SNC-Lavalin Group Inc.

Annual Information Form
Year Ended December 31, 2021

March 2, 2022

Table of Contents

Interpretation

Reference in this Annual Information Form to "**SNC-Lavalin**" means, as the context may require, the Company and all or some of its subsidiaries, joint arrangements or associates, or the Company or one or more of its subsidiaries, joint arrangements or associates.

Unless otherwise stated, currency amounts in this Annual Information Form are presented in Canadian dollars, or "**$**". Certain totals, subtotals and percentages may not agree due to rounding.

Unless otherwise expressly stated herein, information or documents found on our website that are referred to in this Annual Information Form do not form part of and are not incorporated by reference into this Annual Information Form.

Information in this Annual Information Form is as at December 31, 2021 unless otherwise indicated.

Caution Regarding Forward-Looking Statements

Statements made in this Annual Information Form that describe the Company's or management's budgets, estimates, expectations, forecasts, objectives, predictions, projections of the future or strategies may be "forward-looking statements", which can be identified by the use of the conditional or forward-looking terminology such as "aims", "anticipates", "assumes", "believes", "cost savings", "estimates", "expects", "forecasts", "goal", "intends", "likely", "may", "objective", "outlook", "plans", "projects", "should", "synergies", "target", "vision", "will",, or the negative thereof or other variations thereon. Forward-looking statements also include any other statements that do not refer to historical facts. Forward-looking statements also include statements relating to the following: i) future capital expenditures, revenues, expenses, earnings, economic performance, indebtedness, financial condition, losses and future prospects; ii) business and management strategies and the expansion and growth of the Company's operations; and iii) the expected additional impacts of the ongoing COVID-19 pandemic on the business and its operating and reportable segments as well as elements of uncertainty related thereto. All such forward-looking statements are made pursuant to the "safe-harbour" provisions of applicable Canadian securities laws. The Company cautions that, by their nature, forward-looking statements involve risks and uncertainties, and that its actual actions and/or results could differ materially from those expressed or implied in such forward-looking statements, or could affect the extent to which a particular projection materializes. Forward-looking statements are presented for the purpose of assisting investors and others in understanding certain key elements of the Company's current objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of the Company's business and anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

Forward-looking statements made in this Annual Information Form are based on a number of assumptions believed by the Company to be reasonable on March 2, 2022. The assumptions are set out throughout the Company's 2021 Management's Discussion and Analysis dated March 2, 2022 (the "**2021 Management's Discussion and Analysis**") (particularly, in the sections entitled "Critical Accounting Judgments and Key Sources of Estimation Uncertainty" and "How We Analyze and Report Our Results" in the Company's 2021 Management's Discussion and Analysis). If these assumptions are inaccurate, the Company's actual results could differ materially from those expressed or implied in such forward-looking statements. In addition, important risk factors could cause the Company's assumptions and estimates to be inaccurate and actual results or events to differ materially from those expressed in or implied by these forward-looking statements. These risks include, but are not limited to, matters relating to: (a) ongoing and additional impacts of the COVID-19 pandemic; (b) execution of the Company's "Pivoting to Growth Strategy" unveiled in September 2021 ; (c) fixed-price contracts or the Company's failure to meet contractual schedule, performance requirements or to execute projects efficiently; (d) remaining performance obligations; (e) contract awards and timing; (f) being a provider of services to government agencies; (g) international operations; (h) nuclear liability; (i) ownership interests in investments; (j) dependence on third parties; (k) supply chain disruptions; (l) joint ventures and partnerships; (m) information systems and data and compliance with privacy legislation; (n) competition; (o) professional liability or liability for faulty services; (p) monetary damages and penalties in connection with professional and engineering reports and opinions; (q) gaps in insurance coverage; (r) health and safety; (s) qualified personnel; (t) work stoppages, union negotiations and other labour matters; (u) extreme weather conditions and the impact of natural or other disasters and global health crises; (v) divestitures and the sale of significant assets; (w) intellectual property; (x) liquidity and financial position; (y) indebtedness; (z) impact of operating results and level of indebtedness on financial situation; (aa) security under the CDPQ Loan Agreement (as hereinafter defined); (bb) dependence on subsidiaries to help repay indebtedness; (cc) dividends; (dd) post-employment benefit obligations, including pension-related obligations; (ee) working capital requirements; (ff) collection from customers; (gg) impairment of goodwill and other assets; (hh) the impact on the Company of legal and regulatory proceedings, investigations and litigation settlements; (ii) further regulatory developments as well as employee, agent or partner misconduct or failure to comply with anti-corruption and other government laws and regulations; (jj) reputation of the Company; (kk) inherent limitations to the Company's control framework; (ll) environmental laws and regulations; (mm) global economic conditions; (nn) inflation; (oo) fluctuations in commodity prices; and (pp) income taxes.

The Company cautions that the foregoing list of factors is not exhaustive. For more information on risks and uncertainties and the assumptions that could cause the Company's actual results to differ from current expectations, please refer to the sections "Risks and Uncertainties", "How We Analyze and Report Our Results" and "Critical Accounting Judgments and Key Sources of Estimation Uncertainty" in the Company's 2021 Management's Discussion and Analysis filed with the securities regulatory authorities in Canada, available on SEDAR at **www.sedar.com** or on the Company's website at **www.snclavalin.com** under the "Investors" section.

The Company may, from time to time, make oral forward-looking statements. The Company advises that the above paragraphs and the risk factors described in this Annual Information Form and in the Company's other documents filed with the securities regulatory authorities in Canada should be read for a description of certain factors that could cause the actual results of the Company to differ materially from those in the oral forward-looking statements. The forward-looking statements herein reflect the Company's expectations as at March 2, 2022 when the Company's Board of Directors approved this document, and they are subject to change after this date. The Company does not undertake to update publicly or to revise any written or oral forward-looking information or statements whether as a result of new information, future events or otherwise, unless required by applicable legislation or regulation. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement.

1. Corporate Structure

1.1 Incorporation of the Company

SNC-Lavalin Group Inc. (the “**Company**”) was incorporated under the laws of Canada on May 18, 1967 and was continued under the *Canada Business Corporations Act* on March 24, 1980. The articles of the Company were amended on several occasions, including for the following purposes: the split (in 1996) of its outstanding shares on a three-for-one basis, the change of its name, the creation of new classes of shares and the reorganization of its outstanding share capital, the modification of the maximum number of directors, the addition of a requirement that at least two-thirds of the directors must not be employees of the Company or its affiliates, the re-designation of its class A subordinate voting shares as common shares, and to permit the appointment by the Board of Directors of one or more additional directors to hold office until the close of the next annual meeting of shareholders, subject to the total number of directors so appointed not exceeding one-third of the number of directors elected at the previous annual meeting of shareholders.

The Company’s head and registered office is located at 455 René-Lévesque Boulevard West, Montréal, Québec, Canada H2Z 1Z3.

1.2 Subsidiaries, Joint Arrangements and Associates

The chart appearing on the next page lists the main subsidiaries, joint arrangements and associates of SNC-Lavalin as at December 31, 2021, as well as the principal capital investments in which the Company participates, their jurisdiction of incorporation and the percentage of voting shares or other interests beneficially owned, controlled or directed, directly or indirectly, by SNC-Lavalin as at December 31, 2021.

Subsidiaries, Joint Arrangements and Associates	Percentage of voting securities held	
407 East Construction General Partnership *(Ontario)*	50%	◊
Atkins China Limited *(Hong Kong)*	100%	•
Atkins Danmark A/S *(Denmark)*	100%	•
Atkins International Holdings Limited *(England & Wales)*	100%	•
Atkins Limited *(England & Wales)*	100%	•
Atkins North America, Inc. (*Florida*)	100%	•
Atkins Nuclear Secured Holdings Corporation *(Delaware)*	100%	•
Atkins Renewable Resources Corporation (*Delaware*)	100%	•
Atkins US Holdings, Inc. *(Delaware)*	100%	•
Canadian National Energy Alliance Ltd. (*Canada*)	50%	◊
Candu Energy Inc. *(Canada)*	100%	•
Central Plateau Cleanup Company LLC (*Delaware*)	22%	◊
Comprehensive Decommissioning International, LLC (*Delaware)*	40%	◊
Crosslinx Transit Solutions Constructors G.P. *(Alberta)*	25%	◊
Faithful+Gould Limited *(England & Wales)*	100%	•
Faithful+Gould Saudi Arabia Limited *(Saudi Arabia)*	51%	•
Kentz Canada Holdings Limited *(Canada)*	100%	•
Kentz Corporation Limited *(Jersey)*	100%	•
Linxon Gulf LLC (*United Arab Emirates*)	49%	•
Linxon India Private Limited (*India*)	99%	•
Linxon Pvt Ltd *(England & Wales)*	51%	•
Linxon Sweden AB (*Sweden*)	100%	•
Linxon Switzerland Ltd *(Switzerland)*	100%	•
Linxon UK Ltd. (*England & Wales*)	100%	•
NouvLR General Partnership *(Quebec)*	24%	◊
Protrans BC Operations Ltd. *(British Columbia)*	100%	•
Signature on the Saint Lawrence Construction G.P. *(Quebec)*	45%	◊
SLN-Aecon JV (*Canada*)	40%	◊
SNC-Dragados-Pennecon G.P. *(Newfoundland)*	40%	◊
SNC-Lavalin Algérie, EURL *(Algeria)*	100%	•
SNC-Lavalin Arabia Co. Ltd. *(Saudi Arabia)*	100%	•
SNC-Lavalin ATP Inc. *(Canada)*	100%	•
SNC-Lavalin Capital Inc. *(Canada)*	100%	•
SNC-Lavalin Construction Inc. *(Canada)*	100%	•
SNC-Lavalin Construction (Ontario) Inc. *(Canada)*	100%	•
SNC-Lavalin Constructors Inc. *(Delaware)*	100%	•
SNC-Lavalin Constructors International Inc. *(Canada)*	100%	•
SNC-Lavalin Constructors (Pacific) Inc. *(Canada)*	100%	•
SNC-Lavalin Europe B.V. *(Netherlands)*	100%	•
SNC-Lavalin (GB) Holdings Limited *(England & Wales)*	100%	•

