Taylor and Mr. Edward's notional account under the Harvest Plus and contributions to their Harvest account as described in detail under the "Pension Plan Benefits" subsection of this CD&A. Contributions are made by reference to salaries paid within the given year.

[5] All Other Compensation includes executive benefits and perquisites received 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 their respective base salary.

This column also includes employer contributions to the ESOP.

Mr. Bruce and Mr. Card received taxable allowances in lieu of Harvest and Harvest Plus. In 2015, these allowances amounted to $211,404 and $198,426, respectively. Mr. Brown receives a retirement savings taxable cash allowance of 7% of his salary, amounting to $47,822 USD in 2015.

Mr. Bruce received a $300,000 allowance to assist him and his family with, and cover the costs of, his relocation from London, U.K. to Montreal.

The aggregate amount paid, or payable, associated with the departure of Mr. Card from the Company is included in this column, and is described in detail in the "Retirement and Termination" subsection of this CD&A.

[6] Prior to his nomination to the role of CEO on October 5, 2015, Mr. Bruce's base salary and other cash compensation were paid in GBP, following their initial conversion using a rate of 1 CAD = 0.6318 GBP. For the purposes of this disclosure, amounts were converted back to CAD using a monthly average exchange rate of 1 GBP = 1.9540 CAD for the year 2015, 1 GBP = 1.8180 CAD for the year 2014, and 1 GBP = 1.6202 CAD for the year 2013.

[7] Mr. Card's role as CEO ended on October 4, 2015. He remained employed by the Company as an advisor to the Board until his departure from the Company on December 1, 2015. However, Mr. Card will remain available for general consulting services for a 12-month period starting on December 1, 2015 and ending on November 30, 2016.

[8] Mr. Brown's base salary and other cash compensation are paid in USD, and converted to CAD using a monthly average exchange rate of 1 USD = 1.2794 CAD for the year 2015 and 1 USD = 1.1046 CAD for the year 2014. Mr. Brown's Share-Based Awards were converted to CAD using the exchange rate on the date of grant (March 16, 2015) of 1 USD = 1.2765 CAD.

INCENTIVE PLAN AWARDS

Outstanding Option-Based and Share-Based Awards

The following table sets forth information with respect to the NEOs concerning unexercised stock options, PSUs, RSUs and E-DSUs held as at December 31, 2015:

	Option-Based Awards					Share-Based Awards		
Name	Date of Grant	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-The-Money Options[1] ($)	Number of PSUs, E-DSUs and RSUs That Have Not Vested (#)	Market or Payout Value of Share-based Awards That Have Not Vested[2] ($)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed[2] ($)
Neil Bruce	May 13, 2013	92,000	40.98	May 13, 2019	12,880	116,188	4,777,651	740,653
Robert G. Card	–	–	–	–	–	–	–	3,335,202
Alain-Pierre Raynaud	May 13, 2013	30,400	40.98	May 13, 2019	4,256	44,820	1,842,998	101,525
Christian Brown	–	–	–	–	–	27,267	1,121,219	–
Sandy Taylor	–	–	–	–	–	53,937	2,217,889	–
Ian Edwards	–	–	–	–	–	33,100	1,361,072	–

[1] This amount is calculated based on the difference between the closing share price of $41.12 on December 31, 2015 and the option exercise price.

[2] This amount is calculated based on the closing share price of $41.12 on December 31, 2015.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information with respect to the NEOs regarding the value of incentive plan awards vested or earned during the year ended December 31, 2015:

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] ($)
Neil Bruce[4]	72,987	677,057	1,421,795
Robert G. Card	200,715	3,348,204	777,880
Alain-Pierre Raynaud	24,119	33,842	416,600
Christian Brown[5]	–	–	1,237,157
Sandy Taylor	–	–	522,000
Ian Edwards	–	136,461	574,800

[1] Based on a closing share price, on the vesting date, of $43.36 for Stock Options that vested on May 13, 2015.

[2] Based on a closing share price, on the vesting date, of $41.12 for E-DSUs that vested on December 31, 2015, a share price of $41.14 for the RSUs attributed to Mr. Bruce that vested on January 17, 2015, a share price of $42.24 for the RSUs attributed to Mr. Card that vested on November 2, 2015, a share price of $42.45 for the E-DSUs attributed to Mr. Card that vested on December 1, 2015 and a share price of $40.93 for the RSUs attributed to Mr. Edwards that vested on November 14, 2015. None of the PSUs vested in 2015.

[3] Bonus earned in the year under the AIP.

[4] Mr. Bruce's AIP Payout for the performance period from January 1, 2015 to October 4, 2015 is paid in GBP, following the initial conversion using a rate of 1 CAD = 0.6318 GBP. For the purposes of this disclosure, the amount is converted back to CAD using a monthly average exchange rate of 1 GBP = 1.9540 CAD. Mr. Bruce's payout for the performance period from October 5, 2015 to December 31, 2015 is paid in CAD.

[5] Mr. Brown's AIP Payout of $967,000 USD is paid in USD, and converted to CAD for the purposes of this disclosure using a monthly average exchange rate of 1 USD = 1.2794 CAD.

Options Exercised During the Year Ended December 31, 2015

No options were exercised by NEOs during the year ended December 31, 2015.

PENSION PLAN BENEFITS

Harvest Plus Plan

The following table sets forth information with respect to the amounts accumulated under the notional Harvest Plus accounts:

Name	Accumulated Value at Start of Year ($)	Compensatory[1] Change ($)	Accumulated Value at Year End ($)
(a)	(b)	(c)	(d)
Neil Bruce[2]	–	–	–
Robert G. Card[2]	–	–	–
Alain-Pierre Raynaud	167,492	117,479	296,119
Christian Brown[2]	–	–	–
Sandy Taylor	101,518	128,849	238,197
Ian Edwards	12,467	115,407	130,448

[1] Includes the Company's contributions to Mr. Raynaud, Mr. Taylor and Mr. Edwards' notional account under the Harvest Plus and contributions to their Harvest account. Contributions are made by reference to salaries paid within the given year.

[2] Mr. Bruce, Mr. Card and Mr. Brown receive their retirement savings in the form of a taxable cash allowance as described in the footnotes to the "Summary Compensation Table".

NEO EXECUTIVE EMPLOYMENT AGREEMENTS

The Company has entered into Executive Employment Agreements ("**Employment Agreements**") with all of the NEOs effective on the dates noted below:

- Mr. Bruce – October 5, 2015 *(new agreement following his appointment to the role of CEO)*
- Mr. Card – October 1, 2012
- Mr. Raynaud – June 1, 2013
- Mr. Brown – December 18, 2015 *(latest amendment to his employment agreement)*
- Mr. Taylor – February 5, 2014
- Mr. Edwards – June 30, 2014

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

RETIREMENT AND TERMINATION COMPENSATION

Termination of employment provisions are in place for each of the NEOs under their respective Employment Agreements. The actual departure arrangement for Mr. Card is disclosed further in this section.

Termination Not For Cause

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

Type of Allowances		Neil Bruce	Alain-Pierre Raynaud	Christian Brown	Sandy Taylor	Ian Edwards
Severance	• Twice the sum of the annual base salary plus the annual target bonus under the AIP.	✓	✓		✓	✓
	• 12-month notice period or one time the sum of the annual base salary in lieu of such 12-month notice period.			✓		
Benefits and Perquisites	• Lump sum payment equivalent to pension benefits that would have continued to accrue for two years.	✓	✓		✓	✓
	• Lump sum payment representing the value of perquisites for a two-year severance period.	✓	✓		✓	✓
AIP	• AIP for the year of termination paid at target and prorated for the portion of the year worked.	✓	✓	✓	✓	✓
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 vest on a prorated basis at the date of termination and be paid or settled (as applicable) following the date of termination.			✓		

The following table sets out the incremental amounts which would have been payable had a not-for-cause termination occurred on December 31, 2015:

Involuntary termination	Neil Bruce	Alain-Pierre Raynaud	Christian Brown[1]	Sandy Taylor	Ian Edwards
Severance	$ 4,620,000	$ 2,114,000	$ 575,412	$ 2,275,000	$ 2,275,000
Benefits and Perquisites	$ 540,000	$ 291,600	–	$ 330,000	$ 330,000
AIP	$ 1,210,000	$ 453,000	$ 690,494	$ 487,500	$ 487,500
Value of Stock Options not already vested[2]	$ 8,587	$ 2,837	–	–	–
MSOP	$ 57,190	–	–	–	–
ESOP	$ 44,499	–	–	$ 32,308	–
Value of RSUs not already vested	$ 1,717,048	$ 678,727	$ 118,672	$ 853,363	$ 678,274
Value of PSUs not already vested[3]	$ 2,057,439	$ 1,065,214	$ 224,063	$ 1,330,725	$ 652,163
Value of E-DSUs not already vested	$ 921,458	$ 67,642	–	–	–
Total	**$11,176,221**	**$4,673,020**	**$1,608,641**	**$5,308,896**	**$4,422,937**

[1] Mr. Brown's Severance and AIP would be paid in USD. For the purposes of this disclosure, amounts were converted back to CAD using the December 31, 2015 spot rate of 1 USD = 1.3840 CAD.

[2] This amount is calculated based on the difference between the closing share price of $41.12 on December 31, 2015 and the option exercise price of $40.98 for options granted in May 2013.

[3] Assuming that the PSUs would vest at 100% (i.e. at target).

