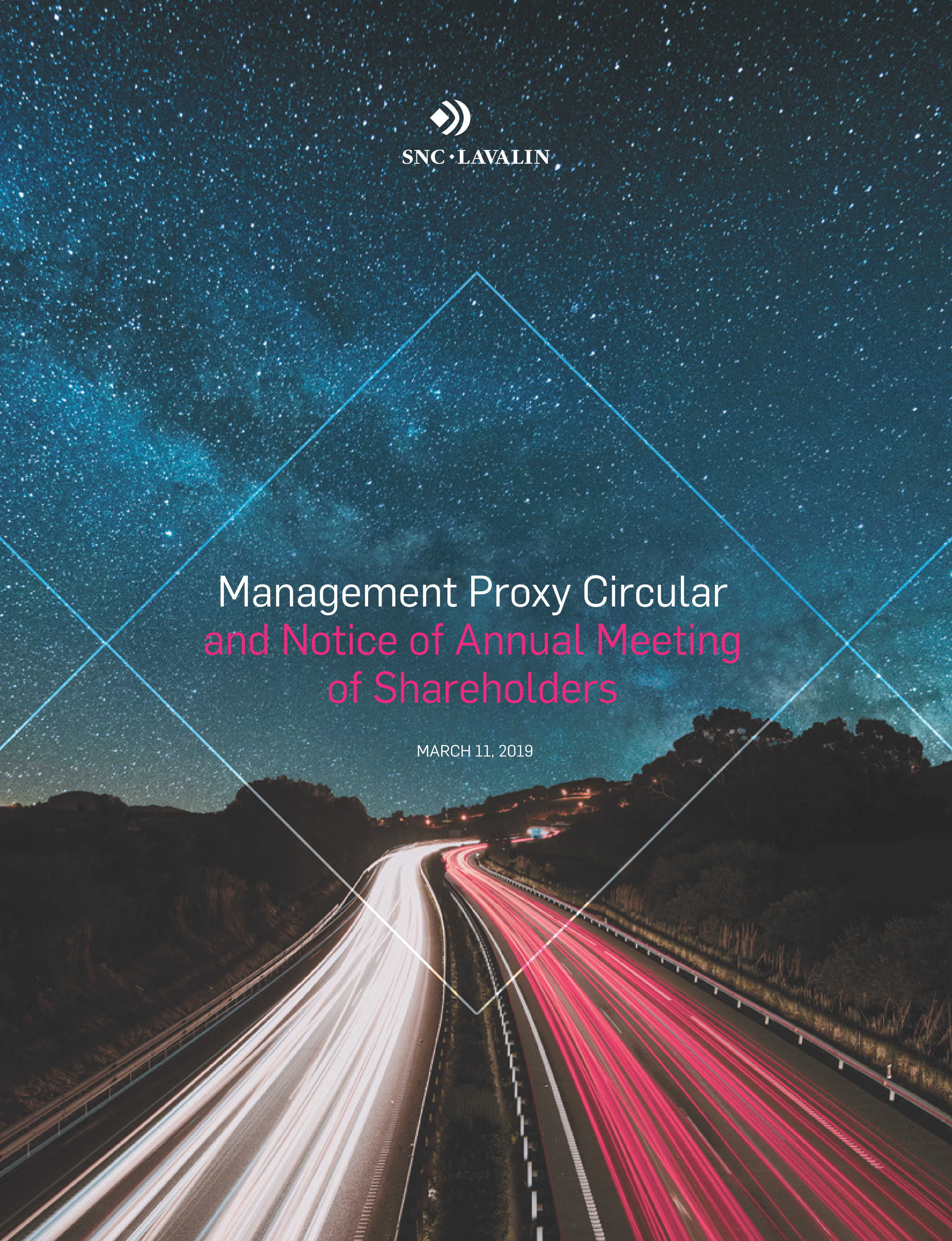
SNC·LAVALIN

Management Proxy Circular
and Notice of Annual Meeting of Shareholders

MARCH 11, 2019



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Glossary of Terms

AIF Annual Information Form

AIP Annual Incentive Plan

Atkins WS Atkins plc

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

CCAA *Companies' Creditors Arrangement Act*

CD&A Executive Compensation Discussion and Analysis

CDO Corporate Development Officer

CEO Chief Executive Officer

CFO Chief Financial Officer

CIO Chief Integrity Officer

COO Chief Operating Officer

CSA Canadian Securities Administrators

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.

DCPP Defined Contribution Pension Plan

Directors Members of the Board of Directors of the Company

D-DSUs Director Deferred Share Units

D-DSUP Director Deferred Share Unit Plan

E&C Engineering and Construction

EBITDA Earnings before interest, taxes, depreciation and amortization

EDPM Engineering, Design & Project Management

E-DSUs Executive Deferred Share Units

E-DSUP Executive Deferred Share Unit Plan

Employment Agreements Executive Employment Agreements

EPS Earnings per share

ERM Enterprise Risk Management

ESOP Employee Share Ownership Plan

EVP Executive Vice-President

Executive Committee A committee established by management comprised of the President and CEO and eleven (11) other Senior Officers

G&E Committee Governance and Ethics Committee of the Board

HR Committee Human Resources Committee of the Board

IFRS International Financial Reporting Standards

HSSE Health, Safety, Security and Environment

LTIP Long-Term Incentive Plan

MD&A Management's Discussion and Analysis

Meeting SNC-Lavalin Group Inc.'s annual meeting of shareholders to be held on May 2, 2019

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 Company's approach to executive compensation

Senior Officers Group composed of the President and CEO, the EVP and CFO and other individuals reporting directly to the President and CEO, as determined by the HR Committee

SERP Supplemental Executive Retirement Plan

SG&A Selling, General and Administrative Expenses

SNC-Lavalin SNC-Lavalin Group Inc.

Stock Option Plan SNC-Lavalin Group Inc.'s Stock Option Plan established in 2013

SVP Senior Vice-President

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

TDC Total Direct Compensation

TSR Total Shareholder Return

TSX Toronto Stock Exchange

Invitation to Shareholders

Dear Fellow Shareholders:

On behalf of the Board of Directors, management and employees of SNC-Lavalin, we are pleased to invite you to this year's annual meeting of shareholders to be held 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 2, 2019, at 11:00 a.m. (Eastern Time).

For SNC-Lavalin, 2018 was a year of mixed results, with both positive progress and unexpected challenges.

We were pleased to see that SNC-Lavalin ranked 7th in the Globe and Mail's yearly comprehensive ranking of Canada's corporate boards for strong governance, up from 25th in the prior year. This is a wonderful recognition of the work we undertook in renewing our Board and our governance systems in previous years. We also continued to settle our legacy legal issues, reaching an agreement in May to settle class actions brought in 2012. The integration of our Atkins acquisition went very smoothly and on plan through 2018. And, we are now ranked 3rd in Engineering News Record magazine's Top International Design Firms, with 52,000 employees operating in over 50 countries from a strong Canadian base and headquarters in Montreal.

At the same time, there were unexpected operational setbacks in 2018 that were disappointing. As a result, SNC-Lavalin's annual results for 2018 were well below guidance as well as what we are capable of as a company. Both the Board of Directors and management are committed to do better in 2019, and to prove the potential and value of SNC-Lavalin to all stakeholders.

Management, with the support of the Board, has taken immediate action to address these unacceptable operational difficulties. We have reassessed our capital allocation framework, implemented measures to reduce our leverage and adjusted our dividend policy. These measures will allow the Company to strengthen its balance sheet and protect our investment grade rating.

Needless to say, as our October 10, 2018 statement made clear, we were extremely disappointed by the decision of the Director of the Public Prosecution Service of Canada not to invite SNC-Lavalin to negotiate a Remediation Agreement under the new legislation Parliament passed into law in June 2018. We believe SNC-Lavalin meets the objectives of this legislation. These remediation agreements are not, as some have characterized them, a means to avoid corporate accountability for past actions – they are a fair and equitable agreement with the federal prosecutor that includes financial penalties, monitoring and the implementation of company-wide ethics framework. That said, with the opportunity to participate in a Remediation Agreement not yet available to us, we will vigorously pursue the legal case brought against us through the courts.

At the same time, as we have indicated publicly, the Board will look at our options in these uncertain circumstances to safeguard the future of the Company in the interests of our stakeholders, employees, pensioners and shareholders as well as customers and suppliers. As such, the Board implemented a non-standing committee with this mandate in December 2018.

In closing, on behalf of the Board of Directors, I want to express our appreciation to our committed investors, who believe in the potential of SNC-Lavalin as a global engineering champion, and to our dedicated employees, who are a key part of unleashing our future potential. I also want to recognize the leadership efforts of our President and CEO, Neil Bruce and our COO, Ian Edwards to react rapidly and decisively to our recent operational setbacks, and to underscore that the management team has the full confidence of the Board in their capacity to rebuild our operational excellence, profitability and focussed growth.

Yours truly,

Kevin G. Lynch *(signed)*
Chairman

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Notice of 2019 Annual Meeting of Shareholders and Notice of Availability of Meeting Materials

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

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the 2019 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 2, 2019, 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, 2018 and the auditor's report thereon** (for details, see subsection 1 under the "Business of the 2019 Annual Meeting of Shareholders" section of the Management Proxy Circular dated March 11, 2019);
2. **to elect the Directors for the ensuing year** (for details, see subsection 2 under the "Business of the 2019 Annual Meeting of Shareholders" section of the Management Proxy Circular dated March 11, 2019);
3. **to appoint the auditor for the ensuing year and to authorize the Directors of the Company to fix the auditor's remuneration** (for details, see subsection 3 under the "Business of the 2019 Annual Meeting of Shareholders" section of the Management Proxy Circular dated March 11, 2019);
4. **to consider and, if deemed appropriate, to adopt a resolution providing for a non-binding advisory vote on the Company's approach to executive compensation** (the full text of the resolution is reproduced in subsection 4 under the "Business of the 2019 Annual Meeting of Shareholders" section of the Management Proxy Circular dated March 11, 2019);
5. **to consider two shareholder proposals** set forth in Schedule A of the Management Proxy Circular dated March 11, 2019; and
6. **to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.** Information respecting the use of discretionary authority to vote on any such other business may be found in the "Voting Information" section of the Management Proxy Circular dated March 11, 2019.

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.

NOTICE-AND-ACCESS

As permitted by Canadian securities regulators, you are receiving this notification as the Company has decided to use the "notice-and-access" mechanism for delivery of its Management Proxy Circular dated March 11, 2019 and its 2018 annual financial documents to its shareholders (the "**Meeting materials**"). Notice-and-access is a set of rules that allows issuers to post electronic versions of proxy-related materials online, via SEDAR and one other website, rather than mailing paper copies of such materials to shareholders. Under notice-and-access, shareholders still receive a proxy form or voting instruction form enabling them to vote at the Company's Meeting. However, instead of a paper copy of the Meeting materials, shareholders receive this notice which contains information on how they may access the Meeting materials online and how to request a paper copy. The use of notice-and-access directly benefits the Company by substantially reducing its printing and mailing costs and is more environmentally friendly as it reduces paper use.

HOW TO ACCESS THE MEETING MATERIALS

On Computershare Investor Services Inc.'s ("**Computershare**") website: **www.envisionreports.com/SNC2019**

On our website: **www.snclavalin.com** under "Investors"/"Investor's Briefcase"

On SEDAR: **www.sedar.com**

Shareholders are reminded to read the Management Proxy Circular dated March 11, 2019 and other Meeting materials carefully before voting their shares.

HOW TO REQUEST A PAPER COPY OF THE MEETING MATERIALS

Before the Meeting

If your name appears on a share certificate, you are considered as a "registered shareholder". You may request paper copies of the Meeting materials at no cost to you by calling Computershare toll-free, within North America—1-866-962-0498 or direct, from outside of North America—(514) 982-8716 and entering your control number as indicated on your form of proxy.

If your Common Shares are listed in an account statement provided to you by an intermediary, you are considered as a "non-registered shareholder". You may request paper copies of the Meeting materials from Broadridge at no cost to you up to one year from the date the Circular was filed on SEDAR through the Internet by going to **www.proxyvote.com** or by telephone at 1-877-907-7643 and entering the 16-digit control number located on the voting instruction form or notification letter and following the instructions provided.

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

In any case, requests should be received at least five (5) business days prior to the proxy deposit date and time which is set for Tuesday, April 30, 2019 at 11:00 a.m. (Eastern Time) in order to receive the Meeting materials in advance of such date and the Meeting date. To ensure receipt of the paper copy in advance of the voting deadline and Meeting date, we estimate that your request must be received no later than 5:00 p.m. (Eastern Time) on Monday, April 22, 2019.

After the Meeting

By telephone at 1-866-964-0492 or online at **investors@snclavalin.com**. A copy of the Meeting materials will be sent to you within ten (10) calendar days of receiving your request.

VOTING

If you are a registered shareholder, you may vote your Common Shares on the Internet, by phone or by mail. Please refer to the instructions on your separate form of proxy on how to vote using these methods. You may also vote in person by presenting yourself at the Meeting to a representative of Computershare. If you wish to vote in person at the Meeting, do not complete or return the form of proxy.

If you are a non-registered shareholder, please refer to the instructions on your separate voting instruction form that you will or may have already received from your intermediary. 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 intermediary to appoint yourself as proxy holder and follow the instructions of your intermediary.

The deadline for receiving duly completed forms of proxy or voting instruction forms or a vote using the telephone or over the Internet is 11:00 a.m. (Eastern Time) on Tuesday, April 30, 2019.

QUESTIONS

If you have any questions regarding this notice, the notice-and-access mechanism or the Meeting and you are a registered shareholder, please call Computershare 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**. If you are a non-registered shareholder, please call Broadridge Investor Communication Solutions at 1-855-887-2244.

Montreal, Quebec, March 11, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

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

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 2, 2019, 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 11, 2019.

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 11, 2019.

As of March 11, 2019, the Company had 175,554,252 Common Shares outstanding. As of March 11, 2019, 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 11, 2019, based on shareholders' public filings, the Caisse beneficially owned, or controlled or directed, directly or indirectly, 34,935,200 Common Shares representing 19.9% of the outstanding Common Shares of the Company.

On July 3, 2017, the Company completed its previously-announced acquisition of the entire share capital of Atkins (the "**Atkins Acquisition**"). The Atkins Acquisition was financed through a combination of equity and debt issuance, including, *inter alia*, a CA$400 million private placement of subscription receipts (the "**Concurrent Private Placement**") with the Caisse and a $1,500 million loan (the "**CDPQ Loan**") made by CDPQ Revenu Fixe Inc. (a wholly-owned subsidiary of the Caisse) to SNC-Lavalin Highway Holdings Inc. ("**Highway Holdings**"), an indirect wholly-owned subsidiary of the Company.

Concurrently with the closing of the Atkins Acquisition, the Company and the Caisse entered into an investor's rights agreement (the "**Investor's Rights Agreement**"). Among other things, the Investor's Rights Agreement provides the Caisse with the right, as long as it beneficially owns or exercises control or direction over, directly or indirectly, 10% or more of the Company's outstanding Common Shares, to recommend to SNC-Lavalin one nominee for election or appointment as a Director, provided that the Caisse nominee shall have no material relationship with SNC-Lavalin or the Caisse, and that his or her nomination shall be subject to a favourable recommendation of SNC-Lavalin's G&E Committee. In addition, the Company has agreed that it will consult with the Caisse prior to the appointment of any new Chairman.

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

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

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

Reference is made to the Investor's Rights Agreement for a complete description and the full text of its provisions, which was filed with the Canadian securities regulatory authorities on July 7, 2017 and is available on the SEDAR website at **www.sedar.com**.

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

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

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 Directors to fix its remuneration; (iii) adopt a resolution providing for a Say on Pay vote, the full text of which is reproduced in the "Adoption of a Say on Pay Resolution" subsection under the "Business of the 2019 Annual Meeting of Shareholders" section of this Management Proxy Circular; and (iv) consider two (2) shareholder proposals 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 two (2) proposals 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 your name appears on a share certificate, you are considered as a "registered shareholder". See the "Registered Shareholder Voting" subsection below for details on how to vote.

If your Common Shares are not registered in your name and are held in the name of a nominee, you are considered as a "non-registered shareholder" (for example, your Common Shares are listed in an account statement provided to you by your securities broker or the SNC-Lavalin employee share ownership plan administrator). If this is the case, see the "Non-Registered Shareholder Voting" subsection below.

REGISTERED SHAREHOLDER VOTING

If your name appears on a share certificate, you are considered as a "registered shareholder".

Can I vote by proxy and how?

You may appoint someone else to vote for you as your proxy holder at the Meeting by using the form of proxy sent to you by Computershare. The persons named in the 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 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 by telephone or over the Internet is 11:00 a.m. (Eastern Time) on Tuesday, April 30, 2019, 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 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 named under the heading "Election of Directors", the appointment as auditor of the firm named under the heading "Appointment of Auditor" and the authorization to the Directors to fix the auditor's remuneration, and the Say on Pay resolution, and will be voted AGAINST the two (2) shareholder proposals 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, April 30, 2019, 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.**

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.

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 considered as a "non-registered shareholder". For example, if your Common Shares are listed in an account statement provided to you by your securities 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?

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. Your nominee must receive your appointment no later than 11:00 a.m. (Eastern Time) on Tuesday, April 30, 2019. 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 2019 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, 2018, and the independent auditor's report thereon, as well as the MD&A, are contained in the Company's 2018 Financial Report which is available on our website (www.snclavalin.com) under "Investors"/"Investor's Briefcase" and on the SEDAR website (www.sedar.com) under the name of SNC-Lavalin Group Inc.

2 ELECTION OF DIRECTORS

ELEVEN (11) NOMINEES FOR 2019

Jacques Bougie	Jean Raby
Neil Bruce	Alain Rhéaume
Isabelle Courville	Eric D. Siegel
Catherine J. Hughes	Zin Smati
Kevin G. Lynch	Benita M. Warmbold
Steven L. Newman	

The Board of Directors has fixed at eleven (11) the number of Directors to be elected for the current year. The term of office of each Director so elected will expire upon the election of his/her successor unless he/she shall resign his/her office or his/her office becomes vacant through death, removal or other cause. The management of the Company does not contemplate that any of the nominees will be unable, or for any reason will become unwilling, to serve as a Director. Should this occur for any reason prior to the election, the persons named in the form of proxy 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.

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 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 to hold office until the next annual meeting of shareholders, at a remuneration to be fixed by the Directors. **Unless contrary instructions are indicated on the form of proxy or the voting instruction form, the persons designated in the form of proxy or voting instruction form intend to vote FOR the appointment of Deloitte LLP, as auditor of the Company, to hold office until the next annual meeting of shareholders, 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, 2018, and the year ended December 31, 2017, can be found in the Company's AIF available on SEDAR's website (www.sedar.com) and on the Company's website (www.snclavalin.com) under "Investors"/"Investor's Briefcase".

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 95.83% of favourable votes obtained at the 2018 Annual Meeting of the Shareholders of the Company held on May 3, 2018.

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 2019 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 form of proxy or voting instruction form intend to vote FOR this Say on Pay resolution.**

5 SHAREHOLDER PROPOSALS

Schedule A to this Management Proxy Circular sets forth two (2) proposals from one shareholder that have been submitted for consideration at the Meeting, along with the Board of Directors' reasons for opposing said proposals.

The Board of Directors recommends that the shareholders vote "**AGAINST**" the proposals 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 form of proxy or voting instruction form intend to vote AGAINST each 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.

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 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 30 years, Mr. Bougie has served on the boards of Alcan Inc., AbitibiBowater Inc. (formerly Abitibi-Consolidated Inc. and now Resolute Forest Products Inc.), Atrium Innovations Inc., BCE Mobile Communications Inc., Bell Canada, Royal Bank of Canada, Nova Chemicals Corporation, 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.

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

Director since: May 2, 2013
Age: 71
Latest date of retirement: May, 2028

Board/Committee Membership as at December 31, 2018	Overall Attendance 100% Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	5 of 5	5 of 5	None
G&E Committee (Chair until Dec. 31, 2018)	5 of 5	–	
HR Committee	5 of 5	–	

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 of 3 X Annual Retainer i.e. $540,000 (5-year target)
As at Dec. 31, 2018	2,000	19,259	21,259	$976,213	Yes (180.78%)
As at Dec. 31, 2017	2,000	14,312	16,312	$930,600	Yes (172.34%)

Voting Results of 2018 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
127,219,288	98.52%	1,905,887	1.48%

Neil Bruce

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

Mr. Bruce has been President and CEO of the Company since October 5, 2015. He has more than 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. 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 John Wood Group 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. Mr. Bruce is a former independent non-executive director at Air Swift (delivery of energy, process and infrastructure workforce solutions). He has 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: 58

Board/Committee Membership as at December 31, 2018[1]	Overall Attendance 100% Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	5 of 5	5 of 5	None

Securities Held

Year	Common Shares[2]	Deferred Share Units (E-DSUs)	Total Common Shares and E-DSUs	Total Value of Common Shares and E-DSUs[3]	Meets Minimum Shareholding Requirement of 5 X Base Salary[4] i.e. $5,818,000 (5-year target)
As at Dec. 31, 2018	41,195	64,429	105,624	$4,922,459	In process (84.60%)
As at Dec. 31, 2017	27,504	40,863	68,367	$3,900,337	In process (68.85%)

Voting Results of 2018 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
129,070,704	99.95%	61,153	0.05%

(1) Mr. Bruce, as President and CEO, attended 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 "Common Shares" includes Common Shares privately held and Common Shares held through the Company's ESOP and MSOP. For a complete breakdown of Mr. Bruce's shareholdings in the Company, see the "President and CEO's Accumulated Common Shares and Share Units or Equivalent Equity Holdings" subsection under the "Executive Compensation Discussion and Analysis" section of this Management Proxy Circular.
(3) For details on the calculation of the total value of Mr. Bruce's Common Shares and E-DSUs, see the "Executive Share Ownership Guidelines" subsection under the "Executive Compensation Discussion and Analysis" section of this Management Proxy Circular.
(4) 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.