Subsidiaries, Joint Arrangements and Associates (continued)	Percentage of voting securities held	
SNC-Lavalin (GB) Limited *(England & Wales)*	100%	•
SNC-Lavalin GEM Ontario Inc. *(Ontario)*	100%	•
SNC-Lavalin GEM Québec Inc. *(Quebec)*	100%	•
SNC-Lavalin (Guernsey) Holdings Ltd. *(Guernsey)*	100%	•
SNC-Lavalin Inc. (*Canada*)	100%	•
SNC-Lavalin International Inc. (*Canada*)	100%	•
SNC-Lavalin International S.A.S. (*France*)	100%	•
SNC-Lavalin Investments Inc. *(Canada)*	100%	•
SNC-Lavalin Major Projects Inc. (*Canada*)	100%	•
SNC-Lavalin Nuclear Inc. (*Canada*)	100%	•
SNC-Lavalin Operations & Maintenance Inc. (Canada)	100%	•
SNC-Lavalin Peru S.A. (Peru)	100%	•
SNC-Lavalin Polska Sp. z.o.o. (*Poland*)	100%	•
SNC-Lavalin Projetos Industriais Ltda (*Brazil*)	100%	•
SNC-Lavalin Rail & Transit Limited (*England & Wales*)	100%	•
SNC-Lavalin Romania S.A. *(Romania)*	100%	•
SNC-Lavalin Stavibel Inc. *(Canada)*	100%	•
The Atkins North America Holdings Corporation *(Florida)*	100%	•
The SNC-Lavalin Corporation *(Delaware)*	100%	•
WS Atkins International Limited *(England & Wales)*	100%	•
WS Atkins Limited *(England & Wales)*	100%	•
Capital Investments		
407 East Development Group General Partnership *(Ontario)*	50%	♣
407 International Inc. *(Canada)*	6.76%	♣
Crosslinx Transit Solutions General Partnership *(Alberta)*	25%	♣
InPower BC General Partnership *(Alberta)*	100%(1)	♣
Myah Tipaza S.p.A. (*Algeria*)	25.5%	♣
Rideau Transit Group General Partnership *(Ontario)*	40%	♣
Shariket Kahraba Hadjret En Nouss S.p.A. *(Algeria)*	26%	♣
SNC-Lavalin Highway Holdings Inc. *(Canada)*	100%	•
SNC-Lavalin Infrastructure Partners LP *(Canada)*	20%	♣
Signature on the Saint-Laurent Group G.P. *(Quebec)*	50%	♣
TC Dôme S.A.S. (*France*)	51%	♣
TransitNEXT General Partnership (*Ontario*)	100%	♣

•	Subsidiary
♦	Associate
♣	Capital investment entity
◊	Joint Arrangement

(1) On February 7, 2022, the Company announced that it closed the sale and transfer of its interest in InPower BC General Partnership to SNC-Lavalin Infrastructure Partners LP. As such, since the closing of this transaction, the Company's remaining 20% indirect capital investment and ownership interest in InPower BC General Partnership is held through SNC-Lavalin Infrastructure Partners LP.

2. General Development of the Business

The highlights relating to the development of the Company's business over the past three years are described below.

2019

Various Developments

On July 22, 2019, the Company announced its then new strategic direction to the effect that it would be focusing on the high-performing and growth areas of the business and that it was exiting lump-sum turnkey ("**LSTK**") construction contracting with a view to focusing on de-risking the business and generating more consistent earnings and cash flows.

The Company also announced a reorganization into two separate business lines: SNCL Engineering Services and SNCL Projects.

In keeping with the strategic direction announced in July 2019, the Company also announced that it was exploring all options for its Resources activities, particularly its Oil & Gas business, including a transition to a services-based business or divestiture and, at the end of 2019, the Company decided to exit the unprofitable midstream fabrication business, including its compression and production equipment product lines, which were also known under the Valerus brand.

On September 18, 2019, the Company announced the appointment of Charlene A. Ripley to the role of Executive Vice-President and General Counsel, effective October 15, 2019.

On October 11, 2019, the Company announced that it had reached a full and final settlement with Corporacion Nacional del Cobre de Chile (Codelco), following the latter's decision to terminate its Mining & Metallurgy contract, as announced on March 25, 2019. This settlement eliminated the potential for future risk stemming from the disputes related to the contract termination.

Effective October 31, 2019, Ian L. Edwards was appointed as President and Chief Executive Officer ("**CEO**") of the Company. Mr. Edwards had been previously appointed as SNC-Lavalin's Interim President and CEO on June 11, 2019, after spending approximately five months in the role of Chief Operating Officer.

On December 18, 2019, the Company announced that the federal charges arising from legacy activities in Libya between 2001 and 2011 had been settled with the Public Prosecution Service of Canada ("**PPSC**"). The Court of Quebec accepted a guilty plea from SNC-Lavalin Construction Inc. (a subsidiary of the Company) to a single charge of fraud. All other charges against the Company, SNC-Lavalin International Inc., and SNC-Lavalin Construction Inc. were withdrawn. As part of the settlement, SNC-Lavalin Construction Inc. agreed to pay a fine in the amount of $280 million, payable over five years, and is subject to a three-year probation order.

Transactions

On March 29, 2019, the Company announced that its wholly-owned subsidiary, TransitNEXT General Partnership ("**TransitNEXT**"), had finalized an agreement on the Trillium Line Extension project with the City of Ottawa. Through TransitNEXT, SNC-Lavalin became responsible to design, build, finance and maintain the new extension, and will also assume long-term maintenance of the existing Trillium Line. The project, including the long-term cost to maintain and rehabilitate both the existing Trillium Line and its new extension, was valued at $1.6 billion.

On August 15, 2019, SNC-Lavalin announced that it had completed the sale of 10.01% of the shares of 407 International Inc. ("**Highway 407 ETR**") to a company controlled by Canada Pension Plan Investment Board ("**CPPIB**") pursuant to a share purchase agreement dated August 14, 2019 (the "**407 Sale SPA**"). At closing and in accordance with the terms and conditions of the 407 Sale SPA, SNC-Lavalin received the base purchase price proceeds of $3.0 billion, with up to an additional $250 million contingently payable over a period of ten years, conditional on the attainment of certain financial thresholds related to the ongoing performance of Highway 407 ETR. Through SNC-Lavalin Highway Holdings Inc. ("**Highway Holdings**"), SNC-Lavalin continues to own 6.76% of the outstanding shares of Highway 407 ETR.

Amendments to Credit Agreement and CDPQ Loan

On February 1, 2019, the Company amended the second amended and restated credit agreement it entered into with its lenders on April 30, 2018 (as amended, the "**Credit Agreement**"), modifying the definition of EBITDA to provide that losses related to engineering, procurement and construction ("**EPC**") contracts in Mining & Metallurgy, a segment of the Company at that time, be considered as non-recurring items, up to an amount of $310 million. The Credit Agreement was also amended to provide that the net recourse debt to EBITDA ratio calculation be temporarily increased to 4x. It should be noted that the ratio calculation in the Credit Agreement excludes interest and depreciation and amortization resulting from the adoption of IFRS 16, Leases, on January 1, 2019. In the third quarter of 2019, the Company and its lenders amended the Credit Agreement to extend the temporary increase in the net recourse debt to EBITDA ratio to 4x from June 30, 2019 to December 31, 2019.