Change in Control

The Company has double-trigger change in control agreements for the NEOs, with the exception of Mr. Brown who does not have a change in control provision in his employment agreement. In the event of involuntary termination of employment or resignation for good reason[1] following a change in control, the following conditions will apply:

Severance	• Two times the sum of the annual base salary plus the annual target bonus under the AIP.
Benefits and Perquisites	• Two times the annual contribution under the Harvest and Harvest Plus Retirement Savings Program plus two times the annual allowance for perquisites.
AIP	• The annual bonus for the year will be paid at target as a lump-sum, prorated for the period of employment in that year.
Stock Options	• All granted, unvested options fully vest and can be exercised immediately. Any stock ownership requirements are suspended.
MSOP	• 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 Company.
ESOP	• 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 Company.
RSUP, PSUP and E-DSUP	• All granted RSUs, PSUs and E-DSUs fully vest and are redeemable for cash within thirty days of the termination of employment. For the purposes of the PSUP, the maximum payout multiplier is used.

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

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

The following table sets out the incremental amounts which would have been payable had a not-for-cause termination or resignation for good reason (as defined above) following a change in control occurred on December 31, 2015:

Change in Control	Neil Bruce	Alain-Pierre Raynaud	Sandy Taylor	Ian Edwards
Severance	$ 4,620,000	$ 2,114,000	$ 2,275,000	$ 2,275,000
Benefits and Perquisites	$ 540,000	$ 291,600	$ 330,000	$ 330,000
AIP	$ 1,210,000	$ 453,000	$ 487,500	$ 487,500
Value of Stock Options not already vested[1]	$ 8,587	$ 2,837	–	–
MSOP	$ 99,380	–	–	–
ESOP	$ 44,499	–	$ 32,308	–
Value of RSUs not already vested	$ 1,798,753	$ 710,142	$ 887,164	$ 708,909
Value of PSUs not already vested[2]	$ 4,114,878	$ 2,130,427	$ 2,661,451	$ 1,304,326
Value of E-DSUs not already vested	$ 921,458	$ 67,642	–	–
Total	**$ 13,357,555**	**$ 5,769,648**	**$ 6,673,423**	**$ 5,105,735**

[1] This amount is calculated based on the difference between the closing share price of $41.12 on December 31, 2015 and the option exercise price of $40.98 for options granted in May, 2013.

[2] Assuming that the PSUs would vest at 100% (i.e. at target).

Retirement

In the event of retirement (as defined in the Company's policies), all granted E-DSUs fully vest and RSUs vest on a prorated basis and are redeemable for cash in accordance with the provisions of the plans. All granted PSUs vest on a prorated basis and are subject to the performance conditions until the end of the calendar year of retirement. All granted Stock Options will continue to vest and become exercisable until the option expiry date. The following table sets out the incremental amounts which would have been payable under the plans had retirement occurred on December 31, 2015.

Retirement	Value of Non-vested PSUs[1]	Value of Non-vested E-DSUs	Value of Non-vested RSUs	Total Incremental Payment
Neil Bruce[2]	$ 989,224	$ 921,458	$ 737,652	$ 2,648,334
Alain-Pierre Raynaud	$ 480,076	$ 67,642	$ 271,228	$ 818,946
Christian Brown	$ 224,036	–	$ 118,671	$ 342,707
Sandy Taylor	$ 639,416	–	$ 365,269	$ 1,004,685
Ian Edwards	$ 217,237	–	$ 113,985	$ 331,222

[1] Assuming that the PSUs would vest at 100% (i.e. at target).

[2] Mr. Bruce would qualify as a retiree under the applicable long-term incentive plans after completing five consecutive years of service with the Company, as per his employment agreement.

Robert G. Card's Departure Arrangements

On September 14, the Company announced the appointment of Neil Bruce as CEO, succeeding Robert G. Card, who remains available for general consulting services until November 30, 2016. Mr. Bruce's appointment comes as the Company embarks on the next chapter of its evolution.

In the context of the transition and handover of CEO responsibilities to Mr. Bruce, the Board came to a mutual agreement with Mr. Card on the terms and conditions of his exit and role as an advisor to the Board and CEO. Such terms and conditions were the result of a mutual agreement to the benefit of all parties; the details of which are provided below.

The following table outlines incremental compensation as per the terms of the mutual agreement.

Compensation Element	Actual Paid or Payable in Accordance with the Mutual Agreement
Cash Allowance[1]	$ 4,510,000
Bonus at Target for the 2015 Year[2]	$ 777,880
Value of E-DSUs not already vested[3]	$ 597,186
Allowance for Tax, Legal, Accounting and Financial Services	$ 100,000
Relocation Allowance	$ 100,000
Allowance for Benefits[4]	$ 55,360
Compensation for General Consulting Services[4][5]	$ 3,072,480
Total	**$ 9,212,906**

[1] Reflects twice the sum of the annual base salary, the annual target bonus under the AIP, and the allowance in lieu of Harvest and Harvest Plus.

[2] Paid at target and prorated from January 1, 2015 to October 4, 2015.

[3] Mr. Card has agreed to forfeit all outstanding Stock Options, RSUs, PSUs, and employer contributions under the MSOP as of December 1, 2015, and all outstanding E-DSUs that are not vested or that would not become vested by December 31, 2015. The values of such forfeited awards are presented on the following table. Share-Based Awards are valued using the closing share price of $41.12 on December 31, 2015 and assuming that the PSUs would vest at 100%.

[4] Amounts are payable in USD. For the purposes of this disclosure, these amounts were converted to CAD using the December 31, 2015 spot rate of 1 USD = 1.3840.

[5] Mr. Card will receive an aggregate amount of $2,220,000 USD, which will be payable on a monthly basis during the twelve month period from December 1, 2015 to November 30, 2016 for his general consulting services.

It should be noted that the total value of the mutual agreement falls between a hypothetical scenario of retirement, where such value would have been $4.1 million and a termination without cause scenario with a value of $11.2 million.

Mr. Card has agreed to have the following units and options cancelled, the value of which are found in the table below:

Value of Forfeited Compensation	Amount
All Outstanding Employer Contributions under the MSOP	$ 108,975
All Outstanding Stock Options	$ 35,420
All Outstanding RSUs scheduled to vest after December 1, 2015	$ 1,909,160
All Outstanding PSUs	$ 2,462,759
All outstanding E-DSUs scheduled to vest after December 31, 2015	$ 918,744
Total	**$5,435,058**

Mr. Card's arrangements also include certain continuing obligations beginning December 1, 2015, such as:

> non-competition with the Company for a period of 12 months;

> non-solicitation of clients, investors or business partners of the Company for a period of 24 months;

> non-solicitation of the Company's employees for a period of 24 months;

> confidentiality (no term limitations);

> non-disparagement (no term limitations); and

> availability for general consulting services.

Other Departure Arrangements

Pursuant to an effort to augment the efficiency and agility of the organization, we have eliminated adjacent or redundant roles no longer necessary, for example, CEO (i.e., Robert G. Card) and COO roles now combined with Neil Bruce, former head of rail transit Jim Burke combined with former head of Interfleet Technology Limited now with Richard George, former head of SNC-Lavalin Oil & Gas Terrance Ivers combined now with Chris Brown. This additional effort led to the streamlining of the leadership team from 21 down to 11 persons.

The Company also parted ways with several executives leading business units and support functions in 2015, including Hisham Mahmoud (Group President, Infrastructure), Christian Jacqui (EVP Global Operations), Réjean Goulet (EVP & General Counsel), Darleen Caron (EVP, Global Human Resources) and David Wilkins (CCO).

Given the impact of such streamlining, the Company provides additional disclosure in respect of such departing executives. The aggregate salary and annual incentive plan payments to them (excluding Robert G. Card whose package is already presented under the "Robert G. Card's Departure Arrangements" subsection of this CD&A) in 2015 were $3,681,791. The incremental amounts paid or payable to them in 2015 in connection with their termination of employment with the Company aggregated to $15,619,229.

CLAWBACK

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

> This compensation was based on the achievement of certain financial results that were subsequently the subject of, or affected by, a restatement of all or a portion of the Company's financial statements;

> The executive officer engaged in gross negligence, intentional misconduct or fraud that caused or partially caused the need for the restatement; and

> The amount of performance-based incentive compensation that would have been awarded to, or the profit realized by the executive officer would have been lower had the financial results been properly reported.

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

> a material restatement of the Company's financial results resulted in awards or payments which would not have been paid based on such restated financial statements for the relevant period; or

> the CEO has engaged in willful misconduct or gross negligence that either has resulted in, or could reasonably be expected to result in, negative economic or reputational consequences for the Company.

ANTI-HEDGING AND ANTI-MONETIZATION

The Board of Directors has adopted a policy, applicable to Company insiders (including NEOs and Directors), that prohibits hedging and trading in derivatives of the Company's Common Shares.

EXECUTIVE SHARE OWNERSHIP GUIDELINES

We believe that share ownership by our executives is fundamentally important and contributes to our success by aligning the goals of executives with those of our shareholders. To this end, the Company requires that Senior Officers acquire within five years of appointment, and hold for the duration of their employment, Common Shares having a minimum total value as shown in the table below. In addition to maintaining his share ownership requirement during his employment, the CEO must continue to meet this requirement for one year post employment with the Company. Compliance with these requirements is reviewed annually by the HR Committee.

Executive Share Ownership Guidelines can be met with Common Shares privately held, ESOP and MSOP shares as well as vested units under the E-DSUP. Under the 2013 Stock Option Plan, if a Senior Officer has not met share ownership requirement at the time of option exercising, they are required to retain underlying shares equal to at least 25% of the after-tax gain (100% under the 2011 Stock Option Plan) resulting from such exercise until they have achieved the required level of share ownership.

The value of share ownership for the purposes of assessing compliance under these guidelines is determined as the greater of:

> 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; or

> The market value at the time of assessment of all Common Shares held and all Common Shares represented by vested share units under the E-DSUP.