Isabelle Courville

Rosemère (Quebec), Canada
Independent

Ms. Courville is a corporate director and is chair of the board of directors of the Laurentian Bank of Canada. She is an engineer and attorney by training and has more than 25 years of experience in the telecommunications, IT and energy sectors. Ms. Courville was President of Hydro-Québec Distribution (electricity distribution operations) from 2011 to 2013 and Hydro-Québec TransÉnergie (electricity transmission) from 2007 to 2011. She served as President of Bell Canada's Enterprise business segment from 2003 to 2006 and as President and CEO of Bell Nordiq Group from 2001 to 2003.

In addition to the public company boards listed below, Ms. Courville is a director of the Institute for Governance of Private and Public Organizations (IGOPP). She is a former director of the Institute of Corporate Directors, Montreal Heart Institute Foundation, École Polytechnique de Montréal and the Chamber of Commerce of Metropolitan Montreal. She is also a former member of the APEC (Asia-Pacific Economic Cooperation) Business Advisory Council. Ms. Courville graduated with a degree in Engineering Physics from the École Polytechnique de Montréal and holds a civil law degree from McGill University. In 2012, Ms. Courville was selected amongst Fortune Magazine's 50 Most Powerful Women in Business. In 2007, she received the McGill Management Achievement Award for her contribution to the business world and community involvement. In 2010, the Ordre des ingénieurs du Québec awarded her the Prix Hommage for her exceptional contribution to the engineering profession. In 2017, she received an honorary doctorate from the Université de Montréal.

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

Director since: May 4, 2017
Age: 56
Latest date of retirement: May, 2032

Board/Committee Membership as at December 31, 2018	Overall Attendance 100% Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	5 of 5	5 of 5	• Veolia Environnement S.A. (2016 – Present)
G&E Committee	5 of 5	–	• Canadian Pacific Railway Limited (2013 – Present)
HR Committee (became a member on May 3, 2018 and Chair on Aug. 2, 2018)	3 of 3	–	• Laurentian Bank of Canada (2007 – Present)
			• Gecina S.A. (2016 – 2018)
			• TVA Group Inc. (2013 – 2016)

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 of 3 X Annual Retainer i.e. $540,000 (5-year target)
As at Dec. 31, 2018	3,205	6,942	10,147	$465,950	In process (86.29%)
As at Dec. 31, 2017	1,655	2,109	3,764	$214,736	In process (39.77%)

Voting Results of 2018 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
127,945,383	99.08%	1,186,474	0.92%

Catherine J. Hughes, ICD.D

Davenport (Florida), United States
Independent

Ms. Hughes is a corporate director and brings more than 25 years of experience in the oil and gas industry. She served as Executive Vice-President International at Nexen Inc. (oil and gas drilling and exploration) from January 2012 until her retirement in April 2013, where she oversaw all oil and gas activities, including exploration, production, development and project activities outside of Canada. Prior to that, she was Vice-President, Operational Services, Technology and Human Resources from December 2009 to December 2011. Before joining Nexen Inc. she served as Vice-President, Oil Sands at Husky Oil Operation Ltd. from 2007 to 2009. Ms. Hughes started her career with Schlumberger and held key positions in various countries including Italy, Nigeria, U.K., U.S. and France and was President of Schlumberger Canada Ltd. for five years in Calgary.

She graduated with a degree in Electrical Engineering from the Institut National des Sciences Appliquées de Lyon, France. She is a Professional Engineer, as designated by the Association of Professional Engineers and Geoscientists of Alberta (APEGA). She is a member of the National Association of Corporate Directors and a member of the Institute of Corporate Directors.

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

Director since: November 3, 2016
Age: 56
Latest date of retirement: May, 2032

Board/Committee Membership as at December 31, 2018	Overall Attendance 100% Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	5 of 5	5 of 5	• Royal Dutch Shell plc (2017 – Present)
Audit Committee (since May 3, 2018)	2 of 2	–	• Precision Drilling Corporation (2013 – 2018)
HR Committee (until May 3, 2018)	2 of 2	–	• Statoil ASA (2013 – 2015)
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 of 3 X Annual Retainer i.e. $540,000 (5-year target)
As at Dec. 31, 2018	–	8,078	8,078	$370,942	In process (68.69%)
As at Dec. 31, 2017	–	3,782	3,782	$215,763	In process (39.96%)

Voting Results of 2018 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
129,058,059	99.95%	67,116	0.05%

The Honorable Kevin G. Lynch, P.C., O.C., Ph.D., LL.D.

Ottawa (Ontario), Canada
Independent

Dr. Lynch has been Chairman since January 1, 2018 and has served as Vice-Chairman of the Board from May 4, 2017 to December 31, 2017. Dr. Lynch has been Vice-Chairman of BMO Financial Group (financial institution) since 2010. Prior to that, Dr. Lynch built a distinguished 33-year career in the Government of Canada until his retirement in 2009, serving as Clerk of the Privy Council, Secretary to the Cabinet and Head of the Public Service of Canada. He also served as Deputy Minister of Industry from 1995 to 2000 and Deputy Minister of Finance from 2000 to 2004. From 2004 to 2006, he served as Executive Director for Canada at the International Monetary Fund.

In addition to the public company boards listed below, Dr. Lynch is a senior Fellow of Massey College, a Trustee of the Killam Trusts and a director of Communitech Corporation, the Governor General of Canada's Rideau Hall Foundation and the Asia Pacific Foundation of Canada. Dr. Lynch is the former Chancellor of the University of King's College and the past chair of the Board of Governors of the University of Waterloo. He also served on the boards of the Ditchley Foundation of Canada (chair), the Accounting Standards Oversight Council (AcOC), the Ontario Rhodes Scholarship Selection Committee, the Princess Margaret Hospital Foundation, the Gairdner Foundation, the Perimeter Institute, the Bank of Canada, Canadian Deposit Insurance Corporation (CDIC), the Business Development Bank of Canada (BDC), BMO China Co Ltd. and the Cape Breton Development Corporation. Dr. Lynch holds a Bachelor of Arts degree in Economics from Mount Allison University, a Master's Degree in Economics from the University of Manchester and a doctorate in Economics from McMaster University. He was made a Member of the Queen's Privy Council for Canada in 2009, was appointed an Officer of the Order of Canada in 2011, has received eleven honorary doctorates from Canadian Universities and was awarded the Queen's Golden and Diamond Jubilee Medals for public service.

Areas of Expertise:
- CEO/Senior Executive Role
- International Experience
- Risk Management
- Government/Regulatory Affairs
- Human Resources/Industrial Relations

Director since: May 4, 2017
Age: 68
Latest date of retirement: May, 2032

Board/Committee Membership as at December 31, 2018	Overall Attendance 100% Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	5 of 5	5 of 5	• CNOOC Limited (2014 – Present) • Canadian National Railway Company (2014 – Present) • Empire Company Limited (2013 – 2017)

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 of 3 X Annual Retainer i.e. $1,200,000 (5-year target)
As at Dec. 31, 2018	–	11,372	11,372	$522,202	In process (43.52%)
As at Dec. 31, 2017	–	3,509	3,509	$200,188	In process (16.68%)

Voting Results of 2018 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
128,911,351	99.83%	220,506	0.17%

Steven L. Newman

Holladay (Utah), United States
Independent

Mr. Newman is a corporate director and brings more than 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 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.

In addition to the public company boards listed below, Mr. Newman is an independent non-executive director of Rubicon Oilfield International Holdings GP, Ltd. as well as a limited partner of Rubicon Oilfield International Holdings, L.P. 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: 54
Latest date of retirement: May, 2031

Board/Committee Membership as at December 31, 2018	Overall Attendance 100% Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	5 of 5	5 of 5	• Tidewater, Inc. (2017 – Present)
G&E Committee (became a member on May 3, 2018 and Chair on Jan. 1, 2019)	3 of 3	–	• Dril-Quip, Inc. (2015 – Present)
			• Bumi Armada Berhad (2015 – 2017)
HR Committee	5 of 5	–	• Transocean, Ltd. (2010 – 2015)
SWPR Committee (Chair from Aug. 2, 2018 until Dec. 31, 2018)	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 of 3 X Annual Retainer i.e. $540,000 (5-year target)
As at Dec. 31, 2018	4,917	12,735	17,652	$810,580	Yes (150.11%)
As at Dec. 31, 2017	4,917	7,754	12,671	$722,881	Yes (133.87%)

Voting Results of 2018 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
129,060,159	99.94	71,698	0.06%

Jean Raby

Paris, France
Independent

Mr. Raby has been the CEO of Natixis Investment Managers (global asset management) since February 2017. He was previously CFO of SFR Group (telecommunications operator) from May to November 2016. Prior to his role at SFR Group, 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 at Alcatel-Lucent following the acquisition of Alcatel-Lucent by Nokia Corporation (telecommunication equipment). He served as adviser to the CFO of Nokia from March to April 2016. 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 former 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: 54
Latest date of retirement: May, 2031

Board/Committee Membership as at December 31, 2018	Overall Attendance 94% Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	5 of 5	4 of 5	None
Audit Committee	4 of 4	–	
G&E Committee (until May 3, 2018)	2 of 2	–	
SWPR Committee (since May 3, 2018)	2 of 2	–	

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 of 3 X Annual Retainer i.e. $540,000 (5-year target)
As at Dec. 31, 2018	2,000	7,060	9,060	$416,035	In process (77.04%)
As at Dec. 31, 2017	1,000	4,841	5,841	$333,229	In process (61.71%)

Voting Results of 2018 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
127,496,994	98.74%	1,628,338	1.26%

Alain Rhéaume

Lac-Delage (Quebec), Canada
Independent

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

Director since: May 2, 2013
Age: 67
Latest date of retirement: May, 2028

Mr. Rhéaume is the Co-Founder and Managing Partner of Trio Capital Inc. (a private investment management company) and has more than 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 a former 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).

Board/Committee Membership as at December 31, 2018	Overall Attendance 100% Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	5 of 5	5 of 5	• Boralex Inc. (2010 – Present)
Audit Committee	4 of 4	–	• Resolute Forest Products Inc. (2010 – Present)
HR Committee (Chair until Aug. 2, 2018)	5 of 5	–	

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 of 3 X Annual Retainer i.e. $540,000 (5-year target)
As at Dec. 31, 2018	–	13,590	13,590	$624,053	Yes (115.57%)
As at Dec. 31, 2017	–	11,233	11,233	$640,843	Yes (118.68%)

Voting Results of 2018 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
128,661,954	99.64	469,903	0.36%

Eric D. Siegel, ICD.D

Ottawa (Ontario), Canada
Independent

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

Director since: January 1, 2012
Age: 65
Latest date of retirement: May, 2027

Mr. Siegel is a corporate director and a former President and CEO of Export Development Canada (EDC), a Crown corporation and Canada's export credit agency. Mr. Siegel joined EDC 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 and a member of the Dean's Advisory Council of York University's Schulich School of Business. He is also a former 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).

Board/Committee Membership as at December 31, 2018	Overall Attendance 100% Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	5 of 5	5 of 5	None
Audit Committee	4 of 4	–	
SWPR Committee (Chair until Aug. 2, 2018)	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 of 3 X Annual Retainer i.e. $540,000 (5-year target)
As at Dec. 31, 2018	1,000	21,857	22,857	$1,049,593	Yes (194.37%)
As at Dec. 31, 2017	1,000	19,324	20,324	$1,159,484	Yes (214.72%)

Voting Results of 2018 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
128,749,428	99.70%	382,429	0.30%

Zin Smati, Ph.D.

Houston (Texas), United States
Independent

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

Director since: May 5, 2016
Age: 61
Latest date of retirement: May, 2031

Mr. Smati is a corporate director and brings 35 years of U.S. and international experience in the energy sector. He has been chairman and CEO of LifeEnergy LLC (delivery of energy products) since March 2016 and was Senior Advisor at LS Power (private equity group) from January 2016 to December 2018. 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 May 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 member of the board of directors of Gaz Métro inc. He is also the 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.

Board/Committee Membership as at December 31, 2018	Overall Attendance 100% Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	5 of 5	5 of 5	None
G&E Committee	5 of 5	–	
SWPR Committee (Chair since Jan. 1, 2019)	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 of 3 X Annual Retainer i.e. $540,000 (5-year target)
As at Dec. 31, 2018	1,150	9,977	11,127	$510,952	In process (94.62%)
As at Dec. 31, 2017	1,150	5,473	6,623	$377,842	In process (69.97%)

Voting Results of 2018 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
128,502,103	99.52%	623,129	0.48%

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

Toronto (Ontario), Canada
Independent

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

Director since: May 4, 2017
Age: 60
Latest date of retirement: May, 2032

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

In addition to the public company board listed below, Ms. Warmbold is a director of Crestone Peak Resources, the Canadian Public Accountability Board and vice-chair of the Women's College Hospital as well as a member of Queen's University Board of Trustees. She is also chair of the Smith School of Business Advisory Board (Queen's University). She holds an Honours Bachelor of Commerce degree from Queen's University, is a Fellow of the Institute of Chartered Accountants of Ontario and has been granted the ICD.D designation by the Institute of Corporate Directors. Ms. Warmbold was recognized as a Top 100 Most Powerful Women – Corporate Executives Category in 2009, 2010 and 2015 and in 2016 was inducted into the WXN Hall of Fame. She was also selected by the Canadian Board Diversity Council for its first-ever Diversity 50, which recognizes qualified, diverse candidates for board of director appointments.

Board/Committee Membership as at December 31, 2018	Overall Attendance 100% Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	5 of 5	5 of 5	• The Bank of Nova Scotia (2018 – Present)
Audit Committee (Chair)	4 of 4	–	• Methanex Corporation (2016 – Present)
HR Committee	5 of 5	–	

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 of 3 X Annual Retainer i.e. $540,000 (5-year target)
As at Dec. 31, 2018	3,000	5,613	8,613	$395,509	In process (73.24%)
As at Dec. 31, 2017	3,000	2,109	5,109	$291,468	In process (53.98%)

Voting Results of 2018 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
127,184,540	98.49%	1,947,317	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.

> **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.

> **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 D-DSUs, or a combination of both;

> 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 Director Comparator Group.

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 group of companies as outlined below, referred to herein as the "**Director Comparator Group**". The Director Comparator Group is created with the assistance of an external consultant 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 our Chairman and non-employee Directors was carried out by the G&E Committee in October 2018, following a recommendation made by the G&E Committee in 2017 to defer the decision to change the compensation of our Chairman and non-employee Directors. To assist in its review, the G&E Committee used the 2017 compensation review reports prepared by Willis Towers Watson, which services were retained in 2017 to assess if the level and structure of our Chairman and non-employee Directors' compensation were aligned with market practices.[1]

A new Director Comparator Group was used by Willis Towers Watson to assess our Chairman's and non-employee Directors' compensation, which better reflects our Company's global reach and complexity following its acquisition of Atkins in 2017. This new Director Comparator Group is as follows:

Company Name	Country	Industry
AECOM	United States	Engineering and Construction
Amec Foster Wheeler plc	United Kingdom	Oil and Gas Equipment and Services
Baker Hughes Incorporated	United States	Oil and Gas Equipment and Services
Balfour Beatty plc	United Kingdom	Engineering and Construction
Cenovus Energy Inc.	Canada	Integrated Oil and Gas
Edison International	United States	Electric Utilities
Fluor Corporation	United States	Engineering and Construction
Fortis Inc.	Canada	Electric Utilities
Husky Energy Inc.	Canada	Integrated Oil and Gas
Jacobs Engineering Group Inc.	United States	Engineering and Construction
KBR, Inc.	United States	Engineering and Construction
McDermott International, Inc.	United States	Oil and Gas Equipment and Services
Teck Resources Limited	Canada	Diversified Metals and Mining
TransCanada Corporation	Canada	Oil and Gas Storage and Transportation
WSP Global Inc.	Canada	Engineering and Construction

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

The Director Comparator Group is representative of global companies located in North America and the United Kingdom. The selection criteria include: (a) listed companies; (b) SNC-Lavalin's direct competitors and companies operating in the main sector of activities; (c) majority of revenue generated outside of Canada; and (d) comparable revenue scope falling within or close to 0.5x and 2x of SNC-Lavalin revenues. Pursuant to this review, the G&E Committee recommended to the Board that the decision to change the compensation of our Chairman and non-employee Directors be deferred.

DIRECTORS' COMPENSATION PACKAGE

The following table outlines the compensation received by our Chairman and non-employee Directors in 2018. 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 ($) 2018
Director Retainer	
Annual retainer consisting of:	
i) a cash award[1]	70,000
ii) a lump sum credited in D-DSUs	110,000
Total:	**180,000**
Chairman Retainer	
Annual retainer consisting of:	
i) a cash award[1]	182,500
ii) a lump sum credited in D-DSUs	217,500
Total:	**400,000**
Committee Chair Retainer[1]	
Audit Committee	16,000
G&E, HR and SWPR Committees	12,000
MEETING FEES[1][2][3]	
Board or Committee meeting	
– in person	2,250
– by telephone	925
TRAVEL FEES[1][4]	
For travel requiring more than three (3) hours but less than five (5) hours (one way)	1,500
For travel requiring five (5) hours or more (one way)	3,000

[1] The Chairman and other non-employee Directors may elect to receive 100% of their compensation payable in cash, in either cash or D-DSUs (i.e. cash award portion of annual retainer, meeting fees, travel fees and Committee Chair retainer (if applicable).

[2] Meeting fees are paid for attendance at Board meetings as well as standing and non-standing Committee meetings. In 2018, the Chairman received meeting fees for attendance at special Board or Committee meetings only. Non-employee Directors who attended meetings of Committees on which they did not sit did not receive meeting fees for these meetings.

[3] A non-employee 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 a Director. This fee is payable per day of meeting, notwithstanding the number of meetings held during that day.

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

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

D-DSUs

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

Under the D-DSUP, Directors are credited D-DSUs as part of their annual retainer (i.e. lump sum credited in D-DSUs). They can also elect to receive 100% of their compensation payable in cash in D-DSUs (i.e. cash award portion of their annual retainer, meeting fees, travel fees and Committee Chair retainer, if applicable). In 2018, six (6) out of eleven (11) Directors elected to receive all of their compensation in D-DSUs, including our Chairman.

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 (5) trading days immediately prior to such date. D-DSUs are credited on a quarterly basis and do not carry voting rights. Furthermore, additional D-DSUs accumulate as dividend equivalents whenever cash dividends are paid on Common Shares.

ANTI-HEDGING AND ANTI-MONETIZATION

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

DIRECTORS' COMPENSATION CONSULTANTS

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

Nature of Work	Consultant	2018	2017
Compensation of the Chairman and non-employee Directors	Willis Towers Watson	$0	$52,976
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, or a combination of both.

The last review with respect to the Directors' share ownership requirement was carried out by the G&E

Committee in October 2018. To assist in its review, the G&E Committee used the 2017 compensation review reports prepared by Willis Towers Watson, which had carried out a review of the share ownership requirement for our Chairman and non-employee Directors. Willis Towers Watson prepared a benchmarking study using the Director Comparator Group that was used for benchmarking our Chairman's and non-employee Directors' compensation. Following this review, Willis Towers Watson concluded that our practice with respect to share ownership by our Chairman and non-employee Directors was slightly above 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

Position	2018 (approx.)
Chairman	$1,200,000
Non-employee Directors	$ 540,000

[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, with the exception of our President and CEO, are required to continue to hold all their D-DSUs throughout their tenure as Directors. They can however dispose of their Common Shares as long as the minimum Director share ownership requirement is satisfied.

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 but rather as President and CEO. 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

Director	Fees Earned: Non-Employee Director Retainer and Chairman Retainer[1] ($)	Fees Earned: Committee Chair Retainer[2] ($)	Fees Earned: Board and Committee Meeting Fees[3] ($)	Share-based Awards[4] ($)	Option-based Awards ($)	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation[5] ($)	TOTAL ($)	Percentage of Total Fees Received in D-DSUs[6] (%)
J. Bougie	–	–	–	238,800	–	–	–	18,334	257,134	100%
I. Courville	–	–	–	244,507	–	–	–	4,065	248,572	100%
C. Hughes	–	–	–	218,150	–	–	–	6,063	224,213	100%
K.G. Lynch	–	–	–	406,875	–	–	–	7,185	414,060	100%
S.L. Newman	–	–	–	247,332	–	–	–	10,711	258,043	100%
J. Raby	70,000	–	51,125	110,000	–	–	–	6,449	237,574	49%
A. Rhéaume	70,000	7,076	43,625	110,000	–	–	–	16,094	246,795	50%
E.D. Siegel	70,000	7,076	37,050	110,000	–	–	–	25,455	249,581	53%
Z. Smati	–	–	–	225,875	–	–	–	8,019	233,894	100%
B.M. Warmbold	–	16,000	40,225	180,000	–	–	–	6,079	242,304	76%
TOTAL	**210,000**	**30,152**	**172,025**	**2,091,539**	**–**	**–**	**–**	**108,454**	**2,612,170**	**84%**

[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 represent fees elected to be received in cash by Committee Chairs.

[3] Such amounts represent fees elected to be received in cash by the Chairman and non-employee Directors and 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 $49,500 in 2018). Note that for the December Board meeting held over two days, the Company pays its non-employee Directors for attendance at two meetings.

[4] Such amounts represent (i) 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. Such amounts also represent fees elected to be received in D-DSUs by the Chairman and non-employee Directors and include (i) meeting fees, travel fees and Committee Chair retainers (if applicable), (ii) fees paid to members of non-standing Board Committees, (iii) fees paid to our Chairman and non-employee Directors for attendance at special Board and special Committee meetings, and (iv) fees paid to Committee Chairs and other non-employee Directors for meetings with stakeholders.