In the second quarter of 2019, the Company and CDPQ Revenu Fixe Inc. ("**CDPQ RF**"), a wholly-owned subsidiary of the Caisse de dépôt et placement du Québec, renegotiated certain terms of the loan made by CDPQ RF to Highway Holdings under a loan agreement dated as of April 20, 2017 (as amended, the "**CDPQ Loan**"), which included, among others, the following amendments: (i) modification to the net recourse debt to EBITDA ratio covenant to align it with the Credit Agreement and extend the application of such covenant from March 31, 2019 to June 30, 2019; (ii) following the then expected disposal by the Company of 10.01% of the shares of Highway 407 ETR, the Company committed to repay an amount of $600 million out of $1 billion outstanding under tranche A of the CDPQ Loan; and (iii) decrease of the margin applicable to the base rate. On October 15, 2019 and similar to the last amendments to the Credit Agreement, the CDPQ Loan was also amended to extend the temporary increase in the net recourse debt to EBITDA ratio to 4x from June 30, 2019 to December 31, 2019.

2020

COVID-19

Early in the pandemic, the Company announced actions taken in response to the economic disruptions resulting from the COVID-19 pandemic while continuing to closely monitor and adjust its plans for its different business segments and customers in response to the then rapidly evolving situation. Most of the Company's SNCL Engineering Services personnel continued servicing clients from non-office-based locations throughout large parts of 2020 and the Company transitioned work among different jurisdictions as required. The Company also announced that management had undertaken actions and measures focused on reducing costs and managing cash flow across the Company to provide flexibility in addressing varying levels of revenue and customer business, including significantly reducing discretionary expenditure where not required to directly support client delivery and carefully managing capital expenditure. Where it was not possible for employees to carry on productive client work, either due to temporary or extended shutdowns or the nature of the client service, remedial actions were taken. Across the broader employee population, this included reductions in base pay and hours, temporary leaves of absence and furloughs. All of SNC-Lavalin's executive leadership took a 20% reduction in base salary and members of the Company's Board of Directors took a 20% reduction in cash compensation for the second quarter of 2020.

Given the nature of the Company's activities, including in the important infrastructure space, the Company continued, in compliance with international, federal, provincial, state, municipal and local requirements, to operate in all substantial respects in 2020 despite the pandemic. However, notwithstanding the continued operations of the Company, the COVID-19 pandemic negatively impacted the Company's business and its operations and financial results in 2020.

Various Developments

On January 22, 2020, the Company announced the appointment of Louis G. Véronneau to the newly created role of Chief Transformation Officer (CTO), charged with rapidly simplifying the Company's structure and processes, while supporting the new strategic direction with a focus on Information Technology (IT) and divestitures.

On February 10, 2020, the Company announced the appointment of Jeffrey Bell as Executive Vice-President and Chief Financial Officer ("**CFO**"), effective April 14, 2020.

On May 7, 2020, Gary C. Baughman, Christie J.B. Clark, Michael B. Pedersen and Mary-Ann Bell were elected to the Company's Board of Directors as part of the ongoing renewal process focused on meeting the evolving needs of the Company and supporting its strategic objectives and long-term sustainability.

On August 25, 2020, the Company appointed Robert E. Alger, as President, Infrastructure Projects, replacing Jonathan Wilkinson.

On September 10, 2020, the Company announced the appointment of William L. Young as Chair of the Board of Directors, effective September 9, 2020, replacing Kevin G. Lynch who had previously announced his intention to step down.

On November 2, 2020, the Company appointed Dale Clarke as President, Infrastructure Services.

Transactions

On December 10, 2020, SNC-Lavalin completed the sale of its ownership interests in three of its subsidiaries in South Africa, which were part of the Oil & Gas business previously included in the Resources segment, in exchange for a total consideration of $14.9 million, resulting in a $6.2 million gain.

Financing Activities

In August 2020, SNC-Lavalin issued, on a private placement basis, new unsecured Series 6 Debentures in the principal amount of $300 million, which bear interest at the rate of 3.80% per annum and mature on August 19, 2024 (the "**Series 6 Debentures**"). The net proceeds from this offering amounted to $297.6 million and were used as follows: (i) to repay certain outstanding indebtedness under SNC-Lavalin's revolving facility; (ii) to fund the repurchase, through open market purchases, of $40 million of the outstanding unsecured 2.689% Series 1 Debentures (the remainder of which subsequently matured on November 24, 2020) (plus accrued and unpaid interest thereon up to closing); and (iii) for general corporate purposes.

2021

LSTK Legacy and Ongoing Projects Review

On February 9, 2021, the Company completed its previously announced review of legacy LSTK litigation matters, which was expanded to include all other significant claims, while concurrently reassessing the costs associated with its three remaining Canadian light rail projects in light of COVID-19. As a result, $140 million of provisions and $155 million of commercial claims receivable reduction was taken in the Q4 2020 financial accounts related to legacy LSTK litigation matters and commercial claims receivable. Additionally, following the review of the three remaining Canadian light rail projects, an updated cost reassessment based on the latest facts and information available at the time was completed. This included the cost impact of the unprecedented COVID-19 related challenges involving lower productivity attributable to revised working conditions caused by the pandemic and supply chain disruptions. In light of the ongoing uncertainty on the timing and scope of reimbursement of these COVID-19 incremental costs, an additional provision of $90 million was taken in the 2020 year-end accounts.

Various Developments

On February 10, 2021, the Company announced that Steve Morriss, who had recently joined the Company as President, Middle East and Asia Pacific, would assume the executive leadership of the Latin America region as well as the Mining & Metallurgy business globally. In addition, following the announcement of the strategic divestiture of the Oil & Gas business (refer to "Transaction, Disposal – Oil & Gas business" below), Craig Muir, President, Resources, left the Company at the end of March 2021.

On September 28, 2021, the Company released its three-year global "Pivoting to Growth Strategy" outlining how and where the Company intends to drive profitable growth through 2024. The strategic plan is underpinned mainly by a focus on core geographic areas of operation – primarily Canada, the United States and the United Kingdom – and distinct end customer markets. SNC-Lavalin leverages its end-to-end global capabilities to meet the demands of the future for the Company's clients in decarbonization and sustainable solutions by connecting people, data and technology, and expects that the strategy be driven largely by four growth areas:

- Engineering Services in the United States;
- Nuclear Decommissioning and Waste Management;
- Major Projects with a focus on collaborative contract models; and
- Digital Transformation.

As part of its strategic plan, the Company also intends to allocate capital to further strengthen its financial resilience and to support growth. Future delivery of positive cash flows will be prioritized with a view to further improving SNC-Lavalin's leverage and targeting a return to an investment grade credit rating. The Company's growth strategy may also be accelerated through organic and inorganic investments. Opportunistically and depending on the Company's cash resources, surplus capital may be returned to shareholders through share buybacks or dividend growth.

Transaction

Disposal – Oil and Gas business

On February 9, 2021, the Company announced that it entered into a binding agreement to sell its Resources Oil & Gas business, including services and LSTK projects. On July 29, 2021, the Company completed the sale of a substantial portion of its Oil & Gas business and the sale of the remaining Saudi Arabian portion of the business was completed on August 15, 2021. For accounting purposes, the transaction resulted in a gain on disposal of $573.0 million before income taxes ($565.9 million after income taxes), mainly from the reclassification from equity to net income of a cumulative exchange gain on translating foreign operations. See note 6 to the Company's 2021 audited annual consolidated financial statements for further details on the disposal of the Resources Oil & Gas business.

2022 Year to Date

On February 7, 2022, SNC-Lavalin announced that it closed the sale and transfer of its ownership interest in a sixth public-private partnership (P3) asset, InPower BC General Partnership, to SNC-Lavalin Infrastructure Partners LP ("**SNCL IP Partnership**") for a total cash consideration to the Company of approximately $41 million. InPower BC General Partnership is the entity contracted to deliver and provide services to the John Hart Generating Station in British Columbia. SNC-Lavalin holds a 20% interest in SNC-Lavalin Infrastructure Partners LP, which infrastructure fund was launched and announced on June 30, 2017. The initial closing of the first four assets occurred on September 27, 2017, with a fifth asset transfer completed on June 28, 2018.

3. Description of the Business

3.1 General

Founded in 1911, SNC-Lavalin is a fully integrated professional services and project management company with offices around the world. SNC-Lavalin connects people, technology and data to design, deliver and operate the most complex projects. SNC-Lavalin deploys global capabilities locally to its clients and delivers unique end-to-end services across the whole life cycle of an asset including consulting, advisory & environmental services, intelligent networks & cybersecurity, design & engineering, procurement, project & construction management, Operations & Maintenance ("**O&M**"), decommissioning and capital.