Name	Required Ownership (multiple of salary)	Ownership Requirement	Shares Held[1]	Vested Deferred Shares Units (E-DSUs)	Total Common Shares and E-DSUs	Value as at Dec 31, 2015[2]	Meets Requirement
Neil Bruce[3]	CEO – 5x	$5,500,000	20,584	18,012	38,596	$1,587,068	In process
Alain-Pierre Raynaud	EVP – 2x	$1,208,000	–	2,469	2,469	$ 101,525	In process
Christian Brown[4]	–	–	–	–	–	–	-
Sandy Taylor	Sector President – 3x	$1,950,000	11,250	–	11,250	$ 462,600	In process
Ian Edwards[5]	Sector President – 3x	$1,950,000	–	–	–	–	–

[1] Shares held include Common Shares privately held and Common Shares held through ESOP and MSOP.

[2] The value as at December 31, 2015 was based on a closing share price of $41.12.

[3] Following his appointment to the role of CEO, Mr. Bruce's required ownership level increased from 3x salary to 5x salary. However, Mr. Bruce is still required to achieve a level of 3x salary within the original five-year time frame which began on his hire date. The incremental 2x salary ownership requirement (in addition to the initial 3x salary ownership requirement) must be achieved within five years from the date of his appointment to the role of CEO.

[4] Mr. Brown is not subject to ownership requirements in accordance with his employment agreement.

[5] Following his appointment to the role of President, Infrastructure, Mr. Edwards' required ownership level increased from 2x salary to 3x salary. However, Mr. Edwards is still required to achieve a level of 2x salary within the original five-year time frame which began on his hire date. The incremental 1x salary ownership requirement (in addition to the initial 2x salary ownership requirement) must be achieved within five years from the date of his appointment to the role of President, Infrastructure.

SUCCESSION PLANNING

On behalf of the Board, the HR Committee oversees succession planning and talent management for the Company and develops a succession plan for the CEO position. The CEO succession planning process involves working with the CEO to review internal and external candidates.

A planning process and business continuity policies were put in place in 2014 by the HR Committee and by management to ensure continuous preparedness in the event of an emergency succession.

During the year, the HR Committee reviewed the outcomes of the 2015 Talent Review process, used to identify talent within the Company and build a succession pipeline, including succession plans for the EVP and Sector President roles, possible successors for these positions and other key executive potentials. The Committee also reviewed the development and strategy programs available to key potentials and other promising executives.

The HR Committee recommends the CEO succession plan to the Board on an annual basis and reports to the Board at least once a year on succession plans for other Senior Officers.

APPROVAL OF THE REPORT ON EXECUTIVE COMPENSATION

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

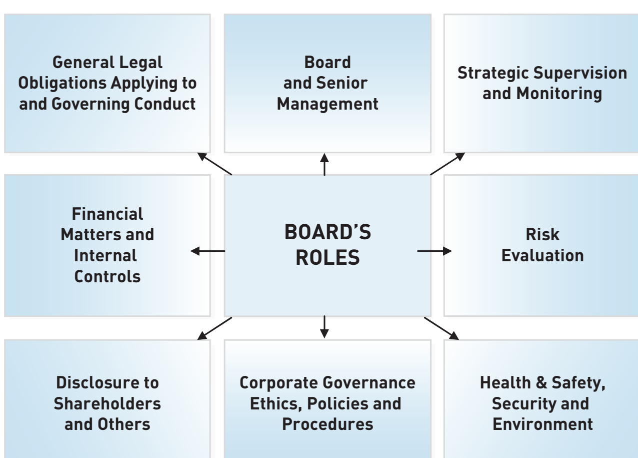
The HR Committee has reviewed and recommended to the Board for approval, the compensation of our NEOs as described in the CD&A of this Management Proxy Circular. The HR Committee was appointed by the Board and is composed of Directors who meet the legislative and regulatory standards governing independence,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

Statement of Corporate Governance Practices

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

As reflected throughout this Management Proxy Circular, the Company's governance practices comply with the current Canadian Securities Administrators ("**CSA**") and Toronto Stock Exchange ("**TSX**") disclosure requirements, and the Company 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.

BOARD ROLE AND MANDATE



The Board is responsible for supervising the management of the Company'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 relevant to its supervisory role. The Board's mandate is found in Schedule "B" to this Management Proxy Circular and is also posted on the Company's website (www.snclavalin.com), under "About Us"/"Governance".

Strategic Supervision and Monitoring

The Board actively participates in supervising the development and implementation of the Company's strategic vision and five-year strategic plan. It fulfills its supervising 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.

Management develops, implements and tracks the Company's five-year strategic plan. It does so through its annual strategic planning process. This process, which involves input from both management and the Board, has been refined over the years and comprises two key milestones:

Strategic Planning Session:	Two-day meeting scheduled in the middle of the year where management meets without the Board to discuss and review the strategic plan for all sectors, business units, corporate functions, and the Company as a whole.
Approval of Strategic Plan:	Two-day meeting scheduled in the fourth quarter where management and the Board review the strategic plan and budget and the Board approves these for the ensuing year.

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

Risk Evaluation

Effective oversight of risk management is continuing to evolve and significant progress was made during 2015. The creation of the SWPR Committee in January 2015, assisted in risk evaluation efforts by adding an important comprehensive risk review component to the Company's overall Enterprise Risk Management ("**ERM**") system and increased oversight of risks associated with the execution of the Company's project business. This provides early identification of risks, their impact and how effectively they are being mitigated at the project and corporate level.

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

Board Risk Evaluation Oversight

- **Reviewing the Company's risk philosophy.** This is done through active discussion between management and the Board at the Company's annual strategic planning meeting where a mutual understanding of the Company's overall risk assessment is reviewed and discussed.
- **Overseeing the Design and Implementation of an Effective ERM Process.** This oversight is a full Board responsibility and is completed by obtaining management's reports on existing and developing risk management processes and on the effectiveness of these systems in identifying, assessing and managing the Company's most significant risk exposures.
- **Reviewing the Company's Major Risks.** The Board's understanding of the risk exposure faced by the Company in both its present operations and strategic planning initiatives is integral to its risk oversight role. This understanding is partly acquired through the Board's participation in the annual strategic planning 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 Company's strategy and the effects such changes have on the Company's strategic plan.
- **Keeping Informed of the Most Significant Risks Faced by the Company and Whether Management is Responding Appropriately to these Risks.** As risks are constantly evolving, the Board obtains ongoing updates on risks affecting the Company. This is done by integrating information on ongoing risks into both the Board and each Committees' agendas and packages.

While the Company considers that ERM, like oversight of the Company's strategy, is a responsibility of the full Board, each of the Committees is tasked with addressing risk oversight in its areas of expertise as provided for in its mandate. This system allows the Board to gain valuable support and more focused attention on risks inherent in the scope of each Committee's activities and thus to have a global view of the enterprise risk profile.

BOARD AND COMMITTEE STRUCTURE, ORGANIZATION AND COMPOSITION

Structure

Under its mandate, the Board may establish and seek the advice of and delegate responsibilities to Committees of the Board. As of December 31, 2015, the following four standing Committees were in place:

- Audit
- G&E
- HR
- SWPR

Effective January 1, 2015, the SWPR Committee replaced both the Health & Safety, Security and Environment Committee and the Project Risk Review Committee.

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

All of our Committee mandates are posted on the Company's website (**www.snclavalin.com**), under "About Us"/ "Governance".

Organization

- Five regularly scheduled Board meetings are held each year including a two-day meeting in December to consider and approve the Company's budget and strategic plan;
- Each Committee has at least four regularly scheduled meetings per year;
- Special Board and Committee meetings are held when deemed necessary; and
- Working groups established by the Board are also used from time to time to provide a more in depth review of issues of particular strategic importance, such as major acquisitions.

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

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

The Chairman sets Board agendas with the President and CEO and works together with the Corporate Secretary to make sure that the information communicated to the Board and the Committees is accurate, timely and clear. In addition, Directors are provided with Board and Committee materials electronically in advance of each meeting through a secured Internet site ("**Board portal**"). Electronic versions of all corporate governance documentation such as Board and Committee mandates are also available through this site.

Composition

As of March 14, 2016, the number of Directors is set at eleven (11) and Committee membership is set at no less than three (3) and no more than seven (7) Directors.

The G&E Committee is responsible for making annual recommendations to the Board with respect to the size and composition of the Board and Committees.

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 a Board 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 Committees. This provides Directors exposure to different management issues and the opportunity to serve in several areas and allows the Committees to benefit from the expertise of a variety of Board members.

The G&E 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 Company and to maintain and, if necessary, add critical competencies that may be required. For details regarding the Director Selection Criteria, see the "Board Annual Review and Succession Process" subsection below.

INDEPENDENCE

As a Canadian corporation listed on the TSX, the Company is subject to various guidelines, requirements and disclosure rules governing the independence of the members of its Board and Committees, including the independence requirements of the *Canada Business Corporations Act* ("**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 Company's Directors, the Board is satisfied that nine (9) of its ten (10) nominees are "independent" in light of Canadian securities legislation and regulations, including our Chairman whose role is separate from that of our President and CEO. The only non-independent nominee is Neil Bruce, our President and CEO, as he is a member of the management team.

Furthermore, the Board has established that members of a standing Committee must be Directors who are independent. This requirement forms part of the mandate of each Committee.

IN CAMERA SESSIONS

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

In 2015, a total of 45 Board and Committee meetings were held. *In camera* sessions were held at each regular Board and Committee meeting. For a summary of Board and Committee meetings held in 2015, see the "Director Attendance" subsection below.