[5] Such amounts represent (i) D-DSUs from dividend equivalents, and (ii) fees elected to be received in cash paid to Committee Chairs and other non-employee Directors for meetings with stakeholders.

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

OUTSTANDING SHARE-BASED AWARDS

The following table reflects all awards outstanding as at December 31, 2018 with respect to our non-employee Directors.

	Share-based Awards[1]	
Director	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	19,259	884,373
I. Courville	6,942	318,777
C. Hughes	8,078	370,942
K.G. Lynch	11,372	522,202
S.L. Newman	12,735	584,791
J. Raby	7,060	324,195
A. Rhéaume	13,590	624,053
E.D. Siegel	21,857	1,003,673
Z. Smati	9,977	458,144
B.M. Warmbold	5,613	257,749

[1] This table represents information with respect to D-DSUs held by our non-employee Directors as at December 31, 2018.

[2] The value of outstanding D-DSUs is based on the closing price for a Common Share on the TSX on December 31, 2018 ($45.92).

Board Committee Reports

AUDIT COMMITTEE REPORT

Mandate

The Audit Committee is primarily responsible for assisting the Board in overseeing the Company's financial reporting, compliance with legal and regulatory requirements, internal controls, financial risk matters and the Company's relationship with its independent auditor.

Composition

The members of the Audit Committee are:

Benita M. Warmbold (Chair)
Catherine J. Hughes (member since May 3, 2018)
Jean Raby
Alain Rhéaume
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 Regulation 52-110 – Audit Committees ("**Regulation 52-110**")[1]. This definition has been incorporated in the terms of the second paragraph of Section 1 of the mandate of the Audit Committee. All of the Audit Committee members are financially literate. For details on the relevant professional qualifications/business experience of each Audit Committee member, see the Company's AIF available on SEDAR's website (**www.sedar.com**) and on the Company's website (**www.snclavalin.com**) under "Investors"/"Investor's Briefcase".

Cross membership

The mandate of the Audit Committee provides for at least one member to sit on the HR Committee and vice versa in order to monitor and maintain the link between pay and performance, both financial and individual, and thus mitigate risks. Alain Rhéaume and Benita M. Warmbold 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. Catherine J. Hughes, Jean Raby 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 AIF available on SEDAR's website (**www.sedar.com**) and on the Company's website (**www.snclavalin.com**) under "Investors"/"Investor's Briefcase".

2018 Highlights

Financial Disclosure

A major part of the Committee's activities is to review the Company's annual financial disclosure documents listed below. This includes reviewing any reports or materials prepared by management, the independent auditor or the internal auditor outlining any significant financial reporting issues; and all critical judgments made in connection with the preparation of the financial statements. This review is to provide reasonable assurance that the accounting principles used to prepare our financial statements are appropriate, in particular where judgements, estimates, risks and uncertainties are involved and that adequate disclosure of material issues is provided. In 2018 the Committee:

- Reviewed and recommended for approval by the Board the quarterly and annual financial statements, MD&A, press releases, AIF and other disclosure documents;
- Reviewed the quarterly CEO and CFO certification;
- Reviewed the annual CEO/CFO certification testing;
- Reviewed the results of impairment testing;
- Reviewed and ensured appropriateness of accounting policies;
- Oversaw the implementation and impact of IFRS 15;
- Reviewed the Disclosure and Insider Trading Policy and Disclosure Committee charter; and
- Reviewed the minutes from the Disclosure Committee.

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

Independent Auditor

The Committee retains an independent auditor to conduct the annual audit of the financial statements. In 2018, the Committee retained Deloitte LLP as its independent auditor to undertake the 2018 audit. The Committee discussed with its independent auditor its responsibilities, its determination of areas of significant audit risk and its related mitigation procedures. The Committee:

- Reviewed the work of the independent auditor;
- Reviewed the independent auditor's annual and quarterly audit reports;
- Reviewed the independent auditor's audit plan and fees;

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

- As per the Company's written policy for pre-approving audit and non-audit services to be provided by the independent auditor, approved the independent auditor's fees pre-approved by the Chair of the Audit Committee and those that were either pre-approved internally by management or that required direct approval by the Committee;
- Reviewed with the independent auditor and management the quality, appropriateness and disclosure of the Company's critical accounting principles and policies, underlying assumptions and reporting practices, and any changes thereto;
- Reviewed the results of impairment testing;
- Reviewed the independence of the independent auditor;
- Reviewed the mandate, organization, staffing, qualifications and performance of the independent auditor; and
- Oversaw the transition to a new partner from the independent auditor.

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

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

- Reviewed the internal audit charter;
- Reviewed and approved the annual internal audit plan;
- Reviewed the internal audit reports and reviewed the status of corrective actions with management at regular quarterly meetings; and
- Approved a new internal auditor.

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

Internal Controls & Other
The Committee also:

- Reviewed the quarterly report on financial controls and governance which is performed in-house by the Company's Internal Audit team in collaboration with the Finance team so as to support ongoing improvements in the internal controls process and the timely remediation of any deficiencies;
- Reviewed the report on financial controls and governance;
- Reviewed insurance programs and overall insurance coverage;
- Reviewed tax filing compliance;
- Reviewed cash management and liquidity;
- Reviewed all legal and regulatory matters that could have a material impact on financial position;
- Reviewed reports from the CIO with respect to progress on the results of financially relevant investigations conducted by the Integrity team;
- Reviewed the Committee's mandate;
- Reviewed the Committee processes including the forward-looking Committee agendas, working plan and emerging issues of particular interest to the Committee so as to optimize the quarterly agendas, allow for more training opportunities and improve the efficiency of the Committee as a whole;
- Reviewed the Treasury Policy and portfolio;
- Reviewed the performance of the internal auditor;
- Reviewed the performance of the CFO; and
- Reviewed the performance of the Audit Committee and its Chair.

Submitted by the members of the Audit Committee

GOVERNANCE AND ETHICS COMMITTEE REPORT

Mandate
The G&E Committee assists the Board in developing the Company's approach to corporate governance and integrity 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 its statement of corporate governance practices 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:

Steven L. Newman (member since May 3, 2018 and Chair since January 1, 2019)
Jacques Bougie (Chair until December 31, 2018)
Isabelle Courville
Zin Smati

Each of the members of the G&E Committee is independent.

2018 Highlights
In 2018, the G&E Committee:

Integrity Function
- Reviewed quarterly reports by the CIO and the Integrity team so as to provide them with timely and constructive feedback and oversight on the Integrity framework and programs;
- Oversaw the change in terminology of the "Ethics and Compliance" function to the "Integrity" function to reflect a more value-based approach;
- Reviewed processes in place to respond to the European Union's General Data Protection Regulation (GDPR);
- Continued to oversee the simplification of the Company's policies and standard operating procedures and the implementation of additional e-learning modules on multiple subjects, such as data privacy;

- Conducted, via the Chair of the G&E Committee and the EVP and General Counsel, the performance evaluation of the CIO and the review of his compensation; and
- Met *in camera* with the CIO at each meeting.

Board and Committee Composition

- Reviewed the size and composition of the Board;
- Assisted the Board in determining each Committee's size and composition and renewed Committee memberships by recommending for appointment by the Board:
  - Ms. Hughes as a member of the Audit Committee on May 3, 2018;
  - Ms. Courville as a member of the HR Committee on May 3, 2018 and its Chair on August 2, 2018;
  - Mr. Newman as a member of the G&E Committee on May 3, 2018 and its Chair effective January 1, 2019;
  - Mr. Newman as the new Chair of the SWPR Committee on August 2, 2018 until December 31, 2018;
  - Mr. Raby as a member of the SWPR Committee on May 3, 2018; and
  - Mr. Smati as the new Chair of the SWPR Committee effective January 1, 2019.
- Reviewed qualifications of incumbent Directors as nominees, including independence, financial literacy, HR experience, skills and competencies; and
- Recommended Director nominees for election at the next Meeting.

Director Succession and Board Renewal

- Reviewed Director succession and Board renewal.

Director Performance Assessment

- Reviewed 2018 Director performance assessment process; and
- Recommended to the Board the process for the 2018 Director performance assessment, which included the performance assessment of the Board, the individual Directors, the Chairman, the Committee Chairs and peer reviews.

Ongoing Director Education

- Ensured that ongoing development and education opportunities were made available to Directors during 2018, such as project site visits and presentations on various topics to the Board.

Director Compensation

- Reviewed Chairman and non-employee Directors' compensation.

Corporate Governance Matters

- Reviewed and recommended amendments to mandates of the Board, the G&E Committee and the HR Committee;
- Reviewed and recommended amendments to the Company's Code of Conduct (the "**Code**"); reviewed, monitored and oversaw compliance with the Code;
- Recommended amendments to the following policies and charter: Policy Regarding Diversity and Inclusion on the Board of Directors and in Senior Management Positions, Disclosure and Insider Trading Policy and Disclosure Committee charter;
- Reviewed Notice of Annual Meeting and Management Proxy Circular, including Meeting date and record date;
- Reviewed Board and Committee meeting schedules;
- Monitored developments in corporate and securities laws and regulations, legal and regulatory requirements and best practices; and
- Reviewed the performance of the G&E Committee and its Chair.

Other Matters

- Oversaw review of certain legal proceedings and compliance-related matters.

Submitted by the members of the G&E Committee

SAFETY, WORKPLACE AND PROJECT RISK COMMITTEE REPORT

Mandate

The SWPR Committee assists the Board in discharging its responsibilities with regard to the overall framework for managing project risks and health, safety, security, environmental, sustainability, business continuity and emergency preparedness risks arising from the Company's operations and business it undertakes with clients.

Composition

The members of the SWPR Committee are:

Zin Smati (Chair since January 1, 2019)
Catherine J. Hughes
Steven L. Newman (Chair from August 2, 2018 to December 31, 2018)
Jean Raby (member since May 3, 2018)
Eric D. Siegel (Chair until August 2, 2018)

Each of the members of the SWPR Committee is independent.

Cross membership

The mandate of the SWPR Committee provides for at least one member to sit on the Audit 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. Catherine J. Hughes, Jean Raby and Eric D. Siegel are currently members of both the SWPR and Audit Committees. For a complete copy of the SWPR Committee mandate, see the Company's website (**www.snclavalin.com**), under "About Us"/"Governance".

2018 Highlights

In 2018, the SWPR Committee:

*Health, Safety and Environment (“**HSE**”)*

- Oversaw a Company-wide safety campaign and a mandatory training initiative for all employees with respect to HSE; and
- Oversaw continued progress on the “Perfect Days” initiative, an account of the days where the Company projects and operations were incident free. In 2018, the Company recorded 50 Perfect Days, up from 41 Perfect Days in 2017 and exceeding the target set for 2018 at 45.

Security

- Received quarterly cyber security reporting from management;
- Reviewed processes in place to respond to the European Union’s General Data Protection Regulation (GDPR); and
- Oversaw a cyber-security assessment prepared by an external consultant and the implementation plans for a revised cyber risk management framework.

Risk Management

- To strengthen the ERM framework, oversaw the introduction of new reporting to each Committee and the Board of Directors on mitigation actions for the risks aligning to their responsibility; and
- Oversaw the use of a peer review process.

Processes

- Oversaw the creation of the Global Projects Support function with a view to supporting projects across all of the Company; and
- Oversaw the creation of the Projects Status Report, a new project reporting initiative to establish consistent reporting for both financial and operational data.

Sustainability

- Oversaw the development of the Sustainable Business Strategy based around the UN Sustainable Development Goals.

Projects

- The SWPR Committee endorsed the Company’s potential involvement in new major projects for approval by the Board of Directors. In that respect, the Committee reviewed key success factors, potential partners, key competitors, risks associated with the project and mitigation factors, estimated costs, and project timeline.

Other

- Recommended to the G&E Committee for approval by the Board the following changes in Committee chairmanship: Mr. Newman as Chair of the SWPR Committee from August 2, 2018 until December 31, 2018 (in replacement of Mr. Siegel), and Mr. Smati as Chair of the SWPR Committee, effective January 1, 2019 (in replacement of Mr. Newman following his appointment as Chair of the G&E Committee, effective January 1, 2019); and
- Reviewed the performance of the SWPR Committee and its Chair.

Submitted by the members of the SWPR Committee

HUMAN RESOURCES COMMITTEE REPORT

Mandate

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

The HR Committee is responsible for the development and review of our executive compensation philosophy and strategy; reviewing and recommending Senior Officers performance objectives to the Board and assessing performance against such objectives; and supporting President and CEO succession planning by developing succession plans for annual Board review and approval. The HR Committee is also responsible for the 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.

Composition

The members of the HR Committee are:

Isabelle Courville (member since May 3, 2018 and Chair since August 2, 2018)
Jacques Bougie
Steven L. Newman
Alain Rhéaume (Chair until August 2, 2018)
Benita M. Warmbold

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:

- Isabelle Courville (became Chair on August 2, 2018) has extensive experience in human resources and compensation matters. She served as President of Hydro-Québec Distribution from March 2011 to January 2013 and as President of Hydro-Québec TransÉnergie from 2007 to 2011. Prior to that, she was President of Bell Canada’s Enterprise business segment from 2003 to 2006 and President and CEO of Bell Nordiq Group from 2001 to 2003. Ms. Courville has been the chair of the management resources and compensation committee of Canadian Pacific Railway Limited since January 2016, a member of the Laurentian Bank of Canada’s human resources and corporate governance committee since 2008, as well as its chair from March 2009 to March 2013, and a member of the human resources committee of the Institute for Governance of Private and Public Organizations (IGOPP).

She is the former chair of the human resources and corporate governance committee of Miranda Technologies Inc. (2006-2012) and a former member of the compensation committee of TVA Group Inc. (2013-2016).

- 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 currently a member of the human resources committee of CSL Group Inc. and McCain Foods Limited. He is also a former member of the human resources committee of Atrium Innovations Inc. He has sat on the human resources committee of seven companies over the past 30 years, including that of AbitibiBowater Inc. (formerly Abitibi-Consolidated Inc. and now Resolute Forest Products Inc.) from 2004 to 2010.

- 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. Mr. Newman joined this company 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. 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, Ltd.'s executives. Mr. Newman is currently the chair of the compensation committees of Tidewater, Inc. and Rubicon Oilfield International Holdings GP, Ltd. and is a member of the compensation committee of Dril-Quip, Inc.

- Alain Rhéaume (stepped down as Chair on August 2, 2018 – remains as a member of the HR Committee) has extensive experience in human resources and compensation matters acquired during his more than 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 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. Mr. Rhéaume is currently chairman of the board of Boralex Inc. and is a former member of its human resources committee. He is also the chair of the human resources committee of Resolute Forest Products Inc. Mr. Rhéaume is a former chairman of the board as well as a member of the governance, nominating and human resources committee of the Canadian Investor Protection Fund, a former chairman of the board as well as a chair of the human resources committee of TeraXion Inc. and a former member of the human resources committee of the Canadian Public Accountability Board.

- Benita M. Warmbold has extensive experience in overseeing various human resources and compensation matters. She served as Senior Managing Director and CFO of Canada Pension Plan Investment Board ("CPPIB") from December 2013 to July 2017. Prior to that, she was Senior Vice-President and COO of CPPIB from 2008 to 2013. As a member of the senior management team, she worked through the complete revamp of CPPIB's compensation structure. Before joining CPPIB, she served as Managing Director and CFO for Northwater Capital Management Inc. from 1997 to 2008. She previously held senior positions with Canada Development Investment Corporation and KPMG. Ms. Warmbold is currently a director of The Bank of Nova Scotia and a member of its human resources committee, a director of Crestone Peak Resources and a member of its human resources and compensation committee, a director of the Canadian Public Accountability Board and the chair of its human resources and governance committee and a member of the Board of Trustees of Queen's University. She has been granted the ICD.D designation by the Institute of Corporate Directors.

Cross membership

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. Alain Rhéaume and Benita M. Warmbold 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".

Human Resources Achievements

In 2018, the Company achieved the following human resources initiatives:

- Developed a people strategy for the Company;
- Reorganized the majority of the Company's Human Resources functions into regional teams to provide a more cost-efficient and aligned service across all of the sectors present in each geography;
- Facilitated the Company's people and succession planning processes throughout the year, to ensure that the appropriate talent is available and trained to deliver on the Company's current strategic plans and its long-term performance and growth agenda;
- Regionalized the recruiting teams and developed social media attraction content and assets to sharpen the focus on engaging with and attracting top talent into the Company;
- Implemented a regionalized Diversity and Inclusion Program to enhance the Company's talent pool and empower employees to realize their full potential;
- Where appropriate, harmonized existing benefits schemes and prepared to implement the job classification system within the former Atkins business; and

- Continued to support the "Perfect Days" initiative as an important part of the HSSE program.

Key Activities Undertaken

During 2018, the HR Committee undertook the following key activities:

Annual Activities

- Reviewed and recommended for Board approval:
  - AIP payouts for 2017 (paid in 2018), the performance payout multiplier and settlement of the PSU awards made in 2015 as well as 2016 and 2017 to employees that left the Company in 2017 following retirement or termination without cause;
  - Long-term incentive awards granted during 2018 under the 2017 PSUP and RSUP;
  - The Performance Comparator Group for the 2018-2020 PSUP performance period and a change thereof to reflect a transaction in the peer group in May 2018;
  - The AIP structure, financial and non-financial performance metrics and targets for 2019;
  - The 2018 Management Proxy Circular CD&A section;
  - Implementation of the ESOP in the UK for Senior Officers subject to share ownership requirements;
  - North America and U.K. Executive Pay Comparator Groups used for the compensation benchmarking exercise for the members of the Executive Committee;
  - Minor modifications to update the Policy Regarding Diversity and Inclusion on the Board of Directors and in Senior Management Positions; and
  - The succession plan for the President and CEO.
- Reviewed:
  - 2019 salary increase budgets by country;
  - Integrity quarterly reports;
  - Participation of Senior Officers in for-profit company boards as non-executive directors;
  - Results of the executive compensation benchmarking exercise for the members of the Executive Committee;
  - Status and projections of the share ownership requirements for Senior Officers subject to the guidelines;
  - The Company's Retirement plans' investment performance, funding status and overall administration; and
  - Results of the Company-wide talent review process and associated development activities.

Event-Driven Activities

- Reviewed and recommended for Board approval the appointment, compensation and employment terms for Senior Officers hired or promoted in 2018, including the newly created position of COO, and reviewed selective retention provisions.

Other

- Recommended to the G&E Committee for approval by the Board the change in Committee chairmanship from Alain Rhéaume to Isabelle Courville, effective August 2, 2018; and
- Reviewed the performance of the HR Committee and its Chair.

Executive Compensation Consultants

Since 2008, the HR Committee has retained Hugessen Consulting Inc. to provide it with independent advice on executive compensation and related performance assessment and governance matters. The nature and scope of services provided by this consultant to the HR Committee during 2018 included:

- Review and advice on:
  - The President and CEO compensation;
  - Corporate performance as it relates to determining President and CEO and other NEOs' compensation;
  - The 2018 Management Proxy Circular CD&A section; and
  - Management-prepared materials and recommendations in advance of HR Committee meetings as requested.
- Attendance at HR Committee meetings as requested.

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

Additionally, management of the Company retains the services of Willis Towers Watson to advise generally on executive and Director compensation benchmarking and related matters.

During 2018, Willis Towers Watson did not provide any information or advice to the Company on Director compensation matters. For details on Willis Towers Watson's involvement with respect to Director Compensation, see the "Directors' Compensation Discussion and Analysis" section of this Management Proxy Circular.

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

The HR Committee reviews the information and advice provided by Hugessen Consulting Inc. and the information provided by Willis 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 Consulting Inc. in 2017 and 2018:

Nature of work	2018 Fees	2017 Fees
Basic HR Committee mandates – Annual Review	$ 77,640	$ 80,958
All other fees:		
• Other requested HR Committee mandates outside of Annual Work Plan scope[1]	$ 47,856	$ 16,165
Total	**$125,496**	**$97,123**

[1] Increase in 2018 of "All other fees" is due to additional advice on various disclosure matters and revision of selective retention provisions.

The table below outlines the fees paid by the Company to Willis Towers Watson in 2017 and 2018:

Nature of work	2018 Fees	2017 Fees
Executive Compensation[1]	$ 190,180	$ 77,572
All other fees:		
• Benefits plan management and ongoing consulting for various countries[2]	$ 1,127,185	$ 804,512
• Accounting	$ 93,617	$ 53,727
• Global Job Classification and Compensation Surveys[3]	$ 102,757	$ 21,478
• Risk management consulting	$ 295,369	$ 1,125,646
Total	**$1,809,108**	**$2,082,935**

[1] Includes fees for the benchmarking of several positions within the former Atkins business, the Executive Committee benchmarking exercise and *ad hoc* Senior Officers' compensation market comparisons.

[2] Includes benefits brokerage services and benefits-related projects.

[3] Continued assistance with job leveling across the new combined Atkins/SNC-Lavalin organization.

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 2018 and how this performance informed and guided our executive compensation decisions.

2018 Financial Performance

In 2018, the Company faced a number of challenges, especially in its Mining & Metallurgy and Oil & Gas segments, which resulted in a disappointing full year result. The company's Consolidated Adjusted EBITDA was $582.4M down from $816.5M in 2017, while the 2018 Consolidated Adjusted EPS was $1.31/share. The Consolidated IFRS EPS was a loss of $7.50/share, reflecting a goodwill impairment charge of $1.2B related to the Oil & Gas segment, and a loss of $346M in the Mining & Metallurgy segment, driven by a significant loss on a single project. On the positive side, the financial contribution and performance of the Nuclear, EDPM and Infrastructure segments were strong. Cash flow from operations and Free Cash Flow suffered from the lower profitability of the Mining & Metallurgy and Oil & Gas segments as well as the timing of milestone payments in the Infrastructure segment.