How We Conduct our Business and Report our Results: Business Lines, Segments, PS&PM and Capital

The Company carries out its business through two broad lines of business, SNCL Engineering Services and SNCL Projects, which are in turn comprised of five operating and reportable segments, as well as Capital as described below.

For the financial year ended December 31, 2021, we report and break down the results of our SNCL Engineering Services line of business through three operating and reportable segments, namely: (i) EPDM; (ii) Nuclear; and (iii) Infrastructure Services; while also for the financial year ended December 31, 2021, we report and break down the results of our SNCL Projects line of business through two operating and reportable segments, namely: (i) Resources; and (ii) Infrastructure EPC Projects. The results of Capital are presented separately.

In addition, we further report certain results and provide certain financial information separately for (i) Professional Services & Project Management ("**PS&PM**") activities across our lines of business, which is thus comprised of five of our six operating and reportable segments, namely EDPM, Nuclear, Infrastructure Services, Resources and Infrastructure EPC Projects, and (ii) Capital.

Operating and Reportable Segments

EDPM incorporates all consultancy, engineering, design and project management services around the world. It also leads our efforts to transform the global infrastructure sector by leveraging data and technology to improve the delivery of our clients' projects from conception through to eventual operation. EDPM projects are mainly in transportation (including rail, mass transit, roads and airports), civil infrastructure, aerospace, defence and security and technology, including some of the world's most transformational projects. A significant portion of EDPM revenues are derived from the public sector, including national, provincial, state and local and municipal authorities.

Nuclear supports clients across the entire nuclear life cycle with the full spectrum of services from consultancy, EPC management ("**EPCM**") services, field services, technology services, spare parts, reactor support & decommissioning and waste management. As stewards of the CANDU technology, it also provides new-build and full refurbishment services of CANDU reactors.

Infrastructure Services includes O&M projects, as well as the Company's repetitive EPC offerings that are lower-risk, standardized solutions for: i) district cooling plants; and ii) power substations executed through its Linxon Pvt Ltd. ("**Linxon**") subsidiary. The segment also includes engineering solutions in hydro, transmission and distribution, renewables, energy storage, and intelligent networks and cybersecurity.

Resources provides a full suite of delivery services primarily to the mining & metallurgy sector, covering the project lifecycle from project development through project delivery and support services. Resources ceased bidding for new EPC projects under the LSTK construction contracting model in July 2019. Resources is now focused on providing engineering, EPCM, project management consultancy ("**PMC**"), commissioning and technical support services through a lower risk contracting model and operational delivery is focused on key regions and global clients. Resources also includes the operating phase of a Build-Own-Operate (BOO) contract in the United States. In the past, Resources included services and LSTK projects in Oil & Gas, until the disposal of such activities in the third quarter of 2021.

Infrastructure EPC Projects includes LSTK construction contracts related to mass transit, heavy rail, roads, bridges, airports, ports and harbours and water infrastructure. In addition, Infrastructure EPC Projects includes the LSTK construction contracts related to the former Clean Power segment, as well as from thermal power activities which the Company exited in 2018. In July 2019, the Company decided to cease bidding on new LSTK construction contracts.

Capital is SNC-Lavalin's investment, financing and asset management arm, responsible for developing projects, arranging financing, investing equity, undertaking complex financial modeling and managing its infrastructure investments for optimal returns. Its activities are principally concentrated in infrastructure, such as: bridges, highways, mass transit systems, power facilities, energy infrastructure, water treatment plants and social infrastructure (e.g. hospitals). The Capital segment includes SNC-Lavalin's 20% ownership interest in and management of SNCL IP Partnership. Please refer to Note 5 to the Company's 2021 audited annual consolidated financial statements.

PS&PM

What we report in **PS&PM** includes contracts generating revenues related mainly to consulting, advisory & environmental services, intelligent networks & cybersecurity, design & engineering, procurement, project & construction management, O&M, decommissioning and sustaining capital. It also includes revenues from LSTK construction contracts, for which the Company ceased bidding in 2019, except for certain repetitive EPC offerings that are lower-risk, standardized solutions.

Contracts that provide for EPCM services are often referred to as "EPCM contracts". Contracts that include engineering services, providing materials and providing or fabricating equipment, and construction activities are often referred to as "EPC contracts".

While our contracts are negotiated using a variety of contracting options, PS&PM revenues are derived primarily from three major types of contracts: reimbursable and engineering services contracts, LSTK construction contracts, and standardized EPC contracts. PS&PM contracts can be found in the following segments and lines of business:

PS&PM Breakdown

	SNCL Engineering Services Line of Business			**SNCL Projects Line of Business**	
	EDPM Segment	Nuclear Segment	Infrastructure Services Segment	Infrastructure EPC Segment	Resources Segment
Reimbursable and engineering services contracts	✓	✓	✓	✓	✓
LSTK construction contracts	N/A	N/A (1)	N/A	✓	✓
Standardized EPC contracts	N/A	N/A	✓	N/A	N/A

(1) Nuclear includes certain legacy LSTK construction contracts.

Capital

As stated above, **Capital** is SNC-Lavalin's investment, financing and asset management arm, responsible for developing projects, arranging financing, investing equity, undertaking complex financial modeling and managing its infrastructure investments for optimal returns. Its activities are principally concentrated in infrastructure, such as bridges, highways, mass transit systems, power facilities, energy infrastructure, water treatment plants and social infrastructure (e.g. hospitals). The Capital segment includes SNC-Lavalin's 20% ownership interest in and management of SNCL IP Partnership.

To support the next phase of its transformation journey to growth and concurrently with the release of its "Pivoting to Growth Strategy", the Company announced in September 2021 that it would be undertaking an operational realignment of the business, effective January 1, 2022. The new global market-facing structure is designed to best serve the evolving needs of the Company's clients, as well as support win-work efforts across its three core geographical markets, and will result in the following operating and reportable segments commencing with the Company's financial reporting in respect of the first quarter of 2022:

- Engineering Services business, bringing together EDPM, Mining and Metallurgy (currently within Resources), as well as Infrastructure Services (excluding O&M and Linxon);
- Linxon, a majority-owned subsidiary which is a global leader in delivering sustainable energy solutions and an essential component of our Power and Renewables market offering;
- Nuclear;
- O&M;
- Infrastructure LSTK Projects; and
- Capital.

The Engineering Services, Nuclear, O&M and Linxon businesses will be separate operating and reportable segments and be grouped together as the SNCL Services line of business, while Infrastructure LSTK Projects and Capital will continue to be separate operating and reportable segments. The Company's financial reporting will be changed, starting in the first quarter of 2022, with comparative figures restated to reflect these new operating and reportable segments and lines of business.

Competitive Conditions

SNC-Lavalin derives its competitive strength from its project management expertise, its reputation for quality and delivery, its ability to work globally, its highly skilled and experienced technical personnel, its commitment to health and safety matters and to a sustainable environment, the scope of its geographical presence and its ability to execute projects of varying sizes calling for a wide range of services and technologies.

The Company operates in a highly competitive environment and has numerous competitors in all of its market segments. The competitive landscape varies by industry, geographic region and project type. Companies that compete within its PS&PM activities are principally: AECOM, Arcadis, Bechtel, Fluor Corporation, Jacobs Engineering Group Inc., Stantec, Tetra Tech, Wood, Worley and WSP Global. Companies that compete with its Capital segment are principally: ACS Group, Bechtel, Ferrovial, Fluor Corporation, Kiewit, Vinci Concessions, Plenary, Fengate, Ellis Don for North American Infrastructure P3 and Aecon Concessions for Canadian P3.

SNC-Lavalin has clients worldwide; many of which are repeat clients. In any given year, a single client may represent a material portion of the Company's consolidated revenues due to the size of a particular project and the progress accomplished on such project.

Clients of engineering firms in Canada range from small to large industrial companies and Crown corporations to municipal, provincial and federal governments as well as other statutory entities, such as the Caisse de dépôt et placement du Québec.

Cash Management Policy

SNC-Lavalin's cash management policy requires that cash balances be invested in highly secure and highly liquid instruments that provide yields comparable to those available on the market for high-grade investment instruments. The Company invests its cash balances, primarily, in high-yield bank accounts, money market instruments and bonds of high-credit quality.

Organizational Structure

SNC-Lavalin has a network of marketing and operating offices across Canada and in many other countries. At any given time, its employees are active around the world carrying out projects, pursuing business opportunities and marketing its products and services. To gain better access to markets outside Canada and to facilitate the financing of international projects, SNC-Lavalin may form alliances or joint ventures, either with firms possessing expertise that is complementary to SNC-Lavalin's existing capabilities, or with leading local firms in such markets.