POSITION DESCRIPTIONS

Our Board has adopted a description of the role of our Chairman and that of our President and CEO. It has also adopted general terms with respect to the responsibilities of the Chairs of each of the standing Committees, which are set out in the mandate of each Committee. The position descriptions of the Chairman and of the President and CEO as well as the mandates of the Committees are posted on the Company's website (www.snclavalin.com), under "About Us"/"Governance".

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

Chairman

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

Chairs of Committees

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

President and CEO

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

Our President and CEO is accountable to the Board and Committees and his performance is reviewed once a year by the Board. The Board has also established levels of authority for our President and CEO and management.

DIRECTOR ATTENDANCE

Summary of Board and Committee Meetings Held in 2015

	Regular	Special	Total
Board	5	16	21
Audit Committee	5	0	5
G&E Committee	4	2	6
HR Committee	5	4	9
SWPR Committee	4	0	4
TOTAL	**23**	**22**	**45**

In 2015, given exceptional circumstances, there were numerous special Board and Committee meetings scheduled throughout the year.

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

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

The table below provides the record of attendance for each Director at regular and special meetings of the Board and the Committees during the 12 months ended December 31, 2015.

RECORD OF ATTENDANCE BY DIRECTORS AT REGULAR AND SPECIAL BOARD AND COMMITTEE MEETINGS FOR THE 12 MONTHS ENDED DECEMBER 31, 2015

Directors	Regular Board & Committee Meetings Attended		Total Regular Meetings		Special Board & Committee Meetings Attended		Total Special Meetings		Overall Attendance	
	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)
J. Bougie[1]	5 of 5 Board 3 of 3 G&E 5 of 5 HR 4 of 4 SWPR	100 100 100 100	17 of 17	100	16 of 16 Board 2 of 2 G&E 4 of 4 HR	100 100 100	22 of 22	100	39 of 39	100
I.A. Bourne[2]	1 of 1 Board	100	1 of 1	100	6 of 7 Board	85.7	6 of 7	85.7	7 of 8	87.5
N. Bruce[3]	2 of 2 Board	100	2 of 2	100	1 of 1 Board	100	1 of 1	100	3 of 3	100
R.G. Card[4]	3 of 3 Board	100	3 of 3	100	13 of 15 Board	86.7	13 of 15	86.7	16 of 18	88.9
P.A. Hammick[5]	5 of 5 Board 5 of 5 Audit 4 of 4 G&E 5 of 5 HR	100 100 100 100	19 of 19	100	14 of 16 Board 2 of 2 G&E 4 of 4 HR	87.5 100 100	20 of 22	90.9	39 of 41	95.1
L. Lachapelle[6]	5 of 5 Board 4 of 4 G&E 4 of 4 SWPR	100 100 100	13 of 13	100	14 of 16 Board 2 of 2 G&E	87.5 100	16 of 18	88.9	29 of 31	93.5
C. Mongeau[7]	2 of 2 Board 2 of 3 Audit 2 of 2 HR	100 66.7 100	6 of 7	85.7	7 of 9 Board 2 of 3 HR	77.8 66.7	9 of 12	75	15 of 19	78.9
S.L. Newman[8]	2 of 2 Board 1 of 1 HR	100 100	3 of 3	100	1 of 1 Board	100	1 of 1	100	4 of 4	100

(continued on next page)

[1] Mr. Bougie became the Chair and a member of the G&E Committee on March 16, 2015. In addition to his Committee memberships, he attended one regular meeting of the Audit Committee and one regular meeting of the G&E Committee as a non-voting participant.

[2] Mr. Bourne, our former Chairman and Director until March 16, 2015, attended Committee meetings as a non-voting participant, except for the G&E Committee of which he was Chair until February 1, 2015. From January 1, 2015 to March 16, 2015, Mr. Bourne attended all regular and special Committee meetings.

[3] Mr. Bruce became President and CEO and Director on October 5, 2015. As such, Mr. Bruce attended Committee meetings as a non-voting participant. From October 5, 2015 to December 31, 2015, Mr. Bruce attended all regular and special Committee meetings.

[4] Mr. Card, our former President and CEO and Director until October 4, 2015, attended Committee meetings as a non-voting participant. From January 1, 2015 to October 4, 2015, Mr. Card attended all regular and special Committee meetings.

[5] In addition to her Committee memberships, Dr. Hammick attended two regular SWPR Committee meetings as a non-voting participant.

[6] Mrs. Lachapelle became a member of the SWPR Committee and stepped down as a member of the HR Committee on February 1, 2015. In addition to her Committee memberships, Mrs. Lachapelle attended one special HR Committee meeting as a non-voting participant.

[7] Mr. Mongeau ceased to be a Director and a member of the Audit Committee and the HR Committee on May 7, 2015.

[8] Mr. Newman was appointed to the Board and became a member of the HR Committee on November 5, 2015. In addition to his Committee membership, Mr. Newman attended one regular meeting of each of the Audit, G&E, HR and SWPR Committees as a non-voting participant as part of the new Directors' on-boarding program.

RECORD OF ATTENDANCE BY DIRECTORS AT REGULAR AND SPECIAL BOARD AND COMMITTEE MEETINGS FOR THE 12 MONTHS ENDED DECEMBER 31, 2015											
Directors	Regular Board & Committee Meetings Attended		Total Regular Meetings		Special Board & Committee Meetings Attended		Total Special Meetings		Overall Attendance		
	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)	
M.D. Parker[9]	5 of 5 Board 4 of 4 G&E 4 of 4 SWPR	100 100 100	13 of 13	100	15 of 16 Board 2 of 2 G&E	93.8 100	17 of 18	94.4	30 of 31	96.8	
J. Raby[10]	2 of 2 Board	100	2 of 2	100	1 of 1 Board	100	1 of 1	100	3 of 3	100	
A. Rhéaume[11]	5 of 5 Board 4 of 5 Audit 5 of 5 HR	100 80 100	14 of 15	93.3	16 of 16 Board 4 of 4 HR	100 100	20 of 20	100	34 of 35	97.1	
C. Sbiti[12]	5 of 5 Board 5 of 5 Audit 4 of 4 SWPR	100 100 100	14 of 14	100	15 of 16 Board	93.8	15 of 16	93.8	29 of 30	96.7	
E.D. Siegel[13]	5 of 5 Board 5 of 5 Audit 4 of 4 G&E 4 of 4 SWPR	100 100 100 100	18 of 18	100	16 of 16 Board 2 of 2 G&E	100 100	18 of 18	100	36 of 36	100	
L.N. Stevenson[14]	5 of 5 Board 1 of 1 G&E 1 of 1 HR	100 100 100	7 of 7	100	16 of 16 Board 1 of 1 HR	100 100	17 of 17	100	24 of 24	100	
Total	52 of 52 Board 21 of 23 Audit 20 of 20 G&E 19 of 19 HR 20 of 20 SWPR	**100** **91.3** **100** **100** **100**	**132 of 134**	**98.5**	**151 of 162 Board** **10 of 10 G&E** **15 of 16 HR**	**93.2** **100** **93.8**	**176 of 188**	**93.6**	**308 of 322**	**95.7**	

[9] In addition to his Committee memberships, Mr. Parker attended one special meeting of the HR Committee as a non-voting participant.

[10] Mr. Raby was appointed to the Board and became a member of the Audit Committee on November 5, 2015. In addition to his Committee membership, Mr. Raby attended one regular meeting of each of the Audit, G&E, HR and SWPR Committees as a non-voting participant as part of the new Directors' on-boarding program.

[11] Mr. Rhéaume became Chair and a member of the HR Committee and stepped down as a member of the SWPR Committee on February 1, 2015. In addition to his Committee memberships, Mr. Rhéaume attended three regular and two special meetings of the G&E Committee and one regular meeting of the SWPR Committee as a non-voting participant.

[12] In addition to his Committee memberships, Mr. Sbiti attended three regular and two special meetings of the G&E Committee and five regular and one special meetings of the HR Committee as a non-voting participant.

[13] In addition to his Committee memberships, Mr. Siegel attended one special meeting of the HR Committee as a non-voting participant.

[14] Mr. Stevenson became Chairman on March 16, 2015. As Chairman, Mr. Stevenson attended Committee meetings as a non-voting participant, except for (i) the HR Committee of which he was Chair from January 1, 2015 to February 1, 2015 and a member until his appointment as Chairman, and (ii) the G&E Committee of which he was Chair from February 1, 2015 to March 16, 2015. Since his appointment as Chairman, Mr. Stevenson attended all regular and special Committee meetings.

DIRECTOR AVAILABILITY

The mandate of the G&E Committee requires that its members consider candidates who have the capability and willingness to travel, to attend and to have adequate availability to contribute to Board functions. The number of publicly traded corporations for which nominees act as directors is one of the general criteria considered with respect to availability.

To further clarify Director availability, the Board, upon recommendation of the G&E Committee, has set the following Director availability guidelines for its Directors:

> None of our Directors may sit on the boards of more than four other outside publicly traded companies, unless otherwise approved by the Board.

> None of our Directors who are also CEOs in office may sit on the board of more than one outside publicly traded company other than his/her company's and SNC-Lavalin's, unless otherwise approved by the Board.

As of March 14, 2016, all of our Directors complied with these guidelines.

The G&E Committee carried out its customary review for 2015 and was satisfied that our 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 the "Information on our Director Nominees" section of this Management Proxy Circular.

INTERLOCKING OUTSIDE BOARDS

The Company has established an additional guideline that no more than two of its Directors may serve on one outside board together. During the course of 2015, Ian A. Bourne, our former Chairman of the Board, sat on the Canadian Public Accountability Board (i.e. Canada's audit regulator) with Alain Rhéaume. This Board interlock occurred following Mr. Rhéaume's appointment to the Board of Directors of the Company on May 2, 2013. Following Mr. Bourne's departure from the Company on March 16, 2015, this Board interlock no longer exists.