Executive Compensation Principles

In these circumstances, our approach to compensation in 2018 reflects the Company's executive compensation guiding principles so that we ensure adequate accountability for the disappointing financial results whilst at the same time we respect Employment Agreements and seek to retain key staff, given the challenges ahead.

For these reasons, salary increases were kept at minimum levels, except in circumstances where executives were promoted to new roles and three of our NEOs relinquished their AIP payout because of the financial results. Our LTIP grants continue to incentivize improvements to SNC-Lavalin's Common Shares price and TSR three years from now.

Moreover, all NEOs are subject to minimum shareholding requirements which are monitored by the HR Committee annually in May.

2018 President and CEO Compensation

Despite the fact that 2018 was a disappointing year, the Board reiterates its confidence in the executive leadership team to move forward into 2019, to execute the strategy and to deliver maximum value to shareholders.

For 2018, the President and CEO's base salary was set at $1,163,600. Mr. Bruce relinquished his 2018 AIP payout given the Company's financial results for 2018. The Board approved an annual LTIP award of 300% of his base salary (i.e. $3,490,800), 60% in the form of PSUs and 40% in the form of RSUs. His actual total direct compensation was $4,649,454, namely 78.4% of his target total direct compensation.

The aggregate President and CEO realized and realizable (i.e. unvested and outstanding) compensation is 95% of the target value of compensation awarded in 2016, 2017 and 2018. For 2018 alone, this compensation represents 72% of target.

Executive Appointments

The Company has appointed Ian Edwards, formerly President, Infrastructure sector, as COO, effective January 28, 2019 to undertake, together with the President and CEO, a review of the Company's operational delivery capability to ensure consistency in its approach to contract and risk management and to provide the service level to its customers for which it is well known. Mr. Edwards will bring additional operational focus to the Company to further drive consistent sustainable results.

In order to further simplify the market-facing structure of the Company, a new organizational structure was announced on March 11, 2019 whereby our services in oil, gas, metals and mining were combined under the leadership of Christian Brown as President, Resources sector.

As part of its ongoing effort to build a world-class executive team to lead the development and execution of the growth strategy, the Company also appointed Craig Muir as President, Resources sector, effective April 8, 2019 to ensure a succession transition with Christian Brown's planned departure during the summer of 2019.

Changes to Compensation Programs for 2019

In the light of the significant challenges the Company has faced in term of cash flow management, the Free Cash Flow metric will take an even heavier weight than ever before in the Company's 2019 AIP. Therefore, NEOs will now be incentivised equally through the 2019 AIP between profit (measured by EBITDA) and cash (measured by Free Cash Flow). No material changes are expected to be made to the overall executive compensation design in 2019.

Conclusion

The HR Committee and the Board continue to monitor the Company's executive compensation programs and policies. We 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 while providing an appropriate balance between fixed and variable compensation, and risk and reward.

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

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

Yours truly,

Isabelle Courville *(signed)*
Chair of the HR Committee

Executive Compensation Discussion and Analysis

INTRODUCTION

The following section outlines the compensation programs in which the NEOs participate. For 2018, the NEOs are:

- Neil Bruce – President and CEO;
- Sylvain Girard – EVP and CFO;
- Christian Brown – President, Oil & Gas sector (appointed President, Resources sector on March 11, 2019);
- Alexander (Sandy) Taylor – President, Nuclear sector; and
- Ian Edwards – President, Infrastructure sector (appointed COO on January 28, 2019).

Executive Committee

Our NEOs are part of our Executive Committee, a team composed in 2018 of eleven (11) Senior Officers led by the President and 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.

ANNUAL OVERSIGHT OF EXECUTIVE COMPENSATION

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

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

At the Outset of the Year:

Establish Target Compensation Levels and Mix

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

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

Establish Performance Objectives and Targets

The ultimate objective of the Company is to drive long-term sustainable growth in shareholder value by engaging and motivating our employees to deliver quality projects on time and on budget for our clients around the globe. 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-term and long-term incentive plans to ensure alignment with our strategic plan. We believe that key financial results, including Company profit, earnings per share and cash management, measure the sustainability of our core operations and drive long-term value creation. Our non-financial goals reflect our strong commitment to ethical business practices and the health and safety of our employees, over and above their individual performance. Our LTIP incorporates relative TSR targets, thereby strengthening the alignment of our executive compensation with shareholder return.

Performance targets under the AIP are set on an annual basis. The target-setting process occurs in conjunction with our annual budget-setting process which is reviewed by the HR Committee. Performance target recommendations by management for AIP purposes are put forward for HR Committee review and Board approval. In assessing these recommendations, the HR Committee and Board confer with the Audit Committee and consider historical performance achievement and market and stakeholder expectations.

During the Year and Following Year-End:

Assess the Executive Compensation Policy and Programs

The HR Committee reviews the Company's executive compensation policy and programs on an as-needed basis 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 President and CEO shares and reviews performance results with the HR Committee, and discusses how the Company, Senior Officers and other EVPs not reporting directly to the President and 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 or other types of transactions by the Company during the year. In 2018, the Board did not make any adjustments to performance goals.

At the end of the year, the HR Committee reviews performance against pre-set financial and non-financial goals considering input from management and its independent advisor. Additionally, the President and CEO shares with the HR Committee individual performance ratings for each Senior Officer and other EVPs not reporting directly to him.

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 2018, the Board did not exercise discretion when approving payouts.

OUR COMPENSATION PHILOSOPHY

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

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

Risk Management
The HR Committee ensures that the executive compensation policy encourages behaviour that drives sustainable long-term shareholder value while discouraging excessive risk-taking. Consistent with prudent risk management, our executive compensation design incorporates a balance of short-term and long-term incentive programs and a mix of performance metrics (both financial and non-financial). A significant portion of 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 Company 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 clawback provisions which provide 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 EVPs not reporting directly to the President and CEO required under our share ownership guidelines, contributes to our success and helps to align their interests with those of the shareholders. The President and CEO is also subject to a minimum share ownership requirement for one year following retirement.

Executive Pay Comparator Group
The Company uses an Executive Pay Comparator Group, as described below, 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, for our North American Senior Officers both a Canadian and a U.S. group of companies that include companies with a diverse global employee and client base, recognizing that there are few global engineering and construction companies in the world.

This North American Executive Pay Comparator Group is developed based on the following selection criteria:

- Canadian and U.S. publicly-traded companies;
- Companies with annual revenues, market capitalization, and total enterprise value of between approximately half to two times that of the Company;
- Companies evolving in industrial sectors where we compete for talent, including, but not limited to, E&C, oil and gas, utilities and chemicals; and
- Direct competitors that do not meet the scoping criteria (annual revenues, market capitalization, or total enterprise value).

The HR Committee reviews the North American Executive Pay Comparator Group periodically to ensure that it represents 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 in September 2018, when the most recent executive compensation benchmarking exercise was completed.

Below are the Canadian and U.S. groups of companies that form the North American Executive Pay Comparator Group:

Canadian group of companies (n=14)
All data in $MM CAD as at September 15, 2018[1]

Company	Market Capitalization	Total Enterprise Value	Last 12 Months Total Revenues	Primary Industry
Air Canada	$ 7,473	$ 9,811	$ 16,252	Airlines
ATCO Ltd.	$ 4,307	$ 17,714	$ 4,541	Multi-Utilities
Bombardier Inc.	$ 10,989	$ 22,025	$ 20,339	Aerospace and Defense
Cenovus Energy Inc.	$ 14,191	$ 23,807	$ 17,043	Integrated Oil and Gas
CGI Group Inc.	$ 23,830	$ 25,560	$ 10,845	IT Consulting and Other Services
Encana Corporation	$ 15,167	$ 20,581	$ 4,967	Oil and Gas Exploration and Production
Finning International Inc.	$ 4,989	$ 6,232	$ 6,265	Trading Companies and Distributors
Fortis Inc.	$ 18,047	$ 44,663	$ 8,301	Electric Utilities
Kinross Gold Corporation	$ 4,751	$ 5,803	$ 4,142	Gold
Linamar Corporation	$ 3,962	$ 6,118	$ 6,546	Auto Parts and Equipment
Nutrien Ltd.[2]	$ 44,892	$ 58,186	$ 17,684	Fertilizers and Agricultural Chemicals
Stantec Inc.[3]	$ 3,722	$ 4,428	$ 3,417	Research and Consulting Services
Teck Resources Limited	$ 17,561	$ 22,677	$ 12,048	Diversified Metals and Mining
WSP Global Inc.	$ 7,338	$ 8,465	$ 6,942	Engineering and Construction
Median	**$ 9,231**	**$ 19,148**	**$ 7,622**	
SNC-Lavalin Group Inc.	**$ 9,222**	**$ 11,819**	**$ 10,509[4]**	**Engineering and Construction**

[1] Source: S&P Capital IQ, McGraw Hill Financial.

[2] On January 2, 2018, Agrium Inc. and Potash Corp. of Saskatchewan Inc. completed a merger, forming a new company to be known as Nutrien Ltd.

[3] Although Stantec Inc. does not meet three of the above selection criteria, it is included in the North American Executive Pay Comparator Group as it is part of the peer group used by SNC-Lavalin in its presentations to investors.

[4] Revenue was provided by SNC-Lavalin.

U.S. group of companies (n=15)
All data in $MM USD as at September 15, 2018[1][2]

Company	Market Capitalization	Total Enterprise Value	Last 12 Months Total Revenues	Primary Industry
AECOM	$ 5,216	$ 8,477	$ 18,203	Engineering and Construction
Ashland Global Holdings Inc.	$ 5,281	$ 7,631	$ 3,260	Specialty Chemicals
Axalta Coating Systems Ltd.	$ 7,033	$ 10,463	$ 4,377	Specialty Chemicals
Celanese Corporation	$ 15,274	$ 18,553	$ 6,140	Specialty Chemicals
EMCOR Group, Inc.	$ 4,487	$ 4,484	$ 7,687	Engineering and Construction
Fluor Corporation	$ 8,133	$ 8,148	$ 19,521	Engineering and Construction
Huntsman Corporation	$ 6,762	$ 9,926	$ 8,358	Diversified Chemicals
Jacobs Engineering Group Inc.	$ 10,753	$ 12,362	$ 10,023	Engineering and Construction
KBR, Inc.	$ 2,772	$ 3,354	$ 4,171	Engineering and Construction
McDermott International, Inc.[3]	$ 3,320	$ 5,986	$ 4,020	Oil and Gas Equipment and Services
Murphy Oil Corporation	$ 5,352	$ 7,358	$ 2,098	Oil and Gas Exploration and Production
National Oilwell Varco, Inc.	$ 16,950	$ 18,596	$ 7,304	Oil and Gas Equipment and Services
Quanta Services, Inc.	$ 5,160	$ 5,898	$ 9,466	Engineering and Construction
RPM International Inc.	$ 8,993	$ 10,831	$ 5,322	Specialty Chemicals
TechnipFMC plc	$ 13,648	$ 11,960	$ 15,057	Oil and Gas Equipment and Services
Median	**$ 6,762**	**$ 8,477**	**$ 7,304**	
SNC-Lavalin Group Inc.	**$ 7,079**	**$ 9,072**	**$ 8,106[4]**	**Engineering and Construction**

[1] Source: S&P Capital IQ, McGraw Hill Financial.

[2] Converted to CAD using the relevant spot currency exchange rates.

[3] Chicago Bridge & Iron Company N.V. combined with McDermott International, Inc. on May 10, 2018 and is now known as McDermott International, Inc.

[4] Revenue was provided by SNC-Lavalin. Financials of SNC-Lavalin are converted in USD at the exchange rate of 1 CAD = 0.77 USD as of September 15, 2018.

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

Target Positioning

For our North American Senior Officers, the executive compensation policy targets TDC, specifically base salary and target short-term and long-term incentive awards (at grant date fair value), at median compared to the North American Executive Pay Comparator Group, giving equal weighting to each of the Canadian and U.S. groups of companies without adjusting for currency exchange, with above median pay realized through incentive payouts for above target performance and below median pay realized for below target performance.

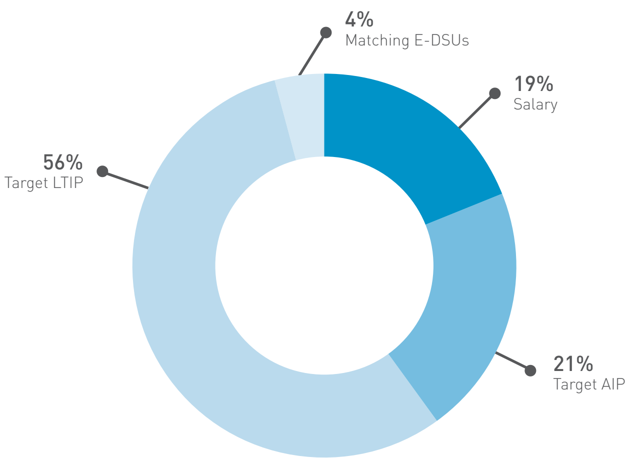
Pension, benefits and perquisites are targeted at a level that is competitive with local companies of similar size.

EXECUTIVE COMPENSATION DESIGN AND MIX

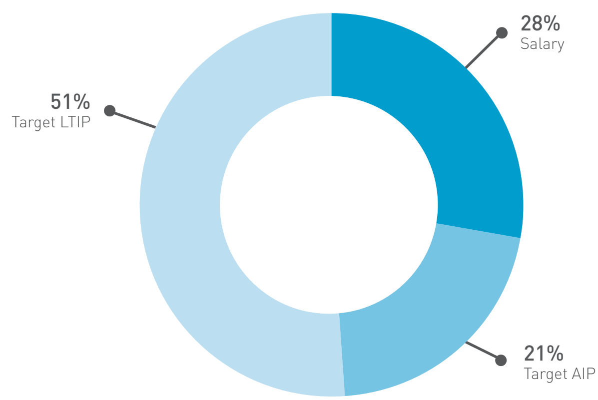
There are six (6) elements incorporated in our executive compensation program: i) base salary, ii) AIP, iii) LTIP, iv) ESOP, v) pension, and vi) benefits and perquisites.

A significant portion of our NEOs' compensation is variable and linked to performance against our short-term financial and non-financial objectives under our AIP, and TSR as well as share price performance under our LTIP. The following charts illustrate our President and CEO's 2018 target TDC mix as well as that of the other NEOs (on average).

CEO Target TDC Mix[1]



Average NEO Target TDC Mix[2]



[1] According to the terms of his Employment Agreement as President and CEO and amendment thereto dated June 8, 2017, Mr. Bruce is deemed to elect, annually, to convert $500,000 of his bonus under the AIP into E-DSUs and he receives a Company-matching grant of 50% of his deemed elected E-DSUs – details can be found in the "E-DSUP Design" subsection of this CD&A. The full amount of his bonus is included in "Target AIP" in this graph.

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

COMPONENTS OF COMPENSATION

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

Component	Risk	Objectives	Time Frame	Description
Components of TDC				
Base Salary	Fixed	Provides competitive level of fixed compensation	Set annually	• Primary fixed component of TDC • While typically set in reference to the median of their Executive Pay Comparator Group, individual NEO salaries reflect level of responsibility, skills and experience, as well as individual performance
AIP	Variable	Rewards for individual contributions to and achievement of Company objectives	1 year	• Cash bonus • Payout based on combination of Board-approved financial and non-financial objectives, the latter including individual performance
2014 PSUP and 2017 PSUP	Variable	Promotes retention, rewards performance and creates incentive to enhance shareholder value	3 years	• Annual grants • Cliff vesting (0-200% of units granted) on the third December 31st following the grant date based on Company relative TSR performance vs. the Performance Comparator Group
RSUP	Variable	Promotes retention and rewards contribution to long-term value creation	3 years	• Annual grants • Cliff vesting on the third anniversary of the grant
E-DSUP	Variable	Aligns the interests of management with those of shareholders and rewards contribution to long-term value creation	5 years when granted (vesting)	• Grants are made on an *ad hoc* basis under special circumstances. These awards are subject to ratable vesting of 20% at the end of each calendar year following the date of grant • Separately and effective 2017, Senior Officers and other EVPs not reporting to President and CEO subject to share ownership requirements have the option to elect to convert all or part of their bonus under the AIP into E-DSUs to assist them in meeting their requirements. E-DSUs received pursuant to an election to convert a bonus under the AIP into E-DSUs are immediately vested • Payout of vested units made one year following the termination of employment
Other Components of Compensation				
ESOP	Variable	Encourages share ownership and aligns participant interests with shareholder interests	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 • Senior Officers and other EVPs not reporting to President and CEO subject to share ownership requirements may contribute up to 20% without the Company-matching contribution on the incremental 10%
MSOP	Variable		5 years	• Legacy plan, 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	• Flexible group life, health and disability insurance program and perquisite allowance
Pension	Fixed		1 year	• DCPP – a registered retirement plan • SERP – a non-registered supplemental executive retirement plan

COMPONENTS OF TDC

Base Salary

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

The following table outlines our NEOs' 2018 base salaries:

Executive	Annual Base Salary at Year-End		
	2017	2018	Change from 2017
Neil Bruce	$1,133,000	$1,163,600	2.7%
Sylvain Girard[1]	$ 566,500	$ 630,000	11.2%
Christian Brown[2]	$ 978,455	$1,002,320	2.4%
Sandy Taylor	$ 666,250	$ 666,250	0.0%
Ian Edwards	$ 728,000	$ 747,000	2.6%

[1] Mr. Girard's salary was increased by 2.7% to $582,000 during the annual compensation review of March 2018; it was further increased in July 2018 to $630,000 following concerns that were raised at the February 2018 HR Committee meeting about its competitiveness and based on a specific market pricing conducted by Willis Towers Watson.

[2] Mr. Brown's salary is paid in USD. For the purposes of this disclosure, amounts were converted to CAD using the December 31, 2018 spot currency exchange rate of 1 USD =1.3637 CAD.

AIP

Our NEOs are eligible to participate in the 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. The threshold, target and maximum awards for our NEOs are as follows:

Executive	Below Threshold (% of salary)	Target (% of salary)	Maximum (% of salary)
Neil Bruce	0%	110%	220%
Sylvain Girard	0%	75%	150%
Christian Brown	0%	75%	150%
Sandy Taylor	0%	75%	150%
Ian Edwards	0%	75%	150%

Performance Measurement

The plan structure for 2018 was changed in the following manner:

- All Executive Committee members are now measured on the same line of sight, namely SNC-Lavalin, irrespective of their sector responsibilities;
- SG&A metric was eliminated and the Free Cash Flow metric's weight was increased to 30%. The weight of other metrics of the financial component were rebalanced accordingly; and
- Non-financial measures were modified for simplicity and more concrete measurement.

The performance score under the AIP is calculated as follows:

Performance Score
(0-200%)

=

Financial Objectives
(2/3 Weighting)

1. SNC-Lavalin Adjusted EBITDA (35%)
2. Adjusted diluted EPS from E&C (35%)
3. SNC-Lavalin Free Cash Flow (30%)

+

Non-Financial Objectives
(1/3 Weighting)

1. Integrity (15%)
2. Health, Safety, Security and Environment (15%)
3. Individual performance rating – Strategy, Organization and People (70%)

2018 Financial Performance Objectives and Achievement

In 2018, the financial measures were SNC-Lavalin Adjusted EBITDA, Adjusted diluted EPS from E&C and SNC-Lavalin Free Cash Flow.

The full year Adjusted diluted EPS from E&C and SNC-Lavalin Adjusted EBITDA, which account for 70% of the financial performance under the AIP, were well below threshold level and expectations given the challenges met in the Mining & Metallurgy and Oil & Gas segments and despite the positive financial contribution and performance of the Nuclear, EDPM and Infrastructure segments. Cash flow from operations, and therefore SNC-Lavalin Free Cash Flow, also suffered from the lower profitability of the Mining & Metallurgy and Oil & Gas segments as well as timing of milestone payments in the Infrastructure segment.

On the non-financial side, the Company continues to lead with its standard-setter Integrity program and has delivered above target HSSE performance overall.

Performance Measure (Weighting)[1]	Threshold (0% payout)	Target (100% payout)	Maximum (200% payout)	Actual Achievement	Actual Score[2]
SNC-Lavalin Adjusted EBITDA (000s) (35%)	$ 949,054	$ 1,046,272	$ 1,143,490	$ 582,418	0%
Adjusted diluted EPS from E&C (35%)	$ 2.07	$ 2.50	$ 2.93	$ 0.25	0%
SNC-Lavalin Free Cash Flow (000s) (30%)	$ 179,030	$ 289,170	$ 591,688	$ (456,474)	0%

[1] The terms "SNC-Lavalin Adjusted EBITDA", "Adjusted diluted EPS from E&C" and "SNC-Lavalin Free Cash Flow" are non-IFRS performance measures, which do not have any standardized meaning under IFRS. Therefore, they may not be comparable to similar measures presented by other issuers. A definition and a reconciliation of SNC-Lavalin Adjusted EBITDA and Adjusted diluted EPS from E&C with IFRS measures can be found in the Company's 2018 MD&A. SNC-Lavalin Free Cash Flow corresponds to its net cash used for operating activities of $(303,529,000) in 2018 added to capital expenditures of $(152,945,000) in 2018.

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

Given the disappointing overall financial performance of the Company, as measured under the AIP, the financial component of the plan is not paying out for the 2018 performance year.

2018 Non-Financial Performance Objectives and Achievement

In 2018, our non-financial performance measures included Integrity and HSSE, as well as individual performance.