3.2 Revenue Backlog

A discussion of the revenue backlog of SNC-Lavalin is presented in the Company's 2021 Management's Discussion and Analysis, under the heading "Backlog (Remaining Performance Obligations)" which discussion is incorporated herein by reference. The Company's 2021 Management's Discussion and Analysis is available on SEDAR at **www.sedar.com** and on the Company's website at **www.snclavalin.com** under the "Investors" section.

3.3 Risk Factors

A discussion of the risks and uncertainties to which SNC-Lavalin is subject is presented in the Company's 2021 Management's Discussion and Analysis under the heading "Risks and Uncertainties" which discussion is incorporated herein by reference. The Company's 2021 Management's Discussion and Analysis is available on SEDAR at **www.sedar.com** and on the Company's website at **www.snclavalin.com** under the "Investors" section.

3.4 Number of Employees

SNC-Lavalin had a global workforce of 30,989 as at December 31, 2021. The number of employees varies depending on the number and nature of ongoing projects, acquisitions, divestitures and restructuring initiatives.

3.5 Social and Other Important Policies: The Values that Guide Us

SNC-Lavalin is a global company – our employees live and work in many countries, represent some 130 nationalities and speak more than 70 languages. We are one of the world's leading professional services and project management organizations, dedicated to engineering a better future for our planet and its people. As a services business, everything we do is driven by our people and ideas. They have created an inclusive, diverse and energized work environment and share an open culture founded on our values: SAFETY, INTEGRITY, INNOVATION, and COLLABORATION. Our shared values are the essence of our Company's identity. They represent how we act, speak and behave together, and how we engage with our clients and stakeholders.

Safety

For SNC-Lavalin, safety means protecting people, assets and the environment from harm and is regarded as an ethical responsibility. Safety is imbedded in everything we do. Safety is about more than numbers, processes and procedures. It is about looking out for one another and ensuring that every person involved in our operations returns home safely at the end of each day and has put in place environmental best practices.

Since the beginning of the COVID-19 pandemic, SNC-Lavalin has implemented its region-specific pandemic management plans for offices, projects and facilities. The implementation of these management plans supported a well managed response to the pandemic to limit further spread; to ensure proper communication throughout the organisation; and to maintain continuity of essential services in a safe manner in line with applicable governmental guidelines. Post-pandemic plans are developed to ensure a safe and orderly return to the workplace when appropriate. The physical and mental wellbeing of our employees is paramount and throughout the pandemic, numerous initiatives were and continue to be deployed.

SNC-Lavalin has a Global Health, Safety and Environment Policy Statement that sets the tone for any work we undertake across the globe. This Policy Statement is available on the Company's website at **www.snclavalin.com**. The Policy Statement is based on the principles of visible safety leadership, consulting our employees, creating secure working conditions and respecting the environment at all levels. Our Global Health, Safety and Environmental Management System along with a series of tools have been developed from these principles. Global Health, Safety and Environment metrics form part of the Company's annual incentive plan, highlighting their importance for our Company.

Integrity

SNC-Lavalin is committed to doing the right thing, whatever it takes. We are accountable for both our successes and our shortcomings. We focus on respecting each other, our communities and our environment, on having the courage to stand up for what's right and on keeping our promises.

Our Integrity Program – many times recognized – is a benchmark in our industry and is an integral part of our daily work and decision-making process. We demand integrity and professionalism of ourselves, just as others – such as our shareholders and clients – expect it of us. To that end, we continue to formalize our best practices, solidify them and make them more observable. Our Integrity Program is there to help us act on our values. It is more than just a program – it's a way of doing business. Integrity metrics also form part of the Company's annual incentive plan, reminding our employees of their importance.

Our Integrity team encompasses highly experienced professionals who work in three areas: the corporate Integrity & Regulatory Compliance function; dedicated sector, regional and functional Integrity officers; and the Compliance Remediation and Monitoring group.

Our Integrity team's responsibilities include developing, implementing and maintaining a comprehensive Integrity Program that influences the Company's activities and supports our sectors and regions. Integrity officers are appointed for each sector of activity and for each region in which SNC-Lavalin operates, and ultimately report to the Chief ESG and Integrity Officer, ensuring true independence of the compliance function. The Chief ESG and Integrity Officer operationally reports to the Executive Vice-President and General Counsel, with a direct reporting line to the Board of Directors.

In addition to our dedicated professionals, we have a network of some 150 Integrity Ambassadors 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.

Highlights of our Integrity Program are available on the Company's website at **www.snclavalin.com**.

SNC-Lavalin's Code of Conduct is made available in eight languages. Every employee working for SNC-Lavalin must, as a condition of employment, certify on an annual basis that they will abide by its provisions. The Company's Code of Conduct is available on SEDAR at **www.sedar.com** and on the Company's website at **www.snclavalin.com**.

SNC-Lavalin expects its business partners to adhere to its business principles, culture and values and comply with all applicable laws and regulations. Our business units perform risk assessments as well as compliance due diligence on prospective business partners. A Supplier Code of Conduct applies to all of our suppliers, including our business partners. The Supplier Code of Conduct is available on the Company's website at **www.snclavalin.com**.

For a second time, our commitment to integrity has earned us the prestigious Compliance Leader Verification effective 2021 and 2022 from the Ethisphere Institute, an independent centre for research, best practices and thought leadership. Ethisphere conducted a thorough assessment of our Integrity Program and benchmarked it against its 2020 World's Most Ethical Companies data set, providing insight into the programs and practices of leading companies around the world.

Collaboration

We each bring different views, experiences, and opinions. They enhance our ability to provide value-added performance and services to our clients and our communities. When we unite, we all feel included and by combining our differences, we truly make a difference.

SNC-Lavalin fosters an environment where respectful and collegial interactions can take place, where we can harness the power of teamwork, where everyone has a voice, and where relationships can be based on trust and openness.

At SNC-Lavalin, we nurture collaboration across our sectors, functions and regions in order to offer the best solutions to our clients and to unlock new sources of growth. Working collaboratively among our teams and creating enduring partnerships with clients is equally important to our long-term success and competitiveness.

To enable and support our aspirations, the Company provides employees with a work environment that:

- Prohibits harassment, discrimination and any form of violence;
- Promotes equality, diversity, and inclusion;
- Fosters mutual trust and respect at all levels of the organization;
- Enables employees to report misconduct without fear of retaliation; and
- Supports an inclusive culture where everyone feels they belong, can be their true self, and can reach their full potential.

Innovation

At SNC-Lavalin, we want to be one step ahead. To do so, we put the focus on reimagining our collective capabilities to better serve our clients by nurturing a culture conducive to new ideas, by thinking boldly, proudly and differently. We also strive to leverage technology, our competencies and our assets.

By cultivating an innovative company culture that empowers employees to engage one another, embrace new ideas and challenge the status quo, we will change our business for the better and have a meaningful impact on the way we approach our work.

In addition, SNC-Lavalin has begun to fully embrace the adoption of new digital technologies to better serve our clients across all of our services. From design to project execution, these new technologies are enabling us to deliver better, more cost-effective services to our customers.

Sustainability

As a leader in the design and delivery of the built environment, SNC-Lavalin has a tremendous opportunity to have a positive impact on society. We recognize that it is our responsibility to both improve our own performance and to offer advice to our clients that is consistent with our purpose of ***Engineering a better future for our planet and its people***. This purpose is the reason why sustainability is at the heart of our business strategy, our market leadership, our operations, and all the services we provide.

Our 2020 Sustainability Report, Sustainability Policy Statement and Routemap to Achieving Net Zero Carbon Emissions by 2030 are available on the Company's website at **www.snclavalin.com**.

Modern Slavery and Human Trafficking Statement

At SNC-Lavalin, we do all we can to prevent modern slavery and human trafficking, including in our supply chain. We are dedicated to protecting every individual working directly or indirectly for SNC-Lavalin from any form of modern slavery and human trafficking by promoting our core values: Safety, Integrity, Collaboration and Innovation. Our Modern Slavery and Human Trafficking Statement is available on the Company's website at **www.snclavalin.com**.

Equality, Diversity and Inclusion

At SNC-Lavalin, we are proud of our diverse and dedicated workforce. Our diversity is a key strength in helping us to understand and meet client needs worldwide. Our sustainable business strategy (referred to above under "Sustainability") includes an Equality, Diversity and Inclusion program. We believe that greater diversity will further strengthen our talent pool, enabling us to better serve clients and achieve our business objectives. Additional details regarding our Equality, Diversity and Inclusion strategy are available on the Company's website at **www.snclavalin.com**.

Commitment to Indigenous Peoples

In July 2020, the Company published its inaugural Commitment to Indigenous Peoples. The Company is committed to establishing and maintaining mutually respectful and meaningful relationships between Indigenous communities, our clients and our Company. Consistent with this, SNC-Lavalin is committed to increased collaboration with communities and partnering with indigenous businesses for the benefit of all parties. Our Commitment to Indigenous Peoples is available on the Company's website at **www.snclavalin.com**.