BOARD ANNUAL REVIEW AND SUCCESSION PROCESS

Boards are strongest and most effective when key qualifications and core competencies are represented thereon. The objective of the Board annual review and succession process is to ensure that this is the case and to ensure that, collectively, Directors have the knowledge and skills necessary to enhance the long-term performance of the Company.

Annual Process for Directors Currently in Office

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

DETERMINATION OF QUALIFICATIONS OF INCUMBENT DIRECTORS AS NOMINEES

> Assess Directors' tenure against Independent Director Term and Retirement Guidelines (for details, see the "Director Tenure, Term and Retirement" subsection below);

> Review Directors' performance through an annual assessment (for details, see the "Director Assessment" subsection below);

> Perform annual credential review of Directors;

> Review Director Selection Criteria to identify the required and/or missing qualifications determined to be essential to ensure appropriate strategic direction and oversight (for details, see the "Director Selection Criteria" subsection below);

> Assess independence of each Director and address concerns, if any;

> Assess continuing qualifications under the CBCA; and

> Assess qualifications of Directors under applicable securities and corporate laws.

Once this determination has been made, the G&E Committee recommends, and the Board approves, the list of individuals to be recommended for election by the shareholders.

Board Succession Planning Process

The Board succession planning process, more fully described below, takes into account the challenges and opportunities facing the Company and aims to maintain an appropriate balance of qualifications on the Board. It also assists the Board with a smooth transition when a Director leaves the Board or when new qualifications need to be added. Succession planning 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).

The G&E Committee is responsible for identifying the need for future appointments well in advance of the expiry of current Director's terms of office. When a term is coming to an end, a position becomes vacant or a decision is taken to increase the number of Directors on the Board, the Committee develops a skills profile for the position(s) consistent with the Director Selection Criteria (as defined in the table below).

The process of recruiting Directors is guided by criteria established by the Chairman of the Board and the Chair of the G&E Committee and reviewed and approved by this Committee. These criteria include general qualifications to be used in the identification of individual candidates as well as key qualifications and core competencies required for the Board as a whole. Consideration is given to the present membership of the Board and the qualifications which should be added or strengthened over time to maintain a Board which will meet the evolving needs of the Company.

In identifying and evaluating individual candidates, a general profile is applied, which includes selecting candidates who can effectively represent regional, ethnic and age groups and gender diversity. Personal attributes, education and experience, independence, sound business judgement, high performance standards, including successful record of achievement in his or her chosen field, and an understanding of the industry in which the Company evolves are all important factors which are taken into consideration.

The Chairman of the Board and the Chair of the G&E Committee work together to identify and review qualified candidates. They are assisted by external executive search firms who cover both the Canadian and international markets and who provide lists of potential candidates who fall within the Director Selection Criteria. Current Directors, including the President and CEO, are also encouraged to identify potential candidates known to them through personal or professional contacts who also fall within the Director Selection Criteria.

The Chair of the G&E Committee, following discussions with the Chairman of the Board, reviews the list of potential candidates presented from these sources, ensures gender diversity, and comes up with a list to provide to the Committee for further discussion. The G&E Committee then reviews this list, ranks the candidates and comes up with a short list of men and women which the Committee has determined have the required qualifications that best suit the Board's and Company's needs.

Candidates from this short list are then interviewed by the Chairman of the Board and the Chair of the G&E Committee. During the course of the interviews, they ensure that candidates have a clear understanding of the requirements of being a member of the Board and that they are prepared to make the necessary commitments of time, energy and expertise if appointed. They also discuss the time frame for the appointment and the candidate's availability.

Following the initial interviews, a thorough background and security check is performed on the selected candidate(s). If the results of this verification are satisfactory to the Chairman of the Board and the Chair of the G&E Committee, they will come back to the G&E Committee with their recommendation which is reviewed and discussed by the Committee members. If the Committee approves the recommendation, the candidate(s) are then presented to the Board for final approval. Following this approval, the selected candidate(s) are invited to join the Board either as appointees, if they join the Board prior to the annual meeting of shareholders, or as nominees for election at the annual meeting of shareholders.

Director Selection Criteria

The G&E Committee's mandate provides for the establishment and update of Director Selection Criteria, which is a list of industry-specific experience, business expertise and individual qualifications of Directors, so as to identify any eventual gaps on the Board. The top five skills and competencies identified for each of our nominee Directors are set forth in the following table, together with their gender, age, place of residence, official languages spoken and tenure.

DIRECTOR SELECTION CRITERIA

	GENDER		AGE		REGION						LANGUAGE		TENURE			TOP FIVE SKILLS/COMPETENCIES								
NAME	MALE	FEMALE	UNDER AGE 65	AGE 65 AND OLDER	QUEBEC	ONTARIO	FRANCE	U.S.	U.K.	U.A.E.	ENGLISH	FRENCH	0-5	6 TO 10	11+	INDUSTRY EXPERIENCE	CEO/SENIOR EXECUTIVE ROLE	INTERNATIONAL EXPERIENCE	RISK MANAGEMENT	PROJECT MANAGEMENT	OPERATIONS	GOVERNMENT/ REGULATORY AFFAIRS	ACCOUNTING/FINANCE	HUMAN RESOURCES/ INDUSTRIAL RELATIONS
J. BOUGIE	•			•	•						•	•	•				•	•			•		•	•
N. BRUCE	•		•		•						•		•			•	•	•	•	•				
P.A. HAMMICK		•		•				•			•			•		•	•		•			•	•	
S.L. NEWMAN	•		•					•			•		•			•	•	•			•			•
J. RABY	•		•				•				•	•	•				•	•	•			•	•	
A. RHÉAUME	•		•		•						•	•	•				•			•		•	•	•
C. SBITI	•		•							•	•	•	•			•	•	•			•			•
E.D. SIEGEL	•		•			•					•		•				•	•	•			•	•	
Z. SMATI	•		•					•			•	•	•			•	•	•	•		•			
L.N. STEVENSON	•		•			•					•	•			•		•	•			•		•	•

INDIVIDUAL QUALIFICATIONS REQUIRED FOR ALL NOMINEES

> Integrity, honesty and the ability to generate public confidence and maintain the goodwill and confidence of the Company's shareholders;

> Sound business judgment;

> Independence of mind;

> Relevant education and experience;

> High performance standards, including successful record of achievement in his or her chosen field;

> Understanding of our industry;

> Capability and willingness to travel, to attend and contribute to Board functions on a regular basis; and

> Any other eligibility criteria deemed applicable by the G&E Committee in relation to independence, affiliation and conflict of interest.

Director Tenure, Term and Retirement

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

INDEPENDENT DIRECTOR TERM AND RETIREMENT GUIDELINES

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.

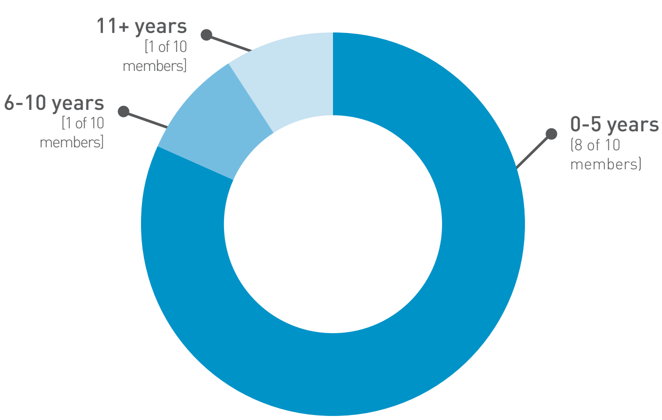
Unless the Board agrees at its discretion to an extension of the Director's term of service, he/she is no longer eligible for re-election at the annual general meeting of shareholders following the earlier of:

- The date on which he/she reaches age 72; or
- The 15th anniversary of his/her initial election to the Board.

The above guidelines do not apply to the President and CEO of the Company, 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 Company, the Board may consider keeping the former President and CEO as a Director during a transition period to be determined at the Board's discretion.

As per the above guidelines, the Board used its discretion to extend Mr. Stevenson's term of service for another year for a second time as his latest date of retirement was scheduled for May 2015 (15th anniversary of his initial election to the Board).

The following chart indicates the number of years our nominee Directors have dedicated to the Company's Board as at March 14, 2016:



The average tenure of our nominee Directors on our Board is 4 years.

Majority Voting Policy

The Board has adopted a Majority Voting Policy 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 Company.

The G&E 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 G&E Committee at which the resignation is being considered.

DIVERSITY

SNC-Lavalin is committed to diversity and inclusion. On March 3, 2016, the G&E Committee recommended, and the Board approved, a "Policy Regarding Diversity on the Board of Directors and in Senior Management Positions" (the "**Policy**") as a part of its commitment to diversity.

The Policy reflects the Company's view that diversity within its ranks is important to ensure that the profiles of Board members and senior management provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management and is an important means to ensure that a wide-variety of perspectives are brought to bear on issues, while enhancing the likelihood that proposed solutions will be nuanced and comprehensive.

The Policy highlights the Company's view that gender diversity is a significant aspect of diversity and acknowledges the important role that women can play in contributing to the diversity of perspective on the Board and in senior management positions.

Board Appointments

The G&E Committee is responsible for recommending qualified persons for Board nominations. As mentioned in the Policy, it has developed a set of criteria for Board membership that strives to attain a diversity of background and skills for the Board and, through its Board member search practices, seeks out qualified Board candidates who are women and who come from a wide variety of sectors.[1]

In the process of searching for qualified individuals to serve on the Board, the Policy provides for the G&E Committee to retain executive search firms to help meet the Board's diversity objectives, periodically review Board recruitment and selection practices to ensure that diversity remains a component of any director search, consider the level of representation of women on the Board and ensure that women are included in the list of candidates being considered for Board positions.