Performance Measure (Weighting)	Objectives	Achievements
Integrity (15%)	• Score is 0% in the case of a written warning/sanction at individual level • Continuously improve the effectiveness and sustainability of the Integrity program • Effectively execute and operationalize the Integrity program: completing mandatory trainings and addressing the Company's Ethics and Compliance Committee's recommendations	• Integrity program is operating effectively and is seen as best in class for industry segment; execution is at the maximum performance level both in terms of mandatory trainings and addressing recommendations • Assessment: close to maximum performance
HSSE (15%)	• Score of 0% in the case of a fatality • Total recordable incident frequency (TRIF): 0.14 • Lost time incident frequency (LTIF): 0.013 • Leading indicators (site safety visits and completion of personal safety commitment) for members of the Executive Committee • "Perfect Days": 45 days	• Overall, TRIF objective attained, but below threshold for LTIF • Assessment for Perfect Days: 50 days, maximum achieved
Individual Performance Rating (70%)	• Each NEO had specific individual performance objectives	• For a discussion regarding individual executive achievements against these objectives, see the "President and CEO Compensation and Review" and "Other NEO Compensation and Review" subsections of this CD&A

2018 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 2018 performance year:

Executive		Actual AIP payout[1]	Actual AIP as a % of Target
Neil Bruce	$	0	0%
Sylvain Girard	$	0	0%
Christian Brown	$	0	0%
Sandy Taylor	$	195,295	39%
Ian Edwards	$	284,328	51%

[1] MM. Bruce, Girard and Brown relinquished their 2018 AIP payouts due to the financial results of the Company.

LTIP

In addition to the 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). Our NEOs and other executive-level employees receive their annual grant of LTIP, calculated as a percentage of salary in accordance with their terms of employment, once a year and just after the year-end results are published. Off-cycle LTIP grants may be made exceptionally at other times of the year in connection with promotions or recruitment of executives.

PSUP

PSUP Design

Under the PSUP adopted in 2017 and the prior PSUP adopted in 2014, the interests of our eligible employees and executives are aligned with those of our shareholders by tying the vesting of PSUs to the ranking of our TSR relative to the Performance Comparator Group, as described below, over a three-year period. TSR measures the appreciation of our Common Shares as well as dividends paid during the performance period assuming dividend reinvestment.

The 2018 PSU grant has a performance period from January 1, 2018 to December 31, 2020 and units vest at the end of the third calendar year. At vesting, the number of units granted will be adjusted by the performance payout multiplier (0% to 200% of the units granted), based on performance according to the following schedule:

Relative TSR Rank vs. Performance Comparator Group	Performance Payout Multiplier[1] [2]
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.

[2] Under the 2017 PSUP, the performance payout multiplier is capped at 100% for participants terminated without cause when the payouts are triggered by a termination in the first two years of the three-year performance period.

At the end of the three-year period, the actual number of vested units, adjusted for performance, is settled in cash or, if elected by the Senior Officer subject to share ownership requirements, in Common Shares purchased on the open market, net of all applicable taxes.

The Performance Comparator Group for the relative TSR measurement is composed of global E&C services, infrastructure, oil and gas equipment and services companies of comparable size, against which SNC-Lavalin competes directly for E&C business and investment capital. The selection criteria used to identify companies for the Performance Comparator Group are:

- Global publicly-traded companies;
- Companies involved in a similar industry, namely E&C and oil and gas equipment and services;
- Companies of comparable size with annual revenues and market capitalization greater than $2B and market capitalization similar to the Company's structure; and
- Companies with more than ten thousand (10,000) employees and with global operations.

Below are the companies that form the Performance Comparator Group:

All data in $MM CAD as at December 31, 2018[1][2]

Company	Market Capitalization	Total Enterprise Value	Last 12 Months Total Revenues	Primary Industry
ACS, Actividades de Construcción y Servicios, S.A.	$16,294	$30,544	$54,393	Engineering and Construction
AECOM	$ 5,654	$ 9,646	$26,054	Engineering and Construction
Balfour Beatty plc	$ 2,948	$ 3,202	$11,441	Engineering and Construction
Ferrovial, S.A.	$20,062	$28,538	$18,215	Engineering and Construction
Fluor Corporation	$ 6,181	$ 6,124	$25,068	Engineering and Construction
Jacobs Engineering Group Inc.	$11,354	$13,331	$19,370	Engineering and Construction
KBR, Inc.	$ 2,918	$ 3,753	$ 5,843	Engineering and Construction
VINCI SA	$63,303	$91,506	$64,898	Engineering and Construction
John Wood Group plc	$ 5,920	$ 8,026	$11,005	Oil and Gas Equipment and Services
McDermott International, Inc.[3]	$ 1,612	$ 5,672	$ 6,915	Oil and Gas Equipment and Services
TechnipFMC plc	$11,965	$ 9,975	$16,692	Oil and Gas Equipment and Services
WorleyParsons Limited	$ 5,072	$ 5,771	$ 4,699	Oil and Gas Equipment and Services
Median	**$ 6,051**	**$ 8,836**	**$17,453**	
SNC-Lavalin Group Inc.	**$ 8,061**	**$10,746**	**$10,084**	**Engineering and Construction**

[1] Source: S&P Capital IQ, McGraw Hill Financial.

[2] Converted to CAD using the relevant spot currency exchange rates on December 31, 2018.

[3] Chicago Bridge & Iron Company N.V. combined with McDermott International, Inc. on May 10, 2018 and is now known as McDermott International, Inc.

2018 PSU Grants

Under this plan, participants are awarded a number of units based on a target percentage of the participant's base salary on the date of grant. The following PSU grants were made to NEOs in 2018:

	2018 PSU Awards			
Executive	**Target LTI as a % of Base Salary**	**Portion of LTI granted in PSUs**	**Grant Date Fair Value**	**Number of Units Awarded[1]**
Neil Bruce	300%	60%	$2,094,480	37,395
Sylvain Girard	180%	60%	$ 628,560[2]	11,223
Christian Brown[3]	180%	60%	$1,029,082	18,374
Sandy Taylor	180%	60%	$ 719,550	12,847
Ian Edwards	180%	60%	$ 806,760	14,404

[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 5, 2018), which was $56.01.

[2] Based on Mr. Girard's salary of $582,000 at the date of grant (March 5, 2018).

[3] Mr. Brown's PSU award valued at USD 793,800 has been converted to CAD using the spot currency exchange rate, on the date of grant (March 5, 2018), of 1 USD = 1.2964 CAD.

2016 PSU Vesting and Settlement

PSU awards made by the Company in 2016 vested on December 31, 2018. The performance payout multiplier for the 2016 grant (performance period from January 1, 2016 to December 31, 2018) was determined according to the methodology described in this CD&A.

During this performance period, the Company achieved a TSR of 18.8%, which placed the Company's TSR at the 67th percentile within its Performance Comparator Group. As a result, PSUs granted in 2016 vested with a performance payout multiplier of 168%.

RSUP

RSUP Design

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

2018 RSU Grants

Under this plan, participants are awarded a number of units based on a target percentage of the participant's base salary on the date of grant. The following RSU grants were made to NEOs in 2018:

	2018 RSU Awards			
Executive	Target LTI as a % of Base Salary	Portion of LTI granted in RSUs	Grant Date Fair Value	Number of Units Awarded[1]
Neil Bruce	300%	40%	$1,396,320	24,930
Sylvain Girard	180%	40%	$ 419,040[2]	7,482
Christian Brown[3]	180%	40%	$ 686,055	12,249
Sandy Taylor	180%	40%	$ 479,700	8,565
Ian Edwards	180%	40%	$ 537,840	9,603

[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 5, 2018), which was $56.01.

[2] Based on Mr. Girard's salary of $582,000 at the date of grant (March 5, 2018).

[3] Mr. Brown's RSU award valued at USD 529,200 has been converted to CAD using the spot currency exchange rate, on the date of grant (March 5, 2018), of 1 USD = 1.2964 CAD.

E-DSUP

E-DSUP Design

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 for a five-year period and are paid out one year following termination of employment.

As per the terms of his Employment Agreement as President and CEO and amendment thereto dated June 8, 2017, starting with the 2018 performance year and unless otherwise confirmed by Mr. Bruce, the President and CEO is deemed annually to have elected to convert $500,000 of his bonus under the AIP into E-DSUs, with a 50% Company-matching grant. Mr. Bruce has relinquished his AIP payout for the 2018 performance year. Therefore, the deemed election is void and the Company-matching grant does not apply for the 2018 performance year. As stated in the relevant subsection of the CD&A of the 2018 Management Proxy Circular, Mr. Bruce was exceptionally allowed in 2017 to convert up to $1,000,000 of his bonus under the 2017 AIP into E-DSUs. He elected to make that conversion and received a $500,000 Company-matching grant of E-DSUs in March 2018.

While E-DSUs received by Mr. Bruce pursuant to his deemed election to convert his bonus under the AIP into E-DSUs are fully vested at the time of conversion and are not forfeitable, the related 50% Company-matching grant vests in accordance with the E-DSUP provisions (i.e. 20% vesting at the end of each calendar year for a five-year period).

In addition, Senior Officers and other EVPs not reporting to President and CEO subject to share ownership requirements have the option to annually elect to convert their bonus under the AIP, in whole or in part, into E-DSUs. This conversion option was offered to facilitate Senior Officers' achievement of share ownership requirements within the prescribed time limits. NEOs paying taxes in Canada – MM. Girard, Taylor and Edwards – could take advantage of such conversion in 2018 for the 2018 performance year. They all elected to make the conversion of their full bonus. Given that Mr. Girard relinquished his 2018 AIP payout, the elected conversion is now void. As stated in the relevant subsection of the CD&A of the 2018 Management Proxy Circular, MM. Girard, Taylor and Edwards also elected in 2017 to convert in whole, their bonus under the 2017 AIP into E-DSUs. They received their elected E-DSUs in March 2018. Given that Mr. Brown is a U.S. taxpayer and subject to the U.S. tax code, he was offered the option to make such election in 2017 for the 2018 performance year and in 2018 for the 2019 performance year to be compliant with tax regulations. He did not elect to make such conversions.

These E-DSUs received by NEOs pursuant to their election to convert their bonus under the AIP into E-DSUs, whether in whole or in part, are fully vested at the time of grant, are not forfeitable and there are no Company-matching grants related to them.

Stock Option Plan

Effective 2014, annual recurring grants under our stock option plans have been discontinued; however, previous grants of stock options made to eligible executives, including our President and CEO, remain outstanding and vest in accordance with plan rules. Stock options granted under our 2013 Stock Option Plan have a term of six years. Vesting of options granted under that plan occurs one-third per year beginning two years from the date of grant. All stock options granted under our 2011 Stock Option Plan were expired as of December 31, 2018. No stock options were granted in 2018.

OTHER COMPONENTS OF COMPENSATION

ESOP

The ESOP is a voluntary share purchase plan that encourages the equity participation of our employees, emphasizing the Company's belief that share ownership by employees contributes to the Company's success. This plan is available to the vast majority of Canadian employees as well as to employees in a number of business units outside of Canada. It provides for a matching contribution by the Company of 35% (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 Senior Officers subject to share ownership requirements to contribute up to 20% of their base salary in the ESOP. However, contributions in excess of 10% of base salary do not attract the Company-matching contribution.

Approximately 5,600 employees participated in the ESOP and through this plan held Common Shares representing approximately 2% of all Common Shares outstanding as at December 31, 2018.

MSOP

The Company no longer offers participation in the MSOP. However, Company-matching contributions under this program remain outstanding for eligible executives, including our President and CEO.

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 equal installments, a total contribution equal to the participant's contribution. The Company contribution was used to purchase Common Shares of the Company, provided that during the five-year period, the participant remained an employee of the Company and did not sell the underlying Common Shares bought with his own contribution. A participant may sell shares in the MSOP at any time; however, if this occurs prior to all installments of the Company-matching contribution being made, such future installments of the Company contribution are forfeited.

Pension

Except for Mr. Bruce, our NEOs located in Canada (all other NEOs but Mr. Brown) participate in the DCPP, which is available to the vast majority of our Canadian employees. Annually, the Company contributes a percentage of the participating NEO's annual base salary to the DCPP, subject to the maximum amounts allowed under the *Income Tax Act* (Canada) for registered plans. The DCPP offers target-date funds in line with the expected retirement date of the participant, each of which has three different risk profiles (conservative, moderate, aggressive), as well as à-la-carte investment funds.

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

Mr. Bruce, in accordance with his Employment Agreement, receives his retirement savings in the form of a taxable cash allowance of 20% of his annual base salary.

Since the date of his appointment as CDO, Mr. Brown is eligible to participate in the Company's 401(k) plan in the U.S. in accordance with Company policy. His eligibility to the Company's 401(k) plan was maintained following his nomination to the role of President, Oil & Gas sector. He has elected not to participate in the Company's 401(k) plan.

Benefits and Perquisites

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

PRESIDENT AND CEO COMPENSATION AND REVIEW

As per the terms of his Employment Agreement as President and CEO, amended on June 8, 2017, Mr. Bruce is entitled to the following annual compensation package:

- A base salary of $1,163,600;
- A target AIP of 110% of base salary;
- A target LTIP of 300% of base salary (PSUs and RSUs); and
- Unless otherwise confirmed by the President and CEO and effective 2018, a deemed election to annually convert $500,000 of his bonus under the AIP into E-DSUs with a Company-matching grant of 50% (i.e. a matching E-DSU grant value of $250,000).
  - The deemed elected E-DSUs fully vest at the time of conversion, and are not forfeitable; and
  - The related Company-matching grant of 50% of the deemed elected E-DSUs vest in accordance with the E-DSUP provisions (i.e. 20% vesting at the end of each calendar year for a five-year period).

Given that Mr. Bruce relinquished his 2018 AIP payout, the deemed conversion is void and the Company-matching grant does not apply for the 2018 performance year.

Performance Overview

The President and CEO's individual achievements for 2018 were reviewed by the HR Committee and the Board. They are as follows:

- Completed the integration of Atkins, delivered above the financial targets and retained key staff;
- Completed the integration of Atkins' and SNC-Lavalin's nuclear businesses into one top tier global supplier;
- Updated the Culture and Customer surveys as part of the Company's Operational Excellence initiative, showing important progress in the year;
- Settled historical complex claims (excluding the federal charges);
- SNC-Lavalin ranked as Number 3 design firm as recognized by Engineering News-Record (ENR) global ranking; and
- Participated & co-chaired the "Partnering Against Corruption Initiative" as part of the World Economic Forum.

AIP Payout

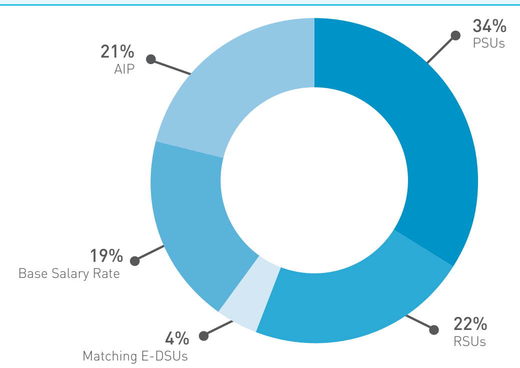
Mr. Bruce has relinquished his 2018 AIP payout given the Company's financial results.

2018 LTIP Grants

In 2018, Mr. Bruce's annual LTIP grant was 300% of salary (i.e. $ 3,490,800), 60% of which was granted in the form of PSUs and 40% of which was granted in the form of RSUs.

Summary of President and CEO Compensation

Compensation Component	Target Compensation	Target Pay Mix
Base Salary	**$1,163,600**	
AIP		
Financial Component (2/3)	$ 853,307	
Non-Financial Component (1/3)	$ 426,653	
Total	**$1,279,960**	
Long-Term Incentives		
PSUs (60%)	$ 2,094,480	
RSUs (40%)	$ 1,396,320	
Matching E-DSUs[1]	$ 250,000	
Total	**$3,740,800**	
Annual TDC	**$6,184,360**	



[1] Effective with the 2018 performance year, Mr. Bruce is deemed to annually elect to convert $500,000 of his bonus under the AIP into E-DSUs with a Company-matching grant of 50% (i.e. a matching E-DSU grant value of $250,000).

President and CEO Realized and Realizable Compensation: 2016-2018

The following table compares the value of target TDC (i.e. recurring compensation excluding special awards) awarded to our President and CEO with the value of realized and realizable TDC (i.e. what was actually received or "realized" plus the market value of outstanding awards, or what was "realizable") as at December 31, 2018.

Specifically, target TDC 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.

Year	Target Total Direct Compensation Awarded ($000s)	Realized/Realizable Total Direct Compensation as at Dec. 31, 2018 ($000s)	Period	Value of $100 invested annually in compensation and in shares	
				CEO[1][2]	Shareholders[3]
2016	5,860	7,286	Jan. 1, 2016 – Dec. 31, 2018	$124	$119
2017	6,023	5,447	Jan. 1, 2017 – Dec. 31, 2018	$ 90	$ 83
2018	6,179	4,431	Jan. 1, 2018 – Dec. 31, 2018	$ 72	$ 82
Aggregate	18,062	17,164	Jan. 1, 2016 – Dec. 31, 2018	$ 95	$119

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

[2] Outstanding units under the LTIP are valued using the closing share price of $45.92 as at December 31, 2018. A performance payout multiplier of 100% is assumed for PSUs granted in 2017 and 2018. PSUs granted in 2016 are valued with a performance payout multiplier of 168% and with a share price of $45.14 (five-day average closing price of Common Shares immediately preceding the vesting date of December 31, 2018).

[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.

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 2018:

NEO	Achievements During 2018
Sylvain Girard	• Refinanced $1.2B in debt resulting in interest savings of $17M in 2018 and $24M annually • Improved financial systems and closing processes through enhancements on Hyperion and implementation of new worldwide travel expense management system (Concur) • Supported and drove the delivery of $120M of cost synergies following the acquisition of Atkins in 2017 • Continued to strengthen and develop the finance leadership talent pool with key promotions • Supported the segment reorganization post-Atkins acquisition and ensured timely and accurate external financial reporting • Continued to drive stronger cash focus and visibility through process improvements and thought leadership
Christian Brown	• Designed and supported increased commercial resources into the business, materially improving/ solving Middle East related commercial change requests and disputes • Refocused business bidding culture growing pipeline to $75 billion CAD in addition to $17.2 billion CAD of bids submitted during 2018, representing a 50% increase in bidding activity year over year • Defined and implemented SNC-Lavalin digital strategy within Oil & Gas
Sandy Taylor	• Awarded numerous contracts for tooling, engineering and Fuel Channel and Feeder Replacement (FCFR) for the Bruce Power refurbishment program • Successfully integrated Atkins (including former Energy Solutions PPT business) with SNC-Lavalin Nuclear sector, forming a global nuclear focussed sector with broad capabilities across the nuclear value chain from design and new build as well as operational reactor support, to decontamination and decommissioning and waste management technologies and services • Successfully completed Argentina's Embalse Candu reactor refurbishment • Continued progress to schedule and budget for Ontario Power Generation (OPG)'s Darlington Unit 2 refurbishment project • Established a joint venture company called CDI (Comprehensive Decommissioning International) with U.S. based Holtec company to decontaminate and decommission nuclear reactors; CDI was successfully awarded a number of projects including Exelon's Oyster Creek and Entergy's Pilgrim and Pallisades reactors
Ian Edwards	• Won $3.1 billion of new bookings, including engineering, projects delivery and Operations and Maintenance contracts for Montreal's LRT network (REM) with strong book-to-bill ratio in the engineering unit and new contracts in the Operations and Maintenance unit • Selected as Preferred Proponent for Ontario's Trillium Line Extension • Continued the successful delivery on our current major projects: Champlain bridge, Eglinton LRT, Ottawa LRT, White Rose Extension - Husky • Positioned the infrastructure business for future growth in its core markets, namely Canada and the U.S.

Aggregate NEO Realized and Realizable Compensation: 2016-2018

The following table compares the value of target TDC (i.e. recurring compensation excluding special awards) awarded to our other NEOs with the value of realized/realizable TDC (i.e. what was actually received or "realized" plus the market value of outstanding awards, or what was "realizable") as at December 31, 2018.

The table includes MM. Girard, Taylor, Brown and Edwards for 2016, 2017 and 2018. Mr. Girard and Mr. Brown's compensation in their prior roles is included (see notes).

Year	Target Total Direct Compensation Awarded ($000s)	Realized/Realizable Total Direct Compensation as at Dec. 31, 2018 ($000s)	Period	Value of $100 invested annually in compensation and in shares	
				Other NEOs[1][2]	Shareholders[3]
2016[4][5]	9,163	10,577	Jan 1, 2016 – Dec 31, 2018	$115	$119
2017	10,314	9,370	Jan 1, 2017 – Dec 31, 2018	$ 94	$ 83
2018	10,498	7,793	Jan 1, 2018 – Dec 31, 2018	$ 74	$ 82
Aggregate	29,975	27,740	Jan 1, 2016 – Dec 31, 2018	$ 93	$119

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

[2] Outstanding units under the LTIP are valued using the closing share price of $45.92 on December 31, 2018. Performance payout multiplier of 100% is assumed for PSUs granted in 2017 and 2018. PSUs granted in 2016 are valued with a performance payout multiplier of 168% and with a share price of $45.14 (five-day average closing price of Common Shares immediately preceding the vesting date of December 31, 2018).

[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.