Environmental Protection

Our business involves in part the planning, engineering, design, project management, construction and construction management, and operations and maintenance at various sites, including but not limited to, nuclear facilities, mining sites, military, oil and gas facilities (to a lesser extent in 2021 due to the divestment) and other infrastructure-related facilities. Some of our work can be performed adjacent to environmentally sensitive locations such as wildlife habitats, wetlands, lakes and rivers. Certain activities can require us to manage, handle, remove, treat, transport or dispose of radioactive or hazardous substances. SNC-Lavalin is committed to protect the environment and defines its purpose as "Engineering a better future for our planet and its people" thereby enshrining this priority in the Company's very essence. This commitment is reflected in the Company's Global Health, Safety and Environment Policy Statement which is available on the Company's website at **www.snclavalin.com** as well as in our Global Health, Safety and Environmental Management System.

In addition, the Company is committed to reduce green house gas emissions, whether its own, that of its clients or the ones emitted throughout the life cycle of the buildings and infrastructure that sustain our cities and communities. It is with that goal in mind, that the Company has join UN's Race to zero, crafted its own Net Zero carbon Routemap and published two documents titled "Engineering Net Zero" – blueprints mapping how Canada and the UK can attain their respective zero emissions by 2050 targets. These documents are also available on the Company's website at **www.snclavalin.com**.

Specialized Skill and Knowledge

We are a knowledge-based organization, always seeking talented and skilled professionals for all of our specialized services. In that regard, constant upskilling and re-skilling in a continuously evolving environment are key to attract, develop and retain the best talent and deliver outstanding services.

4. Dividends

In 2021, SNC-Lavalin declared and paid cash dividends on a quarterly basis. SNC-Lavalin's Board of Directors considers several factors when reviewing dividend payments, including present and future: (i) earnings, (ii) cash flows, and (iii) capital requirements. There can be no assurance as to the amount or timing of such dividends in the future.

In the past three fiscal years, SNC-Lavalin has declared and paid the following quarterly dividends per common share:

	Q1 ($)	Q2 ($)	Q3 ($)	Q4 ($)	Annual ($)
2021	0.02	0.02	0.02	0.02	0.08
2020	0.02	0.02	0.02	0.02	0.08
2019	0.10	0.10	0.02	0.02	0.24

5. Capital Structure

General Description

The Company's authorized share capital consists of an unlimited number of common shares, an unlimited number of first preferred shares and an unlimited number of second preferred shares (collectively, the "**Preferred Shares**"). Only common shares are currently issued and outstanding.

The following summarizes certain provisions relating to the Company's common shares, first preferred shares and second preferred shares. This summary is qualified in its entirety by the actual rights, privileges, restrictions and conditions attached to such shares.

Common Shares

Dividends: Holders of the Company's common shares are entitled to receive dividends as and when declared by the Board of Directors.

Voting rights: Entitled to one vote per share.

Rights upon liquidation, winding up or dissolution: Right to receive the residual of the Company's assets subject to the prior rights of the holders of any then issued and outstanding Preferred Shares.

First Preferred Shares

Issuable in series: The Company's Board of Directors is allowed to fix, before issuance, the designation, rights, privileges, restrictions and conditions attached thereto.

Dividends: Priority over all other classes of shares.

Voting rights: Not entitled to vote separately as a class except as provided by law.

Rights upon liquidation, winding up or dissolution: Priority over all other classes of shares.

Series A:

Dividends: Priority over all other classes of shares. Cumulative for an amount equal to 77% of the prime rate set by the National Bank of Canada. Payable quarterly. No redemption or repurchase of other shares is permitted until the cumulative dividend is paid in full.

Voting rights: Not entitled to vote separately as a class except as provided by law.

Rights upon liquidation, winding up or dissolution: Priority over all other classes of shares. Right to receive amount equal to the amount paid on the shares and all accrued unpaid dividends.

Redemption Right: At the option of the Company for an amount paid on the shares and all accrued unpaid dividends.

Second Preferred Shares

Issuable in series: The Company's Board of Directors is allowed to fix, before issuance, the designation, rights, privileges, restrictions and conditions attached thereto.

Dividends: Priority over all other classes of shares, except for the First Preferred Shares.

Voting rights: Not entitled to vote separately as a class except as provided by law.

Rights upon liquidation, winding up or dissolution: Priority over all other classes of shares, except for the First Preferred Shares.

Debentures

On November 24, 2017, the Company, as issuer, and Computershare Trust Company of Canada, as trustee, entered into a trust indenture (the "**Master Trust Indenture**" and, together with any and all trust indentures supplemental thereto, the "**2017 Trust Indenture**").

The following table summarizes the principal amounts outstanding as at March 2, 2022 under the Company's issued and outstanding unsecured debentures, which are described in greater detail below.

Type	Maturity Date	Principal Amount Outstanding
3.235% Series 4 Debentures	March 2, 2023	$200 million
3.80% Series 6 Debentures	August 19, 2024	$300 million

On March 2, 2018, the Company issued by way of private placement, pursuant to a trust indenture supplemental to the Master Trust Indenture, $200 million in 3.235% Series 4 Debentures due March 2, 2023 (the "**Series 4 Debentures**"). The Series 4 Debentures bear interest at a fixed annual rate of 3.235%, payable in equal semi-annual installments over the 5-year term, on the 2nd day of March and September of each year.

On August 18, 2020, the Company issued, by way of private placement, $300 million aggregate principal amount of unsecured debentures with a fixed annual interest rate of 3.80%, payable in equal semi-annual installments over the four-year term, on February 19 and August 19 of each year (the "**Series 6 Debentures**" and, together with the Series 4 Debentures, the "**Outstanding Debentures**"). The Series 6 Debentures were issued pursuant to a trust indenture supplemental to the Master Trust Indenture.

The 2017 Trust Indenture contains customary restrictive covenants (including with respect to incurrence of certain indebtedness and a negative pledge) with respect to the Company and certain of its subsidiaries and customary events of default.

The Outstanding Debentures are solidarily (jointly and severally) guaranteed, on an unsecured basis, as to the payment of principal, interest and premium, if any, and certain other amounts specified in the 2017 Trust Indenture, by certain material subsidiaries of the Company.

The Outstanding Debentures are redeemable at the Company's option, under certain circumstances and at the redemption prices set forth in the 2017 Trust Indenture.

Under the 2017 Trust Indenture, if a "Change of Control Triggering Event" (as defined in the 2017 Trust Indenture) occurs, unless the Company has exercised its optional right to redeem all of the Outstanding Debentures of the relevant series (where applicable), the Company will be required to make (or arrange for a third party to make) an offer to repurchase all or, at the option of each holder of Outstanding Debentures, part of such holder's Outstanding Debentures, at a purchase price payable in cash equal to 101% of the outstanding principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

Credit Ratings

The Debentures are currently rated BB+ by Standard & Poor's Rating Services ("**S&P**") and BB (high) by DBRS Limited ("**DBRS**").

The definitions of each rating as well as the outlook/trend set forth below have been obtained from S&P's and DBRS's respective websites.

Credit ratings established by S&P and DBRS are based on quantitative and qualitative considerations relevant to the Company. The credit ratings are intended to indicate the risk that the Company will not satisfy its obligations on a timely basis and disregard certain factors such as market risk or price risk. These factors should be considered by investors as risk factors in their process of investment decision making. Such ratings do not constitute a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agencies.

During the last two years, the Company has paid customary rating fees to S&P and DBRS in connection with their ratings of the Company's outstanding debt. The Company reasonably expects that such payments will continue to be made in the future. In addition, during the last two years, the Company has, in the ordinary course of business, made payments to S&P and DBRS in respect of other services provided to the Company.

S&P (Rating: BB+, Outlook: Stable)

On August 17, 2020, S&P assigned a BB+ issued-level rating on the Series 6 Debentures.

On June 14, 2021, S&P affirmed its BB+ issuer credit rating and changed its outlook from Negative to Stable. According to S&P, the Stable outlook reflects their expectation that the Company will generate steady improvement in its earnings and cash flow over the next two years, with reduced financial risk associated with the Company's remaining LSTK projects, contributing to adjusted debt to EBITDA sustained below 3x.

Long-term debt obligations rated "BB" exhibit less vulnerability in the near-term but face major ongoing uncertainties or exposure to adverse, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitment on the obligations. This rating falls within the fifth highest of S&P's ten long-term credit rating categories which range from "AAA" to "D". The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

An S&P rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. A stable outlook means that a rating is not likely to change. An outlook is not necessarily a precursor of a rating change or future CreditWatch action.