[1] For details on our process for nominating new Directors, see the "Board Succession Planning Process" subsection of this Statement of Corporate Governance Practices.

The Company plans on reviewing its Board renewal needs over the next few years so as to establish, in 2016, specific targets as to the percentage of women directors on its Board.

The table below shows the representation of women on the Board of Directors for the last two years:

	# of Women Directors / Total # of Directors	%	Target
As at March 14, 2016	2/11	18%	N/A
As at March 16, 2015	2/10	20%	N/A

Senior Management Appointments

In fulfilling their role, the HR Committee, the Board of Directors and, for those senior managers who are not direct reports to the President and CEO, the President and CEO and the Executive Committee, consider candidates that are highly qualified based on their experience, education, expertise, personal qualities and general and sector-specific knowledge. They review potential candidates from a variety of backgrounds and perspectives, with the Company's diversity objectives, including the specific objective of gender diversity, in mind. They also consider the level of representation of women in senior management positions when making appointments at this level.

The Company is of the view that it is preferable to identify and develop its internal talent pipeline, thereby enabling female candidates within the Company to be identified and promoted for senior management appointments. Female representation and diversity within its ranks is one of the most important factors used in its search process for these appointments. Talent review sessions are held at least once a year to assess the succession plans for all key senior management positions and to adjust the strategy so as to ensure that talent is properly developed. The Company requires that succession plans for all senior management positions include successors who are women. The Company also measures, year over year, the representation of women in its accelerated development talent group.

Specific targets for gender representation in senior management positions have not been included in the Policy at this time as the Company is reviewing its internal talent review and succession plans and processes with respect to these positions so as to establish, in 2016, specific targets as to the percentage of women in senior management positions.

The table below shows the representation of women in executive officer positions for the last two years:

	# of Women Executive Officers / Total # of Executive Officers	%	Target
As at March 14, 2016	2/11	18%	N/A
As at March 16, 2015	2/22	9%	N/A

A total of eleven (11) women occupy senior management positions, which represents eleven percent (11%) of the Company's total senior management population. In 2015, the Company appointed five (5) women to senior management positions.

On March 8, 2016, in honour of International Women's Day, SNC-Lavalin launched its Diversity Program which is designed to inspire women Company-wide to reach their career objectives by providing tools, discussion forums and networking opportunities. It also seeks to promote the importance of women in leadership roles.

The Diversity Program intends to lead the way and create a culture that enables us to:

> Support recruitment, retention and advancement of women in management and executive roles at SNC-Lavalin;

> Discuss the importance and benefits of diversity in the workplace;

> Empower women within SNC-Lavalin to adopt their chosen paths to success; and

> Facilitate and support women advancement in leadership through development opportunities.

During the course of 2016, meetings will be scheduled to identify and build a project team with co-team leaders (female and male). The team will be looking at offering different activities, including discussion groups, networking opportunities as well as partnerships with existing organizations.

Annual Review

The G&E Committee for Directors and the HR Committee for members of senior management are responsible for annually monitoring the implementation of the Policy and reviewing its content as well as assessing the effectiveness of the nomination process at achieving the Company's diversity objectives outlined in the Policy and reporting to the Board thereon.

DIRECTOR ASSESSMENT

To enhance the effectiveness of its Board evaluation process, in 2015 the G&E Committee retained the services of an independent consultant to partner with the Board in designing and conducting the process for Board assessment.

Evaluation Tools

With the assistance of the independent consultant, the Board adopted an interview-based evaluation approach with the addition of surveys so as to broaden the data gathering. Leveraging current 'best practices' and the best of the Board evaluation tools used at the Company in the past, an interview protocol was put in place to gather feedback for the Board, Committees, Chairman and individual Directors with input and feedback as appropriate from the Chair of the G&E Committee and the Corporate Secretary. Board, Committee and Chairman feedback surveys, which were reviewed by the G&E Committee, were also used. The interview-based evaluation approach and surveys covered, among others, the effectiveness of the Board and its Committees, Board-related operational issues, preparation for and performance at meetings, overall corporate governance matters and questions related to integrity.

Data Gathering and Analysis

Two-hour, face-to-face interviews were conducted with each Director. Surveys were sent out and returned prior to the interviews and were reviewed as a part of the interview process. The independent consultant synthesized all of the data and created reports for the Board, each Committee, the Chairman and each individual Director.

Feedback and Action Planning

Drafts of the Board and Committee evaluation reports were shared with the Chairman and the Chair of the G&E Committee and then reviewed with the full Board. Individual Director reports were sent to individual Directors with copies to the Chairman and the Chair of the G&E Committee.

The independent consultant then met with the Chairman, the Chair of the G&E Committee and the Corporate Secretary to draft an action plan to address areas of opportunity identified in the Board evaluation. The action plan together with an executive summary of the initial draft Board evaluation report was then presented to the full Board.

DIRECTORS' ORIENTATION PROGRAM

Process

The Board ensures, through its G&E Committee that newly appointed Directors understand the roles of the Board and Committees, and the contribution that individual Directors are expected to make. The G&E Committee is responsible for reviewing and approving the orientation program for new Directors and reporting to the Board thereon.

Orientation Initiatives

Upon becoming a member of the Board, each new Director is provided with a detailed orientation package made available to them on the Company's Board portal. This package includes all administrative documents that need to be completed by the new Directors and an extensive Frequently Asked Questions ("**FAQ**") on board practices and processes, structure, policies, procedures, compensation, logistics, training, insider reporting, entity governance and other information to help them prepare for their role as Directors. The FAQ provides links to all underlying documentation that they need to be aware of as well as a number of practical internal and external links to allow them to go deeper into issues of particular concern to them.

Orientation sessions take place over the course of the first year a Director joins the Board and begin with new Directors being invited to attend all Committee meetings preceding the Board meeting during which he/she will be appointed as a Director. This is followed by orientation sessions either preceding or following the quarterly Board meetings. Once these sessions are completed, a second session takes place around nine months after they have joined the Board to explore any areas not covered in the initial orientation and to go more in depth on issues that draw on their specific expertise. All other Directors are also invited to attend these orientation sessions.

ONGOING DIRECTOR EDUCATION

Process

The Board also ensures, through its G&E Committee that ongoing development and education opportunities are made available to existing Directors. The G&E Committee is responsible for reviewing and approving ongoing development and education initiatives.

In order to determine the needs of our Directors in terms of ongoing education, each of them is invited to provide the Company with his/her interests and views on the matter in the context of the Board performance assessment.

Development and Education Opportunities

Current ongoing Director development and education opportunities include regular presentations by senior management on the Company's markets, competitors, targeted investments and acquisitions as well as the regulatory environment and specialized aspects of the business.

Outside advisors are also invited to make presentations on various topics when required.

Directors are provided with up to date information on upcoming legislative changes, changes to governance and Board practices as well as general trends in Board governance. This is done through the Board portal where articles, surveys, presentations and other types of documentation are uploaded and organized by Committee accompanied by a brief summary of the content. These summaries are used to guide Directors to documentation that could be of particular interest to them. Updates are provided on a regular basis throughout the year.

Our Directors are also encouraged to participate in outside professional development and training activities and are provided with a corporate membership for the Institute of Corporate Directors ("**ICD**") which offers a continuing education program for directors.

Site Visits

Site visits of the Company's facilities and operations are also used as an efficient educational tool for Directors. Site visits provide Directors with direct access to construction site personnel, both employees and independent contractors, and assist them in grasping the nature and complexity of the Company's business and operations. Directors are invited to participate in full Board site visits which are organized on a yearly basis. They are also encouraged to visit sites where the Company carries on its operations on their own. These visits are pre-approved by the President and CEO and coordinated through the Corporate Secretary's office.

In 2015, four (4) of our Directors visited the Highway 407 project site in Ontario, Canada, and eight (8) of our Directors visited the Darlington Nuclear Power Station in Ontario, Canada.

Procedures

In addition to the above-mentioned ongoing development and education opportunities, procedures are also in place to ensure that the Board is kept up to date and to facilitate timely and efficient access to all information necessary to carry out its duties. These procedures include reports from the President and CEO and members of senior management on important projects and issues related to the business, reports from each of the Committees on their work at their previous Committee meeting, updates between Board meetings on matters that affect the Company's operations and full access to our executive officers.

Summary Table of Ongoing Director Education

The following table provides details on specific ongoing training initiatives provided to our Directors in 2015.

Topic	Presented By:	Attended By:
Business Strategy	Management	All Directors
Sustainability	Management	All Directors
Enterprise Risk Management System	Management	All Directors

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 Committee meeting. A Director who is in a situation of potential conflict of interest in a matter before the Board or a Committee must not attend any part of a meeting during which the matter is discussed or participate in a vote on the matter. The G&E Committee performs an annual review of Directors' interests in which potential or perceived conflicts and other matters relevant to their independence are considered.

ETHICAL BUSINESS CONDUCT

SNC-Lavalin is committed to ethics excellence and it is reinforcing this commitment with a number of concrete gestures. Since 2012, the Company has instituted a number of measures aimed at verifying standards of conduct through certification of training, and strengthening internal controls and processes, and it will continue to review its compliance environment as part of its promise to its stakeholders to be a Company that operates with the highest ethical standards.

Code of Ethics and Business Conduct

The Code of Ethics and Business Conduct ("**Code**") is applicable to all employees, consultants, loaned personnel, officers and Directors of SNC-Lavalin.[1] They are required to complete an annual online training and certification demonstrating that they have received, read and understood the Code and confirming that they will comply with its terms. Third parties, such as business partners who do business on behalf of the Company, are also required to abide by the Code. The Code is available in eleven (11) languages. An updated version of the Code was made available to all in January 2016.