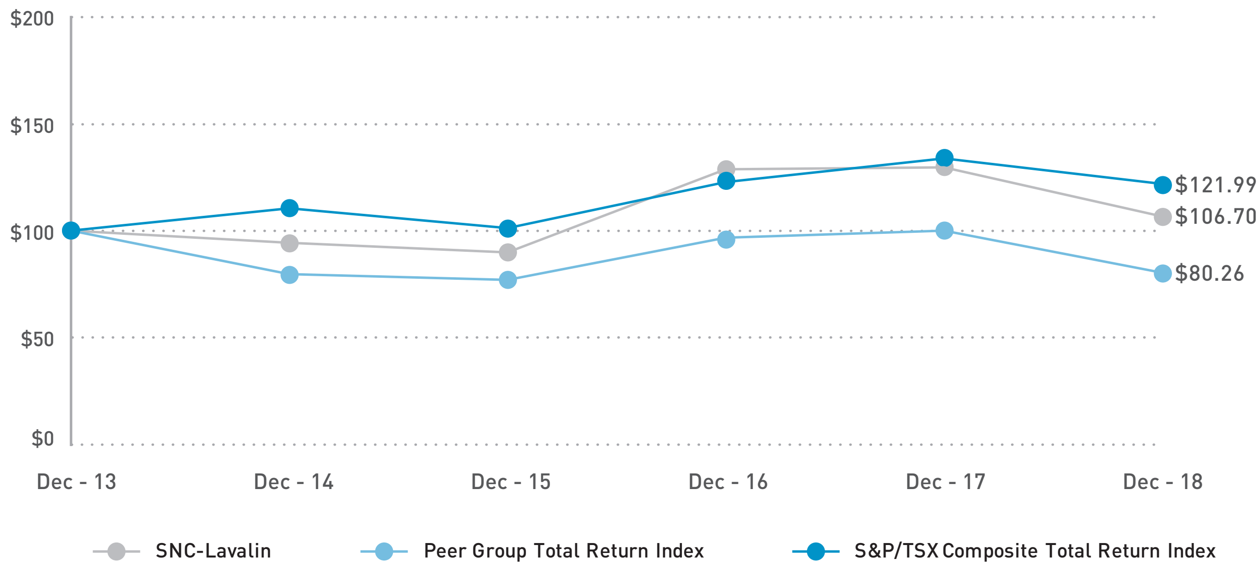
[4] Mr. Girard's salary of $422,307 and target AIP of 50% for his role as SVP and Corporate Controller are used for the period between January 1, 2016 and April 4, 2016, before his appointment to the role of Executive Vice-President and CFO.

[5] Mr. Brown's salary of USD 831,519, target AIP of 120% and target LTIP of 100% for his initial appointment to the role of President, Oil & Gas sector are used for the period between January 1, 2016 to August 15, 2016, before his appointment to the role of CDO. Mr. Brown's compensation package was not modified upon his re-appointment to the role of President, Oil & Gas sector on September 14, 2017. USD amounts were converted to CAD using monthly average currency exchange rates during the relevant periods.

PERFORMANCE GRAPH

The graph depicts the cumulative return of a $100 investment on December 31, 2013, 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 E&C companies, which includes AECOM, Balfour Beatty plc, Fluor Corporation, Jacobs Engineering Group Inc., McDermott International, Inc., John Wood Group plc and WorleyParsons Limited. The peer group is a subgroup of the Performance Comparator Group presented in the "PSUP Design" subsection of this CD&A. For calculation purposes, a weighted-average based on market capitalization of each company in the peer group was used.

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



Value of $100 invested on December 31, 2013 (assumes dividends are reinvested)

Financial Years	Dec-13	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18
SNC-Lavalin	100.00	94.53	89.86	128.79	129.75	106.70
Peer Group Total Return Index	100.00	79.71	77.11	96.88	100.13	80.26
S&P/TSX Composite Total Return Index	100.00	110.55	101.36	122.73	133.89	121.99

The Company believes in providing a significant portion of NEO compensation in the form of long-term incentives, which mirror the trend in share price movement and serve to align the interests of management with those of our shareholders. As illustrated in the "President and CEO Realized and Realizable Compensation: 2016-2018" and "Aggregate NEO Realized and Realizable Compensation: 2016-2018" subsections of this CD&A, the average value of realized and realizable compensation for our current NEOs is tracking below equivalent shareholder returns over the 3-year performance period (2016-2018).

COST OF MANAGEMENT RATIO

The following table shows the total aggregate compensation awarded to the NEOs for the last three years, expressed as a percentage of net income attributable to SNC-Lavalin shareholders. The total aggregate compensation is the sum of the annual total compensation values as reported in the Summary Compensation Table for the 2016, 2017 and 2018 years.

Year	Total NEO Compensation ($ millions)[1]	Net Income Attributable to SNC-Lavalin Shareholders ($ millions)[2]	Cost of Management Ratio
2018	14.7	(1,316.9)	–[3]
2017	17.8	382.0	4.66%
2016	24.4	255.5	9.55%

[1] NEO compensation is the sum of base salary, non-equity incentives, share-based awards plus the value of any pension benefit and other compensation, as reported in the respective Summary Compensation Tables. NEOs vary as follows from year to year:
- 2016 – MM. Bruce, Girard, Raynaud, Brown, Taylor and Edwards;
- 2017 – MM. Bruce, Girard, Brown, Taylor and Edwards; and
- 2018 – MM. Bruce, Girard, Brown, Taylor and Edwards.

[2] As published in the Company's annual financial statements.

[3] Net income attributable to SNC-Lavalin shareholders is negative in 2018.

SUMMARY COMPENSATION TABLE

The following table sets forth, for the fiscal years ended December 31, 2018, December 31, 2017 and December 31, 2016, the compensation paid by the Company to the NEOs for services rendered in all capacities.

					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	2018	1,158,654	4,019,395	-	-	-	-	270,188	5,448,237
President and CEO	2017	1,127,575	3,427,595	-	1,452,000	-	-	262,560	6,269,730
	2016	1,100,000	3,578,595	-	1,490,100	-	-	243,516	6,412,211
Sylvain Girard	2018	603,692	1,047,600	-	-	-	119,857	18,655	1,789,804
EVP and CFO	2017	563,788	1,019,700	-	1,070,200	-	112,538	16,050	2,782,276
	2016	517,205	800,815	-	558,200	-	95,286	9,225	1,980,731
Christian Brown[6]	2018	948,967	1,715,137	-	-	-	-	-	2,664,104
President, Oil & Gas sector	2017	927,652	1,737,455	-	773,019	-	-	-	3,438,126
(formerly CDO)	2016	884,738	858,728	-	809,979	1,027,089	-	30,013	3,610,547
Sandy Taylor	2018	666,250	1,199,250	-	195,295	-	133,250	22,938	2,216,983
President, Nuclear sector	2017	663,579	1,199,250	-	303,600	-	132,501	22,635	2,321,565
(formerly President, Power sector)	2016	650,000	1,170,000	-	555,200	-	130,003	19,423	2,524,626
Ian Edwards	2018	743,929	1,344,600	-	284,328	-	148,523	15,131	2,536,511
President,	2017	723,397	1,310,400	-	782,100	-	144,308	3,231	2,963,436
Infrastructure sector	2016	670,902	1,170,000	-	754,400	-	133,540	-	2,728,842

[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.

[2] Bonus amounts earned in the respective year and paid in the subsequent year under the AIP. MM. Bruce, Girard and Brown relinquished their 2018 AIP payout due to the financial results of the Company. MM. Taylor and Edwards elected to convert 100% of their bonus under the AIP for the 2018 performance year into E-DSUs. MM. Girard, Taylor and Edwards elected to convert 100% of their bonus under the AIP for the 2017 performance year into E-DSUs. M. Bruce was allowed to convert $1,000,000 of his bonus under the AIP for the 2017 performance year into E-DSUs. Nevertheless, the AIP amount for the respective performance years is included in this column.

Mr. Girard received a cash signing bonus of $900,000 paid in three installments: $150,000 in 2015, $150,000 in 2016 and $600,000 in 2017.

[3] Mr. Brown received the first portion of a retention cash bonus in the amount of USD 1,636,440 in 2015. The second portion of this retention bonus amounting to USD 773,760 was earned and paid in 2016.

[4] Includes the Company's contributions to MM. Girard, Taylor and Edwards' notional account under the SERP and contributions to their DCPP account as described in detail under the "Pension" subsection of this CD&A. Contributions are made by reference to salaries paid within the given year.

[5] Includes 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 received a taxable allowance in lieu of DCPP and SERP. In 2018, this allowance amounted to $231,308.

Since the date of his appointment to the role of CDO, Mr. Brown is eligible to participate in the Company's 401(k) plan in the U.S. in accordance with Company policy. His eligibility to the Company's 401(k) plan was maintained following his nomination to the role of President, Oil & Gas sector, but he has elected not to participate. Prior to his appointment to the role of CDO, Mr. Brown received a retirement savings taxable cash allowance of 7% of his salary, amounting to USD 22,610 in 2016.

[6] Mr. Brown's compensation includes compensation earned in his role of CDO between August 15, 2016 and September 14, 2017. 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 = 1.2961 CAD for the year 2018, 1 USD = 1.2981 CAD for the year 2017 and 1 USD = 1.3274 CAD for the year 2016. Mr. Brown's Share-based Awards were converted to CAD using the exchange rates on the date of grant of 1 USD = 1.2964 CAD (March 5, 2018), 1 USD = 1.3453 CAD (March 13, 2017) and 1 USD = 1.3293 CAD (March 14, 2016).

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, 2018:

	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	454,480	164,773	7,566,376	2,958,580
Sylvain Girard	–	–	–	–	–	44,397	2,038,710	385,498
Christian Brown	–	–	–	–	–	69,798	3,205,124	0
Sandy Taylor	–	–	–	–	–	53,331	2,448,960	248,932
Ian Edwards	–	–	–	–	–	57,968	2,661,891	641,227

(1) This amount is calculated based on the difference between the closing share price of $45.92 on December 31, 2018 and the option exercise price.

(2) This amount is calculated based on the closing share price of $45.92 on December 31, 2018.

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, 2018:

Name	Option-Based Awards – Value Vested During the Year ($)	Share-Based Awards – Value Vested During the Year[1] ($)	Non-Equity Incentive Plan Compensation – Value Vested During the Year[2] ($)
Neil Bruce	–	5,887,973	–
Sylvain Girard	–	1,344,027	–
Christian Brown	–	1,440,991	–
Sandy Taylor	–	2,106,775	195,295
Ian Edwards	–	2,503,572	284,328

(1) Based on a closing share price of $45.92 on December 31, 2018 for the matching E-DSUs attributed to Mr. Bruce that vested on December 31, 2018; based on a share price of $56.42 for RSUs attributed to all NEOs that vested on March 16, 2018 (average closing price); based on a share price of $54.16 for RSUs attributed to Mr. Bruce that vested on April 15, 2018 (average closing price); based on a share price of $45.14 (average closing price) combined with a 168% performance payout multiplier for PSUs attributed to all NEOs that vested on December 31, 2018; and based on a share price of $56.01 for elected or deemed elected E-DSUs received on March 5, 2018 (average closing price) for all NEOs who converted their AIP to E-DSUs (all NEOs but Mr. Brown).

(2) Bonus earned in the year under the AIP. MM. Bruce, Girard and Brown relinquished their 2018 AIP payout due to the financial results of the Company.

Options Exercised During the Year Ended December 31, 2018

No options were exercised by NEOs during the year ended December 31, 2018.

PENSION PLAN BENEFITS

DCPP and SERP

The following table sets forth information with respect to the amounts accumulated under the DCPP and notional SERP accounts:

Name	Accumulated Value at Start of Year ($)	Compensatory Change[1] ($)	Accumulated Value at Year End ($)
(a)	(b)	(c)	(d)
Neil Bruce[2]	–	–	–
Sylvain Girard	321,532	119,857	447,108
Christian Brown[3]	–	–	–
Sandy Taylor	547,800	133,250	693,522
Ian Edwards	441,236	148,523	599,976

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

[2] Mr. Bruce receives his retirement savings in the form of a taxable cash allowance as described in the footnotes to the "Summary Compensation Table".

[3] Since the date of his appointment as CDO, Mr. Brown is eligible to participate in the Company's 401(k) plan in the U.S. in accordance with Company policy. His eligibility to the Company's 401(k) plan was maintained following his nomination to the role of President, Oil & Gas sector, but he has elected not to participate.

EMPLOYMENT AGREEMENTS

The Company has entered into 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 President and CEO in 2015, later amended on June 8, 2017)*
- Mr. Girard – April 4, 2016 *(new agreement following his appointment to the role of EVP and CFO)*
- Mr. Brown – August 15, 2016 *(amended agreement dated September 14, 2017 following his re-appointment to the role of President, Oil & Gas sector)*
- 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.

Termination Not For Cause

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

Type of Allowance		Neil Bruce	Sylvain Girard	Christian Brown	Sandy Taylor	Ian Edwards
Severance	• Twice the sum of the annual base salary plus the annual target bonus under the AIP.	✓			✓	✓
	• One and a half times the sum of the annual base salary plus the annual target bonus under the AIP.		✓			
	• One time the sum of the annual base salary plus the annual target bonus under the AIP.			✓		
Benefits and Perquisites	• Lump sum payment equivalent to pension benefits that would have continued to accrue for two years.	✓			✓	✓
	• Lump sum payment equivalent to pension benefits that would have continued to accrue for 18 months.		✓			
	• Lump sum payment representing the value of perquisites for a two-year period.	✓			✓	✓
	• Lump sum payment representing the value of perquisites for an 18-month 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 following termination.	✓			✓	✓
	• Will continue to vest, become exercisable, be paid or settled (as applicable) as if the individual had remained in employment for 18 months following termination.		✓			
	• Will vest on a prorated basis at the date of termination and be paid or settled (as applicable) following termination.			✓		

The following table sets out the incremental amounts which would have been payable had a not-for-cause termination occurred on December 31, 2018:

Involuntary Termination	Neil Bruce	Sylvain Girard	Christian Brown[1]	Sandy Taylor	Ian Edwards
Severance	$ 4,887,120	$ 1,653,750	$ 1,754,059	$ 2,331,875	$ 2,614,500
Benefits and Perquisites	$ 565,440	$ 241,500	–	$ 336,500	$ 368,800
AIP[2]	$ 1,279,960	$ 472,500	$ 751,740	$ 499,688	$ 560,250
Value of Stock Options not already vested	–	–	–	–	–
MSOP	$ 13,595	–	–	–	–
ESOP	$ 62,986	$ 32,274	–	$ 36,569	$ 40,422
Value of RSUs not already vested[3]	$ 3,505,533	$ 929,513	$ 817,606	$ 1,229,095	$ 1,311,521
Value of PSUs not already vested[3][4]	$ 3,437,433	$ 944,942	$ 867,291	$ 1,196,905	$ 1,324,654
Value of E-DSUs not already vested[3]	$ 392,662	–	–	–	–
Total	**$ 14,144,729**	**$ 4,274,479**	**$ 4,190,696**	**$ 5,630,632**	**$ 6,220,147**

[1] Mr. Brown's severance and AIP would be paid in USD. For the purposes of this disclosure, amounts were converted to CAD using the December 31, 2018 spot currency exchange rate of 1 USD = 1.3637 CAD.

[2] Mr. Bruce is allowed to convert $500,000 of his 2018 AIP payout in the form of E-DSUs. MM. Girard, Taylor and Edwards elected to receive their 2018 AIP payouts in the form of E-DSUs. If they had been terminated without cause as at December 31, 2018, they would have received their AIP payout in cash. It is therefore included. Mr. Bruce's 50% Company-matching grant which would have been made in 2019 is not included.

[3] Amounts are calculated based on the closing share price of $45.92 on December 31, 2018.

[4] 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. A change of control, as approved at the November 6, 2014 Board meeting, occurs when:

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

In the event of involuntary termination of employment or resignation for good reason[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 DCPP and SERP 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 requirement provisions are suspended
MSOP	• 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
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 performance payout multiplier (200%) 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;
- An NEO no longer serving at the highest level of the Company's executive leadership;
- A significant reduction of base salary or other compensation or benefits; or
- A major relocation of the business or a requirement to relocate from the NEO's home city.

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, 2018:

Change in Control	Neil Bruce	Sylvain Girard	Christian Brown[1]	Sandy Taylor	Ian Edwards
Severance	$ 4,887,120	$ 2,205,000	$ 3,508,118	$ 2,331,875	$ 2,614,500
Benefits and Perquisites	$ 565,440	$ 322,000	$ 95,459	$ 336,500	$ 368,800
AIP[2]	$ 1,279,960	$ 472,500	$ 751,740	$ 499,688	$ 560,250
Value of Stock Options not already vested	–	–	–	–	–
MSOP	$ 13,595	–	–	–	–
ESOP	$ 62,986	$ 32,274	–	$ 36,569	$ 40,422
Value of RSUs not already vested[3]	$ 3,572,346	$ 1,007,255	$ 1,482,022	$ 1,252,055	$ 1,337,236
Value of PSUs not already vested[3]	$ 6,874,867	$ 2,062,910	$ 3,446,204	$ 2,393,810	$ 2,649,308
Value of E-DSUs not already vested[3]	$ 556,596	–	–	–	–
Total	**$ 17,812,910**	**$6,101,939**	**$9,283,543**	**$ 6,850,497**	**$ 7,570,516**

[1] Mr. Brown's severance and AIP would be paid in USD. For the purposes of this disclosure, amounts were converted to CAD using the December 31, 2018 spot rate of 1 USD = 1.3637 CAD.

[2] Mr. Bruce is allowed to convert $500,000 of his 2018 AIP payout in the form of E-DSUs. MM. Girard, Taylor and Edwards elected to receive their 2018 AIP payouts in the form of E-DSUs. If they had been terminated following a change in control as at December 31, 2018, they would have received their AIP payout in cash. It is therefore included. Mr. Bruce's 50% Company-matching grant which would have been made in 2019 is not included.

[3] Amounts are calculated based on the closing share price of $45.92 on December 31, 2018.

Retirement

In the event of retirement (as defined in the Company's policies), all unvested granted E-DSUs fully vest. All granted RSUs vest on a prorated basis and are redeemable for cash in accordance with the provisions of the plans. All granted PSUs vest on a prorated basis and are subject to the performance conditions until the end of the calendar year of retirement. 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, 2018.

Name	Value of Non-vested PSUs[1][2]	Value of Non-vested E-DSUs[2]	Value of Non-vested RSUs[2]	Total Incremental Payment
Neil Bruce[3]	$ 1,718,740	$ 556,596	$ 2,198,328	$ 4,473,664
Sylvain Girard	$ 515,728	–	$ 588,006	$ 1,103,734
Christian Brown	$ 867,291	–	$ 817,606	$ 1,684,897
Sandy Taylor	$ 601,139	–	$ 774,854	$ 1,375,993
Ian Edwards	$ 662,442	–	$ 810,442	$ 1,472,884

[1] Assuming that the PSUs would vest at 100% (i.e. at target).
[2] Amounts are calculated based on the closing share price of $45.92 on December 31, 2018.
[3] Mr. Bruce qualifies as a retiree under the LTIP since he completed five consecutive years of service with the Company in 2018.

CLAWBACK

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

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

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

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

ANTI-HEDGING AND ANTI-MONETIZATION

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

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 President and CEO must continue to meet this requirement for one year post employment with the Company. Compliance with these requirements is reviewed annually by the HR Committee.

Executive Share Ownership Guidelines can be met with Common Shares privately held, ESOP and MSOP shares as well as vested units under the E-DSUP. PSUs and RSUs do not count towards achievement of the share ownership guidelines since they are redeemed for cash upon full vesting or earlier departure according to the rules of the various plans. Under the 2013 Stock Option Plan, if a Senior Officer has not met the 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 resulting from such exercise until he has achieved the required level of share ownership. A similar rule applies to the 2014 PSUP and 2017 PSUP: Senior Officers will be deemed to have elected to receive 100% of the PSU payout in the form of shares until they have achieved the required level of share ownership, if they have not met the requirements at the time of payout.

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 of all Common Shares represented by vested share units not redeemed under the E-DSUP.

Name	Required Ownership (multiple of salary)	Ownership Requirement	Common Shares Privately held	Common Shares ESOP	Common Shares MSOP	Vested Deferred Share Units (E-DSUs)	Total Common Shares and E-DSUs	Value as at Dec. 31, 2018[1]	Actual Ownership / Requirement	Meets Requirement
Neil Bruce[2]	5x	$5,818,000	23,000	12,222	5,973	64,429	105,624	$4,922,459	0.85	In process (deadline: October 5, 2020)
Sylvain Girard	3x	$1,890,000	–	5,539	–	8,395	13,934	$ 667,696	0.35	In process (deadline: April 4, 2021)
Christian Brown[3][4]	3x	USD2,205,000	–	–	–	–	–	–	–	Not started (deadline: August 15, 2021)
Sandy Taylor	3x	$1,998,750	12,625	7,992	–	5,421	26,038	$1,232,098	0.62	In process (deadline: March 1, 2019)
Ian Edwards[5]	3x	$2,241,000	–	3,486	–	13,964	17,450	$ 831,842	0.37	In process (deadline: August 6, 2020)

[1] The value as at December 31, 2018 was based on a closing share price of $45.92. The "greater of" rule described above was applied for Common Shares holdings.

[2] Following his appointment to the role of President and 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 must be achieved within five years from the date of his appointment to the role of President and CEO.

[3] Prior to his appointment to the role of CDO, Mr. Brown was not subject to ownership requirements. Upon appointment to CDO, he was subject to a 3x salary ownership requirement, to be achieved within five years from the date of his appointment. His ownership requirement is maintained at the same level and timeline following his nomination to the sector President role. Mr. Brown plans to depart from the Company during the summer of 2019. His successor will be joining the Company on April 8, 2019.

[4] Mr. Brown's ownership requirement is stated in USD. For the purposes of this disclosure, amounts were converted to CAD using the December 31, 2018 spot currency exchange rate of 1 USD = 1.3637 CAD.

[5] Following his appointment to the role of President, Infrastructure, Mr. Edwards' required ownership level increased from 2x salary to 3x salary. 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 must be achieved within five years from the date of his appointment to the role of President, Infrastructure sector.