DBRS (Rating: BB (high), Trend: Stable)

On August 14, 2020, DBRS assigned a BBB (low) Negative trend rating on the Series 6 Debentures.

On February 10, 2021, DBRS placed the Company's Issuer Rating and Unsecured Debentures rating, both then rated BB (high), Under Review with Negative Implications. The rating actions were taken following the Company's announcement of approximately $295 million in additional provisions taken for legacy LSTK litigation matters and commercial claims as well as approximately $90 million in charges on its remaining LSTK projects that continued to be affected by the COVID-19 pandemic.

On April 22, 2021, DBRS confirmed the Company's Issuer Rating and Senior Debentures rating at BB (high) with Stable trends. DBRS Morningstar removed these ratings from Under Review with Negative Implications, where they were placed on February 10, 2021, following provisions taken for LSTK litigation matters and commercial claims as well as the announced sale of the Company's Oil and Gas business. DBRS stated that although the sale reduces the Company's sectoral and customer diversification, the Oil and Gas division has suppressed the Company's earnings since 2018, and unstable commodity prices have resulted in recent volatility as customers adjust their operations. DBRS further stated that the sale allows the Company a relatively clean exit from its active contracts and the ongoing warranty obligations of former contracts. DBRS noted that the sale is also an important milestone in the Company achieving its strategic initiative of focusing on its core Engineering Services business, which helps to avoid any distractions from its legacy Oil and Gas business.

Long-term debt rated "BB" is of non-investment grade credit quality. The capacity for the payment of financial obligations is considered uncertain and vulnerable to future events. This rating falls within the fifth highest of DBRS' ten long-term debt rating categories which range from "AAA" to "D". All rating categories other than "AAA" and "D" also contain subcategories "(high)" and "(low)". The absence of either a "(high)" or "(low)" designation indicates the rating is in the middle of the category.

DBRS' rating trends provide guidance in respect of its opinion regarding the outlook for the rating in question, with rating trends falling into one of three categories – "Positive", "Stable" or "Negative". DBRS' rating trend indicates the direction in which DBRS considers the rating is headed should present tendencies continue, or in some cases, unless challenges are addressed.

6. Market for Securities

Market

The common shares of the Company are listed for trading on the Toronto Stock Exchange ("**TSX**") under the symbol "SNC".

Trading Price and Volume

The following table sets out the trading prices and volumes of the Company's common shares on the TSX and alternative trading systems for the periods indicated.

2021	Volume (in '000s)	High*	Low*	Close
January	16,366	24.48	21.10	21.17
February	24,486	27.80	21.33	25.60
March	20,600	29.72	24.70	26.90
April	9,740	28.64	26.31	27.49
May	16,627	33.94	27.00	32.96
June	15,038	33.87	31.37	32.25
July	12,771	33.33	29.22	33.20
August	13,591	35.17	32.42	34.16
September	14,797	38.25	34.33	35.18
October	16,097	36.00	32.09	33.29
November	13,144	35.82	30.35	30.88
December	11,554	32.53	29.01	30.91

* Intra-day highs and lows during each month.

7. Directors and Officers

The following table lists the directors of the Company, as at March 2, 2022, their place of residence, and their respective principal occupations during the preceding five years:

Name, Place of Residence and Year of Appointment to SNC-Lavalin Board of Directors	Principal Occupations During the Preceding Five Years
Gary C. Baughman (3), (4) North Carolina (United States of America) Director since: 2020	- Corporate Director; - Chief Operating Officer at Elixsys Inc. (Chemicals) since May 2020; - President at Back Tee Sports, LLC (Event Management) since 2006; - Former Chairman and CEO at APTIM (Professional Services) from 2017 to 2019; - Former CEO, Americas and COO, Americas at M+W Group GmbH (Global High Technology Engineering Services) from 2015 to 2017.
Mary-Ann Bell, P. Eng. (1), (2) Quebec (Canada) Director since: 2020	- Corporate Director.
Christie J.B. Clark, FCPA, FCA, CA (1), (3) Ontario (Canada) Director since: 2020	- Corporate Director.
Isabelle Courville (2), (3) Quebec (Canada) Director since: 2017	- Corporate Director.

Name, Place of Residence and Year of Appointment to SNC-Lavalin Board of Directors	Principal Occupations During the Preceding Five Years
Ian L. Edwards Quebec (Canada) Director since: 2019	- President and CEO of the Company since 2019; - Former Interim President and CEO of the Company from June 2019 to October 2019; - Former Chief Operating Officer of the Company from January 2019 to June 2019; - Former President, Infrastructure Sector, of the Company from 2015 to 2019.
Steven L. Newman (1), (2), (4) Utah (United States of America) Director since: 2015	- Corporate Director; - Chairman and CEO of Aquadrill LLC (Offshore Contract Drilling) since May 2021.
Michael B. Pedersen (3), (4) Ontario (Canada) Director since: 2020	- Corporate Director; - Former Special Advisor to the CEO at The Toronto-Dominion Bank (Financial Institution) from 2017 to 2018; - Former President and CEO at TD Bank US Holding Company (Financial Institution) from 2013 to 2017.
Zin Smati, Ph.D. (2), (4) Texas (United States of America) Director since: 2016	- Corporate Director; - Former Senior Advisor at EVP Private Equity (Asset Management) from 2020 to 2021; - Former Board Member, Chairman and CEO at LifeEnergy LLC (Delivery of Energy Products) from 2016 to 2019; - Former Senior Advisor at LS Power (Power Generation, Transmission and Investment Group) from 2016 to 2018.
Benita M. Warmbold, FCPA, CPA, ICD.D (1), (3) Ontario (Canada) Director since: 2017	- Corporate Director; - Former Senior Managing Director and Chief Financial Officer at CPPIB (Professional Investment Management Organization) from 2013 to 2017.
William L. Young, P.Eng Massachusetts (United States of America) Director since: 2020	- Chair of the Board of the Company since 2020; - Corporate Director; - Former Partner at Monitor Clipper Partners LLC (Asset Management) from 1996 to 2018.

(1) Member of the Audit and Risk Committee
(2) Member of the Governance, Ethics and Sustainability Committee
(3) Member of the Human Resources Committee
(4) Member of the Safety, Project Oversight and Technology Committee

Directors of the Company are elected at the annual meeting of shareholders of the Company. They hold office until their term expires at the following annual meeting, subject to re-election, retirement, resignation or vacancy caused by death, removal or other cause.

Except as described below, to the knowledge of the Company, in the last ten years, none of the above-named directors 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 consecutive days. In addition, to the knowledge of the Company, in the last ten years, none of the above-named directors 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.

- Mr. William L. Young was a director of Pharmetics (2011) Inc., a private company, until he resigned in connection with the sale of Pharmetics in September 2017. Following the sale of Pharmetics, in February 2018, a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* (Canada) was filed and Pharmetics was subsequently declared bankrupt as of March 16, 2018.

Furthermore, to the knowledge of the Company, in the last ten years, no director or officer of the Company 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.

The Board of Directors of the Company currently has four standing Board Committees, namely the Audit and Risk Committee, the Governance, Ethics and Sustainability Committee, the Human Resources Committee, and the Safety, Project Oversight and Technology Committee. The Board of Directors does not have an executive committee. As at March 2, 2022, membership of the Board Committees was as follows:

Audit and Risk Committee

B.M. Warmbold (Chair)
M.-A. Bell
C.J.B. Clark
S.L. Newman

Governance, Ethics and Sustainability Committee

S.L. Newman (Chair)
M.-A. Bell
I. Courville
Z. Smati

Human Resources Committee

I. Courville (Chair)
G.C. Baughman
C.J.B. Clark
M.B. Pedersen
B.M. Warmbold

Safety, Project Oversight and Technology Committee

Z. Smati (Chair)
G.C. Baughman
S.L. Newman
M.B. Pedersen

The following table lists the executive officers of the Company (who qualify as such under applicable securities rules and regulations) who are not also directors of the Company, as at March 2, 2022, their place of residence and their respective principal occupations during the preceding five years:

Name and Place of Residence	Principal Occupations During the Preceding Five Years
Robert E. Alger Connecticut (United States of America)	- President, Major Projects at SNC-Lavalin since January 2022; - President, Infrastructure Projects Sector at SNC-Lavalin from 2020 to December 2021; - Former Chairman at The Lane Construction Corporation from 2019 to 2020; - Former President and CEO at The Lane Construction Corporation from 2001 to 2019.