A copy of the Code is available on our website (**www.snclavalin.com**) under "About Us"/ "Policies"/ "Code of Ethics" and on SEDAR (**www.sedar.com**) under the name of SNC-Lavalin Group Inc.

The Company oversees compliance with the Code through its Ethics and Compliance Committee ("**ECC**"), a management committee established by the President and CEO. The specific monitoring of compliance with the Code by the ECC is reflected in the charter of the ECC, which is required to report quarterly to the G&E 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.

The ECC, among its other duties, monitors compliance with the Code 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 through its G&E Committee, which is mandated to review overall compliance with the Code and report to the Board any issues relating to the Code. The Audit Committee and the HR Committee are mandated to report to the Board any committee-specific element which falls under their responsibility.

In 2015, no material change reports were required or filed in relation to any departure from the Code.

Reporting Mechanism

Individuals with an issue, concern or complaint regarding an actual or potential violation of the Code may report the matter via multiple lines of reporting as established by the Code. Issues, violations or complaints may be reported directly through immediate supervisors; Human Resources Vice-Presidents of business units or corporate functions; Ethics and Compliance Officers; contacts from Global Human Resources, Finance, Legal Affairs and Internal Audit; the Compliance Consultation Centre, 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. The Ethics and Compliance Hotline allows for anonymous reporting should the reporter wish to protect his or her identity. For details, see the Company's website (**www.snclavalin.com**) under "About Us"/ "Policies"/ "Ethics and Compliance Hotline".

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

[1] In the Code, reference to "**SNC-Lavalin**" means, as the context may require, SNC-Lavalin Group Inc. and any entity over which it has direct or indirect effective control including subsidiaries, partnerships, joint ventures, infrastructure concessions and consortia. In cases where SNC-Lavalin Group Inc. does not exercise or cannot exercise effective control over a given entity or if regulatory or legal constraints prevent a given entity from adopting and implementing the Code, then SNC-Lavalin must recommend to such entity the adoption and implementation of a policy providing similar scope and principles.

Protection of Reports and Confidentiality

The Company is 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.

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

Compliance Organization and Program

A global ethics and compliance organization has been in place at the Company since March 2013. This organization is comprised of corporate compliance functions, sector compliance officers and regional compliance officers. It is responsible for developing, implementing and maintaining an effective compliance program at the Company. An internal Compliance Investigations team also forms part of the ethics and compliance organization.

All compliance officers ultimately report directly to the CCO, thus ensuring true independence of the compliance function. The CCO reports to the Executive Vice-President and General Counsel and to the G&E Committee of the Board of Directors of the Company.

Furthermore, the Head of the Compliance Investigations' team reports to the Executive Vice-President and General Counsel. Both the Head of Compliance Investigations and the Executive Vice-President and General Counsel report quarterly to the G&E Committee and the Audit Committee with respect to the status of ongoing investigations.

Our compliance program is mandatory in all entities, sectors, business units and functional units across the organization, and is comprised of three action elements: prevent, detect and respond. This comprehensive and integrated approach helps us maintain our ethical health, support our long-term success, and preserve and promote our values.

Compliance principles, procedures and controls are being embedded and integrated in all of the key processes of our Company's global operations. Several corporate policies were revised or adopted to strengthen SNC-Lavalin's governance framework and employees seeking information or advice on how to address ethics and compliance and anti-corruption matters that arise in the course of business can consult with the Compliance Consultation Centre.

In-person anti-corruption training is being provided globally to employees in "sensitive roles", comprising all executive, senior and general management functions as well as all staff in business development, procurement, project management, general management and government relations.

In order to encourage and promote a culture of ethical conduct throughout the Company, in 2015, the Board of Directors provided oversight and/or approval of initiatives such as:

> The hiring of a new CCO;

> An updated version of the Code as well as the annual Code training and certification process;

> A new document summarizing the highlights of the global ethics and compliance program;

> A new Anti-Corruption Policy; and

> A new Antitrust and Competition Policy.

SHAREHOLDER ENGAGEMENT

Initiatives

Our Board of Directors believes in the importance of reaching out to our shareholders. Its accountability and communication with them are enhanced by each of the following practices:

> the Company's corporate and investor relations websites;

> live webcast at the annual meeting of shareholders;

> presentation and audio recording of past annual shareholders' meetings available on the Company's website (www.snclavalin.com), under "Investors"/"Investor's Briefcase";

> quarterly earnings conference calls held with financial analysts and institutional investors to present quarterly results. Presentations and audio recordings of past quarterly earnings conference calls are available on the Company's website (www.snclavalin.com), under "Investors"/"Investor's Briefcase"; and

> ongoing investor relations' initiatives, such as meetings with investors and attendance at industry-related conferences.

In 2015, our Chairman met periodically with a number of our largest shareholders to discuss governance matters.

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

Other Information

INDEBTEDNESS OF DIRECTORS AND OFFICERS

As of December 31, 2015, there was no indebtedness of current or former Directors, officers or employees of the Company or its subsidiaries, whether entered into in connection with the purchase of Common Shares of the Company or otherwise.

ADDITIONAL INFORMATION

Financial information is provided in the Company's annual and quarterly financial statements and annual and quarterly Management's Discussion and Analysis ("**MD&A**"). The Company is a reporting issuer under the securities acts of all provinces of Canada and complies with the requirement to file annual and quarterly financial statements, annual and quarterly MD&A as well as its annual Management Proxy Circular and Annual Information Form ("**AIF**") with the various securities commissions in such provinces. The Company's most recent AIF, audited financial statements, MD&A, quarterly financial statements, quarterly MD&A and Management Proxy Circular may be viewed on the Company's website (www.snclavalin.com) and on the SEDAR website (www.sedar.com) under the name of SNC-Lavalin Group Inc.

A printed copy can be ordered online via the Company's website (www.snclavalin.com), under "Investors"/"Investor's Briefcase" or upon request to the Company's Vice-President and Corporate Secretary at 455 René-Lévesque Boulevard West, Montreal, Quebec, H2Z 1Z3, Canada. The Company may require the payment of a reasonable charge when the request for copies is made by a person other than a holder of securities of the Company, unless the Company is in the course of a distribution of its securities pursuant to a short form prospectus, in which case such paper copies will be provided free of charge.

SHAREHOLDER PROPOSALS

This year, the Company received one proposal from a shareholder for inclusion in this Management Proxy Circular. For details, see the "Business of the 2016 Annual Meeting of Shareholders" section as well as Schedule A of this Management Proxy Circular.

The last day for submission of proposals by shareholders to the Company, for inclusion in next year's management proxy circular in connection with next year's annual meeting of shareholders, will be December 15, 2016.

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.

APPROVAL OF DIRECTORS

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

Montreal, Quebec, March 14, 2016

Arden R. Furlotte *(signed)*
Vice-President and Corporate Secretary

Schedule A – Shareholder Proposal

The proposal below is submitted by the Mouvement d'éducation et de défense des actionnaires ("**MÉDAC**"), 82 Sherbrooke Street West, Montreal (Quebec) H2X 1X3, Canada, a holder of Common Shares of the Company, for consideration at the Meeting. The Board of Directors opposes this proposal for the reasons given below. The proposal was submitted in French by the MÉDAC and translated into English by the Company.

PROPOSAL: REPRESENTATION OF WOMEN

MÉDAC'S Proposal as Submitted

It is proposed that board of directors adopt a policy and objectives for the representation of women.

MÉDAC'S Argumentation in Support of its Proposal as Submitted

In its 2015 management proxy circular, the board of directors states: "As the Company is engaged in a wide range of complex operations, carries on business in countries around the world and in diverse environments, the focus is on recruiting and selecting Board candidates that represent diversity in its broadest sense, including diversity of gender, race, nationality, age, experience and personal attributes." Following the last annual meeting of shareholders, two out of nine board members are women (or 22%). Currently, with respect to executive officer positions, two out of twenty-two are women (**or 9%**). A total of seventeen women occupy senior management positions, which represents **13% of the Company's total senior management population**. In 2014, the Company appointed four women to senior management positions."

Such a statement is in keeping with the justification given by many Canadian companies, namely that appointments should be decided on the basis of "best talent, knowledge and experience," meritocracy is preferred, and age, gender and ethnic origins should not be discriminating factors.

We would like to think that it is no longer necessary to prove that the skills of women directors and executive officers compare favourably to those of men, that there are a sufficient number of women candidates to meet demand, and that they are ready for the challenge if given the chance.

This acknowledgement that gender diversity is an important facet of diversity must be backed up by actions that the board intends to take to ensure bona fide equality of opportunity in filling decision-making positions, talent, experience and desire being equal.

Given this situation, we are asking SNC-Lavalin to adopt specific objectives to improve its performance in this area.

The Board of Directors Recommends to Vote Against the Proposal for the Following Reason:

As the Board of Directors has already adopted a "Policy Regarding Diversity on the Board of Directors and in Senior Management Positions" ("**Policy**") which includes objectives for the representation of women, we do not believe it is necessary, in addition to this Policy, to adopt MÉDAC's proposal. For details on our Policy and initiatives on the representation of women on our Board and in senior management positions, see the "Diversity" subsection under the "Statement of Corporate Governance Practices" section of this Management Proxy Circular.

In light of the foregoing, the Board of Directors therefore recommends that the shareholders vote against this proposal.

Schedule B – Mandate of the Board of Directors

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. The Board strives to include within its ranks a diverse group of individuals including, but not limited to, both gender and ethnic diversity.

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;

> Human Resources Committee; and

> Safety, Workplace and Project Risk 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 and Section 10 deals with other matters.