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

The following table provides an overview of the President and CEO's accumulated holdings as December 31, 2018:

	Common Shares			Share Units				
	Privately held	ESOP	MSOP	PSUs not already vested[1]	RSUs not already vested	Vested Deferred Share Units (E-DSUs)	Vested Stock Options[2]	Total
Number	23,000	12,222	5,973	74,857	77,795	64,429	92,000	350,276
Value as at Dec. 31, 2018[3]	1,056,160	561,234	274,280	3,437,433	3,572,346	2,958,580	454,480	12,314,513

[1] A performance payout multiplier of 100% is assumed.

[2] This amount is calculated based on the difference between the closing share price of $45.92 on December 31, 2018 and the option exercise price of $40.98 for options granted in May 2013.

[3] The value as at December 31, 2018 was based on a closing share price of $45.92.

SUCCESSION PLANNING

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

During the year, the HR Committee reviewed the outcomes of the 2018 succession and talent review. This process is used to identify talent within the Company and put in place a succession pipeline, including succession plans for the President and CEO's direct reports and other key executives. The Committee also reviewed the development programs available for Executives and management. The HR

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

APPROVAL OF THE REPORT ON EXECUTIVE COMPENSATION

It is the responsibility and duty of the HR Committee to determine and recommend for Board approval, in accordance with the executive compensation 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.

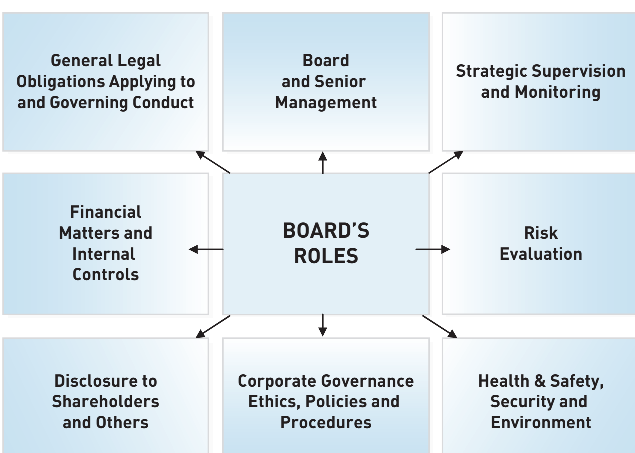
The HR Committee has reviewed and recommended to the Board for approval, the compensation of our NEOs as described in the CD&A of this Management Proxy Circular. The HR Committee was appointed by the Board and is composed of Directors who meet the legislative and regulatory standards governing independence, 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, among others, a Code of Ethics and Business Conduct that applies to the employees, officers and Directors of the Company and its subsidiaries.

As reflected throughout this Management Proxy Circular, the Company's governance practices comply with the current CSA and TSX disclosure requirements, and the Company is committed to adjusting its governance practices on an ongoing basis, so as to remain at the 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

Strategic supervision and monitoring is one of the Board's primary roles. Management, led by our President and CEO, develops, implements and tracks the Company's five-year strategic plan, and the Board actively participates in supervising its development, implementation and tracking, and providing guidance. The Board engages with the President and CEO and management at key inflection points of the development, implementation and tracking of the strategic plan as follows:

Quarterly:	At each regularly scheduled Board meeting, an important component of the meeting is dedicated to the review by the Board of management's progress against the strategic objectives and discussion of key strategic issues.
Strategic Planning Session:	A two-day meeting is scheduled in December of each year where management meets with the Board to discuss, review and approve the strategic plan and budget for all sectors, business units, corporate functions, and the Company as a whole.

Risk Evaluation

Risk evaluation is also one of the Board's primary roles. In general terms, the objective of the Board's oversight of the Company's risk management activities is to ensure, through reasonable measures, that the 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. The Board oversees risk management in part through its various Committees which deal with risks related to their specific mandate. Furthermore, the Board has in place the SWPR Committee which was created by the Board to assist it in the oversight of risks associated with the execution of the Company's project business, including health, safety, security, environmental, sustainability, business continuity and emergency preparedness risks. This provides early identification of risks, their understanding and impact and how effectively they are being mitigated at the project and corporate level. The Board Committees, through their Chairs, report to the full Board after each of the Committees' regular meetings on, among others, risk-related matters.

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 session where a mutual understanding of the Company's overall risk assessment is reviewed and discussed.
*Overseeing the Design and Implementation of an Effective Enterprise Risk Management ("**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 session. 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 Management Response 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 and discussions at meetings.

While the Company considers that ERM, like supervision 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, 2018, the following four (4) standing Committees were in place:

- Audit Committee
- G&E Committee
- HR Committee
- SWPR 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.

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

Furthermore, in December, 2018, the Board established a non-standing Board Committee to consider options that would protect value for SNC-Lavalin stakeholders with regards to the uncertainty regarding the negotiation of a remediation agreement with the Public Prosecution Service of Canada.

Organization

- Five (5) 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 standing Committee has at least four (4) regularly scheduled meetings per year;
- Special meetings of the Board and standing Committees are held when deemed necessary; and
- Non-standing Board Committees are also created from time to time to provide a more in depth review of issues of particular strategic importance.

The Board and each of the standing Committees have a one-year 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 11, 2019, the Board of Directors is composed of eleven (11) members. The Board has set the number of Directors at eleven (11) for election at the Meeting. As for Committee membership, it 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 its Committees. 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 of this Management Proxy Circular.

To the extent possible, taking into account regulatory and internal requirements with respect to the personal expertise of the members of specific Committees (e.g. the financial literacy required of 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.

INDEPENDENCE

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

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

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

In order to ensure the independence of its Directors, the Board, through its G&E Committee, requests that each Director complete a comprehensive questionnaire each year. In addition to providing information on their educational history, occupation and directorships, each Director must answer a series of questions on his/her independence in order to determine if he/she meets the independence criteria established by the CSA. These questions are based on the independence criteria of subsection 1.2(1) of Regulation 58-101 and section 1.4 of Regulation 52-110. The Board also asks each Director to disclose any other material facts that the Board should consider for the purpose of its determination of a Director's independence. Furthermore, Audit Committee members are asked to answer a series of questions based on the independence criteria of section 1.5 of Regulation 52-110 which apply to Audit Committee members only.

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

Once each Director has completed his/her questionnaire, the G&E Committee performs a review of Directors' interests in which potential conflicts and other matters relevant to their independence are considered and reports to the Board thereon. The results obtained through the questionnaires help the G&E Committee, and ultimately the Board, in determining which Director is independent.

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

Further to the last review performed by the G&E Committee, it was determined that all of our Directors are independent, including our Chairman whose role is separate from that of our President and CEO. The only non-independent Director is Neil Bruce, our President and CEO, as he is a member of the management team.

It is important to note that:

- The Company has adopted "Independent Director Term and Retirement Guidelines" under which a Director is no longer eligible for re-election at the annual general meeting of shareholders following the 15th anniversary of his/her initial election to the Board (for details, see the "Board Annual Review and Succession Process / Director Tenure, Term and Retirement" subsection of this Management Proxy Circular);
- The Company initiated a process to renew the Board in its entirety which took place between 2012 and 2017. As of March 11, 2019, the average tenure of our Directors is 3.6 years (for details, see the "Board Annual Review and Succession Process / Director Tenure, Term and Retirement" subsection of this Management Proxy Circular);
- The Company has adopted a guideline that no more than two (2) of its Directors may serve on the same outside board together. In 2018, none of our Directors served together on any other board of directors (for details, see the "Interlocking Outside Boards" subsection of this Management Proxy Circular);
- In camera sessions are held at each regularly scheduled Board or Committee meeting. An in camera session is also generally held at special Board or Committee meetings (for details, see the "In Camera Sessions" subsection of this Management Proxy Circular); and
- The Company does not have a controlling shareholder (for details, see the "Voting Information" section of this Management Proxy Circular).

IN CAMERA SESSIONS

The mandates of the Board and each of the standing Committees require that, at each of the regularly scheduled meetings of the Board and 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 2018, a total of 28 Board and Committee meetings were held. An *in camera* session was held at each Board and Committee meeting, except three (3) special Board meetings. For a summary of Board and Committee meetings held in 2018, 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.

Committee Chairs

The general terms with respect to the responsibilities of the Chair of each standing Committee are set out in the mandate of each Committee. These responsibilities include presiding at Committee meetings and overseeing the way in which each Committee carries out its mandate. 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 2018

	Regular	Special	Total
Board	5	5	10
Audit Committee	4	0	4
G&E Committee	5	0	5
HR Committee	5	0	5
SWPR Committee	4	0	4
TOTAL	**23**	**5**	**28**

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 Committees during the 12 months ended December 31, 2018.

RECORD OF ATTENDANCE BY DIRECTORS AT REGULAR AND SPECIAL BOARD AND COMMITTEE MEETINGS FOR THE 12 MONTHS ENDED DECEMBER 31, 2018

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 5 of 5 G&E 5 of 5 HR	100 100 100	15 of 15	100	5 of 5 Board	100	5 of 5	100	20 of 20	100
N. Bruce[2]	5 of 5 Board	100	5 of 5	100	5 of 5 Board	100	5 of 5	100	10 of 10	100
I. Courville[3]	5 of 5 Board 5 of 5 G&E 3 of 3 HR	100 100 100	13 of 13	100	5 of 5 Board	100	5 of 5	100	18 of 18	100
C. J. Hughes[4]	5 of 5 Board 2 of 2 Audit 2 of 2 HR 4 of 4 SWPR	100 100 100 100	13 of 13	100	5 of 5 Board	100	5 of 5	100	18 of 18	100
K.G. Lynch[5]	5 of 5 Board	100	5 of 5	100	5 of 5 Board	100	5 of 5	100	10 of 10	100
S.L. Newman[6]	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	5 of 5 Board	100	5 of 5	100	22 of 22	100
J. Raby[7]	5 of 5 Board 4 of 4 Audit 2 of 2 G&E 2 of 2 SWPR	100 100 100 100	13 of 13	100	4 of 5 Board	80	4 of 5	80	17 of 18	94
A. Rhéaume[8]	5 of 5 Board 4 of 4 Audit 5 of 5 HR	100 100 100	14 of 14	100	5 of 5 Board	100	5 of 5	100	19 of 19	100
E. D. Siegel[9]	5 of 5 Board 4 of 4 Audit 4 of 4 SWPR	100 100 100	13 of 13	100	5 of 5 Board	100	5 of 5	100	18 of 18	100
Z. Smati[10]	5 of 5 Board 5 of 5 G&E 4 of 4 SWPR	100 100 100	14 of 14	100	5 of 5 Board	100	5 of 5	100	19 of 19	100
B.M. Warmbold[11]	5 of 5 Board 4 of 4 Audit 5 of 5 HR	100 100 100	14 of 14	100	5 of 5 Board	100	5 of 5	100	19 of 19	100
Total	55 of 55 Board 18 of 18 Audit 20 of 20 G&E 25 of 25 HR 18 of 18 SWPR	100 100 100 100 100	136 of 136	100	54 of 55 Board	98	54 of 55	98	190 of 191	99

[1] Mr. Bougie stepped down as Chair of the G&E Committee on December 31, 2018. In addition to his Committee memberships, Mr. Bougie attended one regular SWPR Committee meeting as a non-voting participant.

[2] Mr. Bruce, as President and CEO, attended all Committee meetings as a non-voting participant.

[3] Ms. Courville became a member of the HR Committee on May 3, 2018 and its Chair on August 2, 2018. In addition to her Committee memberships, Ms. Courville attended one regular meeting of the HR Committee as a non-voting participant.

[4] Ms. Hughes became a member of the Audit Committee on May 3, 2018 and stepped down as a member of the HR Committee on May 3, 2018. In addition to her Committee memberships, Ms. Hughes attended one regular Audit Committee meeting and two regular G&E Committee meetings as a non-voting participant.

[5] As Chairman, Dr. Lynch attended all Committee meetings as a non-voting participant.

[6] Mr. Newman became a member of the G&E Committee on May 3, 2018 and its Chair on January 1, 2019. Mr. Newman became Chair of the SWPR Committee on August 2, 2018 and subsequently stepped down as Chair on December 31, 2018. In addition to his Committee memberships, Mr. Newman attended one regular meeting of each of the Audit and the G&E Committees as a non-voting participant.

[7] Mr. Raby became a member of the SWPR Committee on May 3, 2018 and stepped down as a member of the G&E Committee on May 3, 2018. In addition to his Committee memberships, Mr. Raby attended one regular meeting of the HR Committee as a non-voting participant.

[8] Mr. Rhéaume stepped down as Chair of the HR Committee on August 2, 2018. In addition to his Committee memberships, Mr. Rhéaume attended two regular meetings of the G&E Committee and one regular meeting of the SWPR Committee as a non-voting participant.

[9] Mr. Siegel stepped down as Chair of the SWPR Committee on August 2, 2018. In addition to his Committee memberships, Mr. Siegel attended two regular G&E Committee meetings and one regular HR Committee meeting as a non-voting participant.

[10] Mr. Smati became Chair of the SWPR Committee on January 1, 2019. In addition to his Committee memberships, Mr. Smati attended one regular meeting of each of the Audit and HR Committees as a non-voting participant.

[11] In addition to her Committee memberships, Ms. Warmbold attended two regular G&E Committee meetings and one regular SWPR Committee meeting as a non-voting participant.

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:

Director Availability Guidelines

- Directors may not sit on the board of more than four (4) other publicly traded companies, unless otherwise approved by the Board.
- Directors who are also CEOs in office may not sit on the board of more than one (1) publicly traded company other than his/her company's and SNC-Lavalin's, unless otherwise approved by the Board.

The G&E Committee carried out its customary review for 2018 and was satisfied that our Directors were able to commit the requisite time for the proper performance of their duties. As of March 11, 2019, all of our Directors complied with the above Director availability guidelines.

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 (2) of its Directors may serve on the same outside board together. In 2018, none of our Directors served together on any other board of directors.

BOARD ANNUAL REVIEW AND SUCCESSION PROCESS

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

Annual Process for Directors Currently in Office

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

Determination of Qualifications of Incumbent Directors as Nominees

- Assess Directors' tenure against our Independent Director Term and Retirement Guidelines (for details, see the "Director Tenure, Term and Retirement" subsection below);
- Review Directors' performance through an annual assessment (for details, see the "Director Performance Assessment" subsection below);
- Perform annual credentials review of Directors;
- Review our Director Selection Criteria to identify the required and/or missing qualifications determined to be essential to ensure appropriate strategic direction, supervision and oversight (for details, see the "Director Selection Criteria" subsection below);
- Assess independence of each Director and address concerns, if any;
- Assess continuing qualifications under the *Canada Business Corporations Act*; 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 – i.e. 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) which includes, amongst others, the Director Selection Criteria (as defined in the table below).

The process of recruiting Directors is guided by criteria established by the Chairman 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 diversity in many forms with a particular emphasis on 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 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 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, reviews the list of potential candidates presented from these sources, ensures gender diversity within this list, and comes up with a preliminary list of names 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 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 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.

Note that the Caisse has the right to recommend to SNC-Lavalin one nominee for election or appointment as a Director, and that SNC-Lavalin has agreed that it will consult with the Caisse prior to the appointment of any new Chairman. For details, see the "Voting Information" section of this Management Proxy Circular.

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.	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	•		•		•				•		•			•	•	•	•	•				
I. COURVILLE		•	•		•				•	•	•				•		•	•		•		•
C. J. HUGHES		•	•					•	•	•	•				•	•		•	•			•
K.G. LYNCH	•			•		•			•	•	•				•	•	•			•		•
S.L. NEWMAN	•		•					•	•		•			•	•	•			•			•
J. RABY	•		•				•		•	•	•				•	•	•			•	•	
A. RHÉAUME	•			•	•				•	•	•				•			•		•	•	•
E.D. SIEGEL	•			•		•			•			•			•	•	•			•	•	
Z. SMATI	•		•					•	•	•	•			•	•	•	•		•			
B.M. WARMBOLD		•	•			•			•		•				•	•	•		•		•	

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 judgement;
- 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

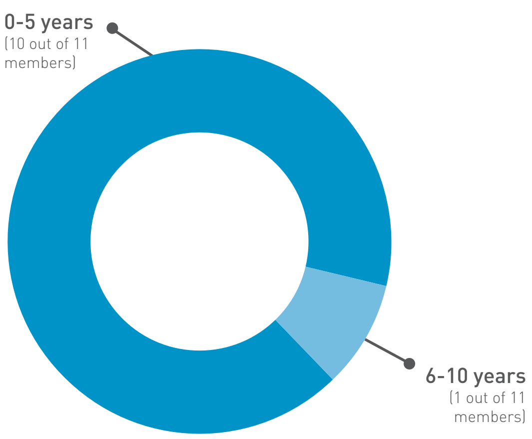
The term of office of each Director expires upon the election of his/her successor unless he/she resigns his/her office or his/her office becomes vacant by death, removal or other cause.

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 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.

The Company does not have a retirement age policy for its Directors.

The following chart indicates the number of years our nominee Directors have dedicated to the Company's Board as at March 11, 2019:



As at March 11, 2019, the average tenure of our nominee Directors on our Board is 3.6 years.

Majority Voting Policy

The Board has adopted a Majority Voting Policy under which any Director nominee in an uncontested election who receives a greater number of shares withheld than shares voted in favour of his or her election must immediately tender his or her resignation to the Chairman. The G&E Committee and the Board will promptly consider the Director's resignation, and the Board will accept the resignation absent exceptional circumstances. The resignation will be effective upon its acceptance by the Board. The Board will make its decision within 90 days of the relevant shareholders' meeting and promptly announce it, including the reasons for rejecting the resignation, if applicable, through a news release. A Director who tenders his or her resignation pursuant to this policy will not participate in any meeting of the G&E Committee or the Board at which the resignation is considered.

DIVERSITY

Diversity and Inclusion Policy

SNC-Lavalin is committed to diversity and inclusion. The Board approved the "Policy Regarding Diversity and Inclusion 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 play in contributing to the diversity of perspective on the Board and in senior management positions.

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.

Diversity & Inclusion Program

In 2016, SNC-Lavalin launched its Diversity & Inclusion 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 & Inclusion Program intends to lead the way and create a culture that enables the Company 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 the advancement of women into leadership positions through development opportunities.

Establishment of Targets

In August 2016, SNC-Lavalin established a 20% target of women on its Board and in senior management positions over the next three years. Following the election of all Board nominees at the May 3, 2018 Meeting, the percentage of women on the Board was increased to 27%, thereby exceeding the Company's 20% target. As for senior management positions, a total of 20 women occupied senior management positions at SNC-Lavalin as at December 31, 2018, which represents 15% of the Company's total senior management population.

The Company also aims to increase the proportion of women in engineering and all levels of management to 20% over the same period of time.

To achieve this goal, SNC-Lavalin began to:

- Track the roles of women in its organization and make the appropriate changes;
- Raise awareness of the benefits of diversity and inclusion through training and communication with a focus on unconscious bias;
- Ensure its policies and programs support diversity and inclusion principles and objectives; and
- Communicate its diversity and inclusion progress both externally and internally to attract more women.

Initiatives

In 2016, SNC-Lavalin and Mr. Neil Bruce, our President and CEO, both joined the 30% Club Canada, an organization that encourages and supports companies, through a voluntary approach, to appoint more women at board level as well at senior management levels. SNC-Lavalin also contributed to the first 30% Club Canada event to be held in the Province of Quebec. The Company believes that this reflects its commitment to hire, train and ensure women have the equal opportunity to achieve their professional goals and access key-decision roles.

In 2018, SNC-Lavalin published its own Diversity and Inclusion Commitment:

Diversity and Inclusion Commitment

"At SNC-Lavalin, we believe that, in today's global market, diverse groups make better decisions and that better decisions lead to better business results. We are committed to cultivating a diverse and inclusive work environment, where world-class talent knows no distinctions and is empowered to realize their full potential as important members of our team.

We are dedicated to:

- *Promoting inclusiveness in our policies, practices and business relationships;*
- *Proactively recruiting and onboarding candidates from a diverse and talented applicant pool;*
- *Increasing the total percentage of women in engineering, management and senior management positions; and*
- *Reinforcing the awareness of diversity and inclusion through education and training."*

During the course of 2018, SNC-Lavalin, members of its management and its employees participated in various programs and events to promote gender and cultural diversity in the workplace. Below are a few examples:

- Celebrating International Women's Day on March 8, 2018, as well as International Women in Engineering Day on June 23, 2018, by promoting discussion around the importance of inclusion in the workplace and diversity in our teams;
- Participating once again in the Seize Your Future (SYF) leadership program that supports young women of the Greater Montreal area in Canada who are aged 15 to 20 and eager to carry out a community project while benefiting from the guidance of a pre-eminent female mentor as well as leadership training;
- Sponsoring and participating in the fourth annual Women in Infrastructure Network (WIN) awards ceremony, held across several cities in Canada. The WIN awards aim to celebrate excellence in Canada's infrastructure sector and further support our mission to recognize women as leaders in this growing field in which historically women have been under-represented;
- Sponsoring and participating in the fourth annual Canada-ASEAN (Association of Southeast Asian Nations) Business Council (CABC) Forum, bringing together over 300 of the top decision-makers from the public and private sectors of Canada and Southeast Asia. We extended our sponsorship to include the council's first-ever Women's Leadership Forum, designed to highlight prominent Canadian and women from

Southeast Asian nations in innovation and disruptive trends who influence the future of business and challenge the status quo;

- Sponsoring and delivering the keynote address at the 14th annual Women in Nuclear (WiN) Canada conference, a worldwide association of professional women working in various fields of nuclear energy and medicine; and
- Sponsoring and participating in IYNCWiN18 – a joint conference between International Youth Nuclear Congress (IYNC) and Women in Nuclear (WiN) attended by more than 400 delegates from 39 countries across the nuclear industry.