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, Committees, Chairman of the Board, Committee chairs and individual directors.

(b) The Board ensures that appropriate structures and procedures are in place so that the Board and its Committees can function independently of management.

(c) The Board provides advice and counsel to the CEO, and takes action if and when performance falls short of its goals or other special circumstances warrant.

(d) 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.

[1] This is sometimes referred to as the Board's oversight function.

(e) 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.

(f) 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

(a) 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.

(b) The Board ensures that an integrated enterprise risk management ("**ERM**") system is in place and reviews updates thereto on an annual basis.

4. Corporate Governance, Ethics, Policies and Procedures

(a) The Board, with the assistance of the Governance and Ethics Committee, 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, with the assistance of the Governance and Ethics Committee, adopts, updates and monitors compliance with the Corporation's Code of Ethics and Business Conduct (the "**Code**"), 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. The Board expects Directors as well as officers and employees of the Corporation to act ethically at all times and to acknowledge their adherence to the Code.

(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.

(f) The Board periodically considers and reviews engagement activities with shareholders and other stakeholders.

(g) The Board reviews the Corporation's annual sustainability plan.

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 takeover 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 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 Committee meetings to help them to fulfill their obligations.

(c) A Director may participate in a meeting of the Board or of a 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 Committees, an *in camera* session of the independent Directors shall be held, including when compensation issues are discussed.

10. Other Matters

(a) To ensure ongoing director independence, each Director should inform the Board of any potential conflict of interest he or she may have in a timely matter and in accordance with corporate policies and applicable legislation. A Director who is in a situation of potential conflict of interest in a matter before the Board or a Committee should not attend any part of a meeting during which the matter is discussed or participate in a vote on the matter.

(b) The Board shall perform such other functions as prescribed by law or as assigned to the Board in the Corporation's governing documents.

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Schedule C – Summary of Legacy Long-Term Incentive Plans

STOCK OPTION PLANS

Starting in 2014, the Company decided to no longer make recurring annual grants of stock options.

The following table presents information concerning stock options granted over the last five (5) years, totalling 3,539,900.

	2011	2012	2013	2014	2015
Number of Stock Options Granted	1,119,200	1,173,900	1,246,800	0	0
Number of Employees who were Granted Stock Options	300	198	90	0	0
Number of Stock Options Outstanding as at Year End	5,357,515	5,363,600	4,438,529	3,179,369	1,935,285
Average Weighted Exercise Price of Stock Options Outstanding	$ 44.57	$ 44.19	$ 44.37	$ 45.42	$ 44.47
Number of Stock Options Granted as a % of Outstanding Shares	0.74%	0.78%	0.82%	0.00%	0.00%
Number of Stock Options Exercised	820,216	210,140	737,876	657,869	110,873

The total number of options exercised in 2015 under the 2009, 2011 and 2013 Stock Option Plans is as follows:

Plan	Number of Optionees Having Exercised Options	Number of Stock Options Exercised	Exercise Price
2013 Stock Option Plan	8	27,703	$40.98
2011 Stock Option Plan	26	83,170	$37.04
2009 Stock Option Plan	–	–	–
TOTAL	**34**	**110,873**	

The following table presents information concerning securities authorized for issuance under the Company's equity compensation plans as at December 31, 2015:

Equity Compensation 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
Approved by Security holders	1,935,285	$44.47	3,200,000
Not approved by Security holders	–	–	–
Total	**1,935,285**	**$44.47**	**3,200,000**

Summary of 2009 Stock Option Plan

On March 6, 2009, subject to the approval of the Toronto Stock Exchange ("**TSX**") and the Company's shareholders, which approvals were subsequently obtained, the Board of Directors of the Company adopted the 2009 Stock Option Plan (the "**2009 Plan**") in favour of key employees of the Company and its subsidiaries and other corporations in which the Company 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 Company outstanding as at the same date. The Board of Directors of the Company 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 Company 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 Company 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 Company 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 Company fail to comply with the shareholding requirements described above at the time of exercising his/her options, he/she will be required to hold (and is prohibited from selling) underlying Common Shares equivalent 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 Company 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 Company (a) to insiders, within any one-year period, must be less than 5% of the issued Common Shares; and (b) to any one insider and such insider's associates, within any one-year period, must be less than 2.5% of the issued Common Shares; and (iii) the aggregate number of Common Shares reserved for issuance pursuant to options granted to any one 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 Company and is 55 years of age or older. For the calculation of the value of the Common Shares, which a Retiree is required to hold when he/she wishes to exercise his/her options, his/her annual base salary in effect at the time of his/her retirement shall be deemed to be his/her annual base salary at the time of such exercise.[1] If an Optionee becomes a Retiree before the expiration of the Option Period but he/she engages in certain activities competing with those of the Company, 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 Company.

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 Company; (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 Company; or (iii) the persons who are directors of the Company 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 Company 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 Company; (vi) any reduction in the exercise price of an option after the option

[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.

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 Company 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 Company 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 14, 2016, there were no options outstanding under the 2009 Plan.

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 Toronto Stock Exchange ("**TSX**") and the Company's shareholders, which approvals were subsequently obtained, the Board of Directors of the Company adopted the 2011 Stock Option Plan (the "**2011 Plan**") in favour of key employees of the Company and its subsidiaries and other corporations in which the Company 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 Company outstanding as at the same date. The Board of Directors of the Company 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 Company 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 Company 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 Company 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 Company fail to comply with the shareholding requirements described above at the time of exercising his/her options, he/she will be required to hold (and is prohibited from selling) underlying Common Shares equivalent 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 Company 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 Company (a) to insiders, within any one-year period, must be less than 5% of the issued Common Shares; and (b) to any one insider and such insider's associates, within any one-year period, must be less than 2.5% of the issued Common Shares; and (iii) the aggregate number of Common Shares reserved for issuance pursuant to options granted to any one 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 Company and is 55 years of age or older. For the calculation of the value of the Common Shares, which a Retiree is required to hold when he/she wishes to exercise his/her options, his/her annual base salary in effect at the time of his/her retirement shall be deemed to be his/her annual base salary at the time of such exercise.[1] If an Optionee becomes a Retiree before the expiration of the Option Period but he/she engages in certain activities competing with those of the Company, 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 Company.

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 Company; (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 Company; or (iii) the persons who are directors of the Company 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 Company 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 Company; (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 Company 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 Company 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.

[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.

On March 14, 2016, there were 1,204,848 options outstanding under the 2011 Plan, representing 0.8% of the total number of Common Shares of the Company outstanding (i.e. 149,824,664) 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.

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Summary of 2013 Stock Option Plan

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

The 2013 Plan provides for the granting of non-transferable options to purchase Common Shares. The total number of authorized and unissued Common Shares available for options under the 2013 Plan is equal to 3,200,000 which, together with the number of options outstanding (i.e., granted but not exercised) as at March 11, 2013 under previous stock option plans, totals less than 5% of the Common Shares of the Company outstanding as at the same date. The Board of Directors of the Company will select the optionees (the "**Optionees**"), determine the number of Common Shares covered under each option, and the grant date for each option. The Board of Directors shall further have the discretion to establish, within the restrictions set forth in the 2013 Plan, the time of exercise, expiry dates, exercise price and other particulars applicable to an option granted under the 2013 Plan. The exercise price for an option on a grant date will be determined by the Board of Directors and will not be less than the average closing price per Common Share on the TSX for the five trading days immediately preceding such grant date (the "**Share Value**"). Should the Board of Directors resolve to grant an option during a period self-imposed by the Company during which Directors, officers and certain employees of the Company are precluded from trading in the securities of the Company (a "**Blackout Period**"), the exercise price for such option is presumed to be the Share Value on the sixth trading day following the end of the Blackout Period. Each option may only be exercised during a period commencing on the first day of the third year following the grant date of the option and expiring on the last day of the sixth year following such grant date or the last day of an extension of ten 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 Company is required to own Common Shares having a value at least equal to twice his/her annual base salary, (ii) an Optionee who is president of business units/products, as determined by the Board of Directors, is required to own Common Shares having a value at least equal to three times his/her annual base salary, and (iii) an Optionee who is the President and CEO of the Company is required to own Common Shares having a value at least equal to five times his/her annual base salary. Should an Executive Vice-President, a president of business unit/products or the President and CEO of the Company fail to comply with the shareholding requirements described above at the time of exercising his/her options, he/she will be required to hold (and is prohibited from selling) underlying Common Shares equivalent to at least 25% of the after-tax gain resulting from such exercise until the requirements are met.

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

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

If an Optionee is granted authorized leave of absence for sickness or other reasons, before the expiration of the Option Period, the Optionee will be entitled to exercise his/her options during his/her leave of absence. If an Optionee dies before the expiration of the Option Period, his/her legal representatives will be entitled to exercise his/her vested options within a period of one 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 Company; (b) a person or a number of persons acting jointly or in concert successfully completes a take-over bid or an exchange bid for 50% or more of the shares of a class of voting shares of the Company; (c) a majority of the members of the Board of Directors of the Company 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 Company 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 Company 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 Company shall obtain shareholder approval for: (a) any amendment to the number of Common Shares issuable under the 2013 Plan, except for adjustments in the case of a declaration of dividend, a subdivision, consolidation, reclassification or other change or action affecting the Common Shares ("**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 Company or (ii) any one insider and such insider's associates in any one-year period, except in the case of Shares Adjustment; and (g) any change to the amendment provision other than amendments of a "housekeeping" or clerical nature or to clarify such provision.

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

On March 14, 2016, there were 656,196 options outstanding under the 2013 Plan, representing 0.4% of the total number of Common Shares of the Company outstanding (i.e. 149,824,664) 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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