Our senior management team also participated in an "unconscious bias" workshop. The workshop explored why employees, managers and leaders make the choices they do as a result of their biases, what the consequences are to the business and individuals, and what actions we can take to be intentional and inclusive in our style. While increasing female representation among our engineers and in leadership roles remained our primary focus for 2018, the workshop and the tools developed extend beyond gender diversity as they support the development of an inclusive culture.

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.

The table below shows the representation of women on the Board of Directors for the last two (2) years:

	# of Women Directors /Total # of Directors	%	Target
As at March 11, 2019	3/11	27%	20%
As at March 12, 2018	3/11	27%	20%

Senior Management Appointments

In fulfilling their role, the HR Committee and 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 where possible successors who are women. The Company also measures, year over year, the representation of women in its accelerated development talent group.

As mentioned above, the Company also established specific targets as to the percentage of women in senior management positions. A total of 20 women occupied senior management positions at SNC-Lavalin as at December 31, 2018, which represents 15% of the Company's total senior management population.

As for the representation of women in executive officer positions at SNC-Lavalin, the table below shows their representation for the last two (2) years:

	# of Women Executive Officers / Total # of Executive Officers	%	Target
As at March 11, 2019	1/11	9%	20%
As at March 12, 2018	2/12	17%	20%

DIRECTOR PERFORMANCE ASSESSMENT

In 2018, the G&E Committee designed the process and conducted the Director performance assessment internally.

Evaluation Tools

The Board provided its members with a list of discussion points on the performance of the Board, the individual Committees, the Chairman and the Committee Chairs in advance of the actual performance review sessions, so as to allow Board members to prepare for these sessions. The discussion points 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. The performance review sessions took place over a few hours with discussions on the performance of the Chairman and the Chairs of the various Board Committees, being held separately in their absence.

Directors were also asked to complete a peer review survey, the results of which were compiled by the Chairman. The Chairman set up individual meetings with each Director to review the results of their peer review, discuss their personal contribution to the Board and its Committees and review opportunities and challenges moving forward.

[1] For details on our process for nominating new Directors, see the "Board Succession Planning Process" subsection of this Management Proxy Circular.

Action Planning

Following this exercise, the G&E Committee prepared a Board and Board Committees' action plan to address areas of opportunity identified during the Board and Board Committees' performance review session. The action plan was then presented to the full Board for its review and comments and the G&E Committee will monitor the implementation of the final action plan throughout the year.

DIRECTORS' ON-BOARDING 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 on-boarding program for new Directors and reporting to the Board thereon.

On-Boarding Program

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

Orientation sessions take place over the course of the first year a Director joins the Board and begin with new Directors being invited to attend all Committee meetings preceding the Board meeting during which he/she will be appointed as a Director. This is followed by orientation sessions with management, the Chairman and Committee Chairs either preceding or following the quarterly Board meetings. Once these sessions are completed, a second session with management 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 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.

The Corporate Secretary provides Directors with summaries of up to date information on upcoming legislative changes, evolving governance and Board practices as well as general trends related to the Board and Board Committees' mandates on an ongoing basis. These summaries are accompanied by surveys, articles and other types of documentation of interest to Board members.

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 viewed as educational opportunities for Directors. Site visits provide Directors with direct access to offices and 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 do individual or small group site visits where the Company carries on its operations.

In 2018, all of our Directors visited the new Champlain Bridge project site in Quebec, Canada; seven (7) of our Directors visited the Nuclear Manufacturing Facility project in Mississauga, Ontario, Canada; seven (7) of our Directors visited the Old Oak Common Lane project site in London, England; three (3) Directors visited the Ottawa Light Rail Transit (LRT) project site in Ontario, Canada; one (1) Director visited the John Hart Generating Station project in British Columbia, Canada; one (1) Director visited Company projects in the Kingdom of Saudi Arabia and the United Arab Emirates; and one (1) Director visited the West Kowloon Cultural District project in Hong Kong, China.

Procedures

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

Summary Table of Ongoing Director Education

The following table provides details on specific ongoing education initiatives provided to our Directors in 2018:

Topic	Presented by:	Attended by:
Roundtable on Artificial Intelligence	External Speakers	All Directors
Third Party Perspective on Our Industry: Global Economic Overview and Risks	External Speaker	All Directors, except Mr. Bougie
Third Party Perspective on Our Industry: Government Perspective	External Speaker	All Directors, except Mr. Bougie
Third Party Perspective on Our Industry: Customer Perspective	External Speaker	All Directors, except Mr. Bougie
Third Party Perspective on Our Industry: Investor Perspective	External Speakers	All Directors, except Mr. Bougie
Oil & Gas: International Market View	External Speakers	All Directors
Innovation and its Potential Impact on the E&C Business	SNC-Lavalin 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. 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 Conduct

The Company's Code of Conduct ("**Code**") applies to all employees, individual consultants, loaned personnel, officers and Directors of SNC-Lavalin[1]. When joining SNC-Lavalin and on an annual basis, they are required to complete an online certification process demonstrating that they have received, read and understood the Code and confirming that they will comply with its terms.

A copy of our Code is available in nine (9) languages on our website (**www.snclavalin.com**) under "Integrity"/"Code of Conduct" and on SEDAR (**www.sedar.com**) under the name of SNC-Lavalin Group Inc.

The Code is under the responsibility of the CIO. The Company oversees compliance with the Code through its Ethics and Compliance Committee ("**ECC**"), a management committee chaired by the CIO. The specific monitoring of compliance with the Code by the ECC is reflected in the charter of the ECC, and the CIO is required to provide quarterly reports to the G&E Committee on the ECC's overall activities and to the Audit Committee on accounting, internal accounting controls, auditing or fraud matters. The EVP, HR provides quarterly reports to the HR Committee on HR-related compliance matters.

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 thereto. The Audit Committee and the HR Committee are mandated to report to the Board any committee-specific element which falls under their responsibility.

In 2018, no material change reports were required or filed in relation to any departure from the Code.

Supplier Code of Conduct

In September 2017, the Company introduced its first Supplier Code of Conduct ("**Supplier Code**") which is applicable to all of its suppliers, subcontractors and consultants (collectively, "**Suppliers**"), including any entity over which the Supplier has direct or indirect effective control. The Supplier Code summarizes the Company's expectations and governing principles as they apply to Suppliers – whether they work with SNC-Lavalin or on its behalf.

A copy of our Supplier Code is available on our website (**www.snclavalin.com**) under "Integrity"/"Supplier Code of Conduct".

Reporting Mechanism

Individuals with an issue, violation or complaint regarding any known or suspected violation of our Code and its underlying policies, as well as any violation of applicable laws, rules or regulations or any observed instances of misconduct or pressure to compromise our ethical standards may report the matter via multiple lines of reporting as established by the Code. Issues, violations or complaints may be reported directly through managers, integrity officers, Human Resources representatives, other relevant representatives (Health, Safety & Environment, Legal, Global Security, Finance or Internal Audit), or via the Reporting Hotline which is a secure reporting system operated by ClearView Connects, an independent third-party

[1] In the Code, reference to "SNC-Lavalin" means, as the context may require, SNC-Lavalin Group Inc. and all entities, joint ventures, partnerships or other undertakings under its direct or indirect control.

service provider which operates a toll-free telephone number and reporting website. The Reporting 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 "Integrity"/"Reporting Hotline".

Likewise, if a Supplier has evidence or suspicion that an SNC-Lavalin employee or anyone engaged in business with the Company has breached our Code, our Supplier Code, or any applicable laws, rules or regulations, the Supplier must immediately report the matter to their SNC-Lavalin point of contact or via the Reporting 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.

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 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.

Integrity Organization and Program

A global integrity organization has been in place at the Company since March 2013. This organization is comprised of a corporate integrity function (formerly the ethics and compliance function), dedicated sector, regional and functional integrity officers, and a compliance investigation group. It is responsible for developing, implementing and maintaining a comprehensive integrity program at the Company. All integrity officers ultimately report directly to the CIO, thus ensuring true independence of the integrity function. The CIO reports to the EVP and General Counsel and to the G&E Committee of the Board of Directors of the Company.

Integrity officers are appointed for each sector of activity and for each region in which the Company operates. All employees are encouraged to ask questions about the interpretation or the application of compliance policies directly to the integrity officer responsible for their particular sector or region. The close and trustful relationship between integrity officers and Company employees forms the basis for the success of our program.

Integrity principles, procedures and controls are firmly embedded and integrated in all of the key processes of the Company's operations. The Company's integrity program encompasses all of its activities.

Our integrity program is mandatory in all entities, sectors, business units and functional units across the organization, and is comprised of three (3) action elements: prevent, detect and respond. This comprehensive and integrated approach serves to maintain our ethical health, support our long-term success, and preserve and promote our values.

In order to encourage and promote a culture of ethical conduct throughout the Company, in 2018, the Board of Directors provided oversight and/or approval of initiatives such as:

- Changes to the integrity structure, formerly known as the ethics and compliance function, to align this function with the Company's "integrity" value;
- An updated version of the Code as well as the annual Code certification process;
- The launch of a new data privacy compliance program and accompanying mandatory training module;
- The roll-out of the Integrity Ambassador program across the Company's regions. The program aims to expand the integrity footprint from an awareness and communication perspective, foster a business environment that is committed to ethical practices and provide additional, local support to employees;
- The launch of the first Global Integrity Week across the Company with a view to promote awareness, conversation and recognition of the integrity program;
- The launch of the integrity awards, with winners selected among employees by a committee of peers under the leadership of the CIO;
- The selection of ClearView Connects, a third party partner, for the reporting and disclosure of issues related to integrity; and
- Participation in outreach events to inform our customers, business partners and other stakeholders about our initiatives so as to make the industry cleaner to the benefit of all stakeholders.

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, webcast 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.

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, 2018, 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.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Certain information related to the interest of informed persons in material transactions can be found under the headings "Interest of Management and Others in Material Transactions", on page 38, and "General Development of the Business – 2018", on pages 5 to 10, of the Company's AIF dated February 22, 2019, which disclosure is incorporated by reference herein. The AIF may be viewed on the Company's website (**www.snclavalin.com**) under "Investors"/"Investor's Briefcase" and on the SEDAR website (**www.sedar.com**) under the name of SNC-Lavalin Group Inc. A copy will be provided free of charge upon request by any securityholder of the Company. Other than as elsewhere described herein and in the abovementioned sections of the AIF, management of the Company is not aware of any material interest, direct or indirect, of any informed person of the Company, any proposed Director or any associate or affiliate of any informed person or proposed Director in any transaction since the commencement of the Company's most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect the Company or any of its affiliates or subsidiaries.

ADDITIONAL INFORMATION

Financial information is provided in the Company's annual and quarterly financial statements and annual and quarterly MD&A. The Company is a reporting issuer under the securities acts of all provinces of Canada and complies with the requirement to file annual and quarterly financial statements, annual and quarterly MD&A as well as its Management Proxy Circular and AIF with the various securities commissions in such provinces. The Company's most recent annual financial statements, annual MD&A, quarterly financial statements, quarterly MD&A, Management Proxy Circular and AIF may be viewed on the Company's website (**www.snclavalin.com**) under "Investors"/ "Investor's Briefcase" 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 two (2) proposals from a shareholder for inclusion in this Management Proxy Circular. For details, see the "Business of the 2019 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 13, 2019.

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 11, 2019.

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

Schedule A – Shareholder Proposals

The two (2) proposals below were 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 these proposals for the reasons given following each proposal. The proposals were submitted in French by the MÉDAC and translated into English by the Company.

PROPOSAL NO. 1: INTEGRATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CRITERIA INTO EXECUTIVE COMPENSATION

MÉDAC's Proposal as Submitted (translation):
It is suggested that the compensation committee should include in its review of annual activities a report on the importance accorded to the integration of environmental, social and governance criteria into the evaluation of executive performance and compensation.

MÉDAC's Argumentation in Support of the Proposal as Submitted (translation):
The guidelines published in 2012 by the United Nations Principles for Responsible Investment (PRI) and the United Nations Global Compact state that the use of ESG criteria can be a significant factor in the creation and protection of value for shareholders.

These objectives could be summarized as follows: the percentage of women in decision-making positions, the integration rate of members of different socio-cultural communities, initiatives to reduce the use of paper, energy and water, actions undertaken to ensure sustainable employability of staff who fall within the groups mentioned above given automation of tasks, different programs set up to promote health and wellbeing of employees, etc.

In this respect, it should be mentioned that companies which have developed detailed guidelines on ESG, generally benefit from a better reputation with their clients, adapt to changes with more flexibility, better manage their risks, are more innovative and are therefore better equipped to develop long-term added value for their shareholders and for all their stakeholders.

Furthermore, there is no doubt that the integration of financial objectives into the evaluation of executive performance and compensation plays a major role in the achievement of such objectives. It is important to reassure shareholders and stakeholders that ESG criteria provide a formal guidance for evaluation of performance of the CEO and of his executive team.

The Board of Directors Recommends to Vote "AGAINST" the Proposal for the Following Reasons:
The Board and senior management are committed to advancing Environmental, Social and Governance (ESG) as key pillars of our sustainability strategy. This commitment is outlined in our 2017 Sustainability Report.

More recently, we have further strengthened our commitment to ESG by reviewing our existing policies and strategies relating to sustainability and starting to implement changes to our organization to meet our obligations as a signatory of the UN Global Compact and our commitment to the UN Agenda 2030.

In 2018, we developed a sustainable business strategy, based around the UN sustainable development goals, which was endorsed by our Executive Committee and Board of Directors.

We are proud to have been involved in a number of projects that promote the UN's broader development goals including our active participation in the World Economic Forum's Partnering Against Corruption Initiative and our education- and community-focused donations and philanthropic activities.

Diversity and inclusion is also a key component of our sustainability strategy and SNC-Lavalin is a member of the 30% Club Canada, an organization that encourages and supports companies, through a voluntary approach, to appoint more women at board level, as well as at senior management levels.

SNC-Lavalin already has two important measures in the annual incentive plans for senior management that are tied to key components of our sustainability strategy. These relate to HSSE and Integrity.

The Board believes that a combination of the strategic priority already being given to ESG, the information that SNC-Lavalin already discloses on these matters, along with the existing measures in our AIP for senior management, represent a significant commitment to advancing our ESG agenda and therefore the additional reporting and further evaluation of executive performance and compensation as requested by MÉDAC is not required at this time.

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

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PROPOSAL NO. 2: INDEPENDENCE OF DIRECTORS

MÉDAC's Proposal as Submitted (translation):
In accordance with securities regulations, it is suggested to disclose in the Management Proxy Circular any information that led the board to declare a director independent or not.

MÉDAC's Argumentation in Support of the Proposal as Submitted (translation):
In *Regulation 58-101 respecting Disclosure of Corporate Governance Practices*, reporting issuers are asked to disclose the identity of directors who are not independent, *and the basis for that determination*. In this regard, *Regulation 52-110 respecting Audit Committees* provides several clarifications regarding the definition of independence.

As described by Professor Stephane Rousseau, governance specialist at the Université de Montréal:

> "A number of sources consider that the independence of directors from the management team is an ‹ essential component of efficient governance ›. The importance given to the independence of directors arises from the board of directors' monitoring function. In this light, it should be mentioned that the board of directors of a public company is generally composed of internal directors who are part of the management team and external directors. It is difficult for the former to fulfil their duty of monitoring, as it implies asking them to provide an objective evaluation of their own performance. In addition, they can be reluctant or uncomfortable criticizing the chief executive officer, taking into consideration his influence on their own career. In this context, only external directors are able to have a function of monitoring the management team[1]."

It is necessary to disclose more information on different directors of the company with a view of a better understanding of the nature of the relation of each director with the company, its managers and controlling shareholders, in order to enable the shareholders to exercise their right to vote in an informed manner and to improve corporate governance. This change will allow shareholders to evaluate the real objectivity of directors, in particular when they have been in their positions for several years.

1 **ROUSSEAU, Stéphane**, Le rôle des tribunaux et du conseil d'administration dans la gouvernance des sociétés ouvertes : réflexions sur la règle du jugement d'affaires, Les Cahiers de droit, Vol. 45, *No. 3*, 2004.
https://www.erudit.org/en/journals/cd1/2004-v45-n3-cd3839/043804ar.pdf

The Board of Directors Recommends to Vote "AGAINST" the Proposal for the Following Reasons:
The Board believes that it has disclosed all relevant information in this Management Proxy Circular with respect to criteria used and the process followed to determine whether a director qualifies as independent or not.

In this regard, as mentioned in the "Independence" subsection of the "Statement of Corporate Governance Practices" section of this Management Proxy Circular, as a Canadian corporation listed on the TSX, SNC-Lavalin is subject to various guidelines, requirements and disclosure rules governing the independence of the members of its Board and Committees, including the governance guidelines and audit committee rules adopted by the CSA.

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

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

In order to ensure the independence of its Directors, the Board, through its G&E Committee, requests that each Director complete a comprehensive questionnaire each year. In addition to providing information on their educational history, occupation and directorships, each Director must answer a series of questions on his/her independence in order to determine if he/she meets the independence criteria established by the CSA. These questions are based on the independence criteria of subsection 1.2(1) of Regulation 58-101 and section 1.4 of Regulation 52-110. The Board also asks each Director to disclose any other material facts that the Board should consider for the purpose of its determination of a Director's independence. Furthermore, Audit Committee members are asked to answer a series of questions based on the independence criteria of section 1.5 of Regulation 52-110 which apply to Audit Committee members only.

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

Once each Director has completed his/her questionnaire, the G&E Committee performs a review of Directors' interests in which potential conflicts and other matters relevant to their independence are considered and reports to the Board thereon. The results obtained through the questionnaires help the G&E Committee, and ultimately the Board, in determining which Director is independent.

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

Further to the last review performed by the G&E Committee, it was determined that all of our Directors are independent, including our Chairman whose role is separate from that of our President and CEO. The only non-independent Director is Neil Bruce, our President and CEO, as he is a member of the management team.

It is important to note that:

- The Company has adopted "Independent Director Term and Retirement Guidelines" under which a Director is no longer eligible for re-election at the annual general meeting of shareholders following the 15th anniversary of his/her initial election to the Board (for details, see the "Board Annual Review and Succession Process / Director Tenure, Term and Retirement" subsection of this Management Proxy Circular);

- The Company initiated a process to renew the Board in its entirety which took place between 2012 and 2017. As of March 11, 2019, the average tenure of our Directors is 3.6 years (for details, see the "Board Annual Review and Succession Process / Director Tenure, Term and Retirement" subsection of this Management Proxy Circular);

- The Company has adopted a guideline that no more than two (2) of its Directors may serve on the same outside board together. In 2018, none of our Directors served together on any other board of directors (for details, see the "Interlocking Outside Boards" subsection of this Management Proxy Circular);

- In camera sessions are held at each regularly scheduled Board or Committee meeting. An in camera session is also generally held at special Board or Committee meetings (for details, see the "In Camera Sessions" subsection of this Management Proxy Circular); and

- The Company does not have a controlling shareholder (for details, see the "Voting Information" section of this Management Proxy Circular).

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

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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 other members of the Executive Committee (hereinafter called "Senior Officers"), and monitors the succession planning process of the CEO and other Senior Officers.

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

(e) The Board reviews the list of objectives of Senior Officers 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 Officers 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 Directors' 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 Senior Officers and that Senior 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 documents as 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 Disclosure and Insider Trading 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 manner 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 2011 Stock Option Plan ended in 2017 as all options granted under this plan expired before or on May 11, 2017.

The following table presents information concerning stock options granted over the last five (5) years:

	2014	2015	2016	2017	2018
Number of Stock Options Granted	0	0	0	0	0
Number of Employees who were Granted Stock Options	0	0	0	0	0
Number of Stock Options Outstanding as at Year End	3,179,369	1,935,285	617,564	326,763	260,866
Average Weighted Exercise Price of Stock Options Outstanding	$ 45.42	$ 44.47	$ 39.61	$ 40.98	$ 40.98
Number of Stock Options Granted as a % of Outstanding Shares ("burn rate")	0.00%	0.00%	0.00%	0.00%	0.00%
Number of Stock Options Exercised	657,869	110,873	585,428	251,402	65,897

Twelve (12) optionees exercised 65,897 options in 2018 under the 2013 Stock Option Plan.

The following table presents information concerning securities authorized for issuance under the Company's equity compensation plans as at December 31, 2018:

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		$40.98	
Not approved by Security holders	–	–	–
Total	**–**	**$40.98**	**–**

Summary of 2013 Stock Option Plan

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

The 2013 Plan provides for the granting of non-transferable options to purchase Common Shares. The total number of authorized and unissued Common Shares available for options under the 2013 Plan is equal to 3,200,000 which, together with the number of options outstanding (i.e., granted but not exercised) as at March 11, 2013 under previous stock option plans, totals less than 5% of the Common Shares of the 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 December 31, 2018, there were a maximum of 3,200,000 Common Shares issuable under the 2013 Plan, representing 1.8% of our 175,554,252 issued and outstanding Common Shares. As at December 31, 2018, there were 260,866 options outstanding under the 2013 Plan, representing 0.1% of our issued and outstanding Common Shares, and 2,526,997 options remained available for grant, representing 1.4% of our Common Shares then issued and outstanding. The number of options that remain available for grant (2,526,997) is the number of authorized and unissued Common Shares available for options under the 2013 Plan (3,200,000) minus all options awarded under the 2013 Plan (1,246,800 granted in 2013) plus all options cancelled under the 2013 Plan (573,797).

On March 11, 2019, there were 260,866 options outstanding under the 2013 Plan, representing 0.1% of the total number of Common Shares of the Company outstanding (i.e. 175,554,252) 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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