Name and Place of Residence	Principal Occupations During the Preceding Five Years
Jeffrey Bell Ontario (Canada)	- Executive Vice-President and Chief Financial Officer at SNC-Lavalin since April 2020; - Former Non-Executive Director of Spirit Energy (Exploration & Production) from 2018 to 2020; - Former Financial Advisor at Centrica Plc (Energy Services) from 2018 to 2019; - Former Group Chief Financial Officer at Centrica Plc (Energy Services) from 2014 to 2018.
Dale Clarke Ontario (Canada)	- CEO, Engineering Services, Canada at SNC-Lavalin since January 2022; - President, Infrastructure Services Sector at SNC-Lavalin from November 2020 to December 2021; - Former Executive Vice President, Strategy & Growth at SNC-Lavalin from 2019 to 2020; - Former Executive Vice President, Operations & Maintenance, Infrastructure at SNC-Lavalin from 2016 to 2019.
James Cullens London (United Kingdom)	- Executive Vice-President, Human Resources at SNC-Lavalin since 2017; - Former Group Director Human Resources & Marcomms and Executive Director Atkins at SNC-Lavalin from July 2017 to November 2017; - Former Executive Director, Group HR and Marcomms of Atkins from 2014 to 2017.
Philip Hoare Bristol (United Kingdom)	- President, Engineering Services, United Kingdom, Europe, Middle East, India and Canada at SNC-Lavalin since January 2022; - President, EPDM Sector at SNC-Lavalin from 2019 to December 2021; - Former CEO, Atkins, UK and Europe Region, at SNC-Lavalin from 2018 to 2019; - Former Managing Director, UK and Europe Transportation Division, of Atkins from 2015 to 2018.
Steve Morriss California (United States of America)	- President, Engineering Services, United States, Asia Pacific and Mining & Metallurgy at SNC-Lavalin since January 2022; - President, Middle East and Asia Pacific at SNC-Lavalin from January 2021 to December 2021; - Former President, Design and Consulting Services, Americas at AECOM from 2017 to 2020; - Former President and Chief Executive, EMIA at AECOM from 2014 to 2017.
Charlene A. Ripley Quebec (Canada)	- Executive Vice-President and General Counsel at SNC-Lavalin since 2019; - Former Executive Vice-President and General Counsel at Goldcorp Inc. (Mining) from 2013 to 2019.
Erik J. Ryan Quebec (Canada)	- Executive Vice-President, Strategy, Marketing and External Relations at SNC-Lavalin since 2013.

Name and Place of Residence	Principal Occupations During the Preceding Five Years
Alexander Taylor Quebec (Canada)	- President, Nuclear Sector at SNC-Lavalin since 2018; - Former President, Power Sector at SNC-Lavalin from 2014 to 2017.
Stéphanie Vaillancourt Quebec (Canada)	- President, Capital and Operations & Maintenance at SNC-Lavalin since September 2021; - Former Executive Vice-President, Capital and Treasurer at SNC-Lavalin from 2019 to 2021; - Former Senior Vice-President and Treasurer at SNC-Lavalin from 2016 to 2019.
Louis G. Véronneau Quebec (Canada)	- Executive Vice-President and Chief Transformation Officer at SNC-Lavalin since January 2020; - Former Senior Vice-President, Strategy and Corporate Development at Bombardier (Aviation and Rail Transportation) from 2018 to 2019; - Former Vice-President, Mergers & Acquisition at Bombardier (Aviation and Rail Transportation) from 2015 to 2018.
Nigel W.M. White Staffordshire (United Kingdom)	- Executive Vice-President, Project Oversight at SNC-Lavalin since 2019; - Former Executive Director at Gammon Construction Limited (General Contractors) from 2011 to 2019.

As at December 31, 2021, the above directors and executive officers of the Company, as a group, held, either directly or indirectly, or exercised control over 215,608 common shares, representing approximately 0.12% of the issued and outstanding common shares of the Company.

8. Legal Proceedings

Ruediger Class Action

On February 6, 2019, a Motion for authorization of a class action and for authorization to bring an action against SNC-Lavalin and certain of its directors and officers (collectively, the "**Ruediger Defendants**") pursuant to section 225.4 of the *Securities Act* (Québec) (the "**Ruediger Class Action Motion**") was filed with the Superior Court of Québec (the "**Ruediger Class Action**"), on behalf of persons who acquired SNC-Lavalin securities from February 22, 2018 through January 27, 2019 (the "**Ruediger Class Period**") and held some or all of such securities as of the commencement of trading on January 28, 2019.

The Ruediger Class Action Motion alleges that certain documents filed by SNC-Lavalin and oral statements made by its then Chief Executive Officer during the Ruediger Class Period contained misrepresentations related to SNC-Lavalin's revenue forecasts and to the financial performance of the former Mining & Metallurgy segment and the former Oil & Gas segment, which misrepresentations would have been corrected by way of SNC-Lavalin's January 28, 2019 press release.

The Ruediger Class Action Motion seeks leave from the Quebec Superior Court to bring a statutory misrepresentation claim under the *Securities Act* (Québec). The plaintiff in the proposed action claims damages and seeks the condemnation of the Ruediger Defendants to pay the class members an unspecified amount for compensatory damages with interest and additional indemnity as well as full costs and expenses, including expert fees, notice fees and fees relating to administering the plan of distribution.

On October 15, 2019, the plaintiffs in the Ruediger Class Action Motion delivered an amended "Motion for authorization of a class action and for authorization to bring an action pursuant to section 225.4 of Quebec's

Securities Act”. The amendments extend the class period for the Ruediger Class Action Motion to July 22, 2019 and broaden the scope of the claim to include, among other things, disclosure alleged to have been made regarding the Company’s ability to execute certain fixed price contracts.

The authorization hearing on the amended Ruediger Class Action Motion is scheduled for April 2022.

Drywall Class Action

On June 5, 2019, a Statement of Claim was filed against SNC-Lavalin and certain of its directors and officers (collectively, the “**Drywall Defendants**”) with the Ontario Superior Court of Justice (the “**Drywall Class Action**”), on behalf of persons who acquired SNC-Lavalin securities from February 22, 2018 through May 2, 2019 (the “**Drywall Class Period**”).

The Drywall Class Action claim alleges that disclosures by SNC-Lavalin during the Drywall Class Period contained misrepresentations related to: (i) its IFRS 15 reporting systems and controls compliance; (ii) its revenue recognition in respect of the Mining & Metallurgy segment being non-compliant with IFRS 15; (iii) revenue from the Company’s Codelco project in Chile having been overstated in 2018 due to non-compliance with IFRS 15; (iv) the failure of the Company’s disclosure controls and procedures and its internal control over financial reporting which led to a $350 million write-down on the Codelco project; (v) when IFRS 15 was applied to the Mining & Metallurgy segment results in 2019, this led to the Company disbanding its Mining & Metallurgy segment; and (vi) the Company’s financial statements during the Drywall Class Period being materially non-compliant with IFRS.

The Drywall Class Action sought leave from the Ontario Superior Court of Justice to bring a statutory misrepresentation claim under the *Securities Act* (Ontario). The plaintiffs in the proposed action claimed damages and sought the condemnation of the Drywall Defendants to pay the class members $1.2 billion or such other compensatory damages as the court may award, with interest and additional indemnity as well as full costs and expenses, including expert fees, notice fees and fees relating to administering the plan of distribution.

On October 15, 2019, the plaintiffs in the Drywall Class Action delivered a proposed Amended Statement of Claim that contemplated expanding the Drywall Class Period to include SNC-Lavalin’s July 22, 2019 and August 1, 2019 press releases and increased the claim for damages from $1.2 billion to $1.8 billion. On November 5, 2019, the plaintiffs delivered a motion record for leave under the *Securities Act* (Ontario) and certification under the *Class Proceedings Act* (Ontario). The leave and certification hearing was scheduled for October 19 to 23, 2020 and prior to the hearing, the plaintiffs agreed to dismiss the Drywall Class Action on the basis that the claims asserted therein can be brought in the Ruediger Class Action and on October 20, 2021, the Drywall Class Action was dismissed.

Peters Class Action

On February 25, 2019, a Notice of action was issued with the Ontario Superior Court of Justice by a proposed representative plaintiff, Mr. John Peters, on behalf of persons who acquired SNC-Lavalin securities from September 4, 2018 through October 10, 2018. On March 25, 2019, a Statement of Claim was filed with the Ontario Superior Court of Justice with respect to the claims set out in the Notice of Action (together, the Notice of Action and the Statement of Claim are referred to as the “**Peters Class Action**”).

The Peters Class Action alleges that the defendants, including the Company, its Chairman and certain of its then officers, failed to make timely disclosure of a material change in the business, operations or capital of SNC-Lavalin, by failing to disclose that on September 4, 2018, the Director of the PPSC communicated her decision to SNC-Lavalin not to award an opportunity to negotiate a remediation agreement.

The Peters Class Action seeks leave from the Ontario Superior Court of Justice to bring a statutory misrepresentation claim under the *Securities Act* (Ontario) and the comparable securities legislation in other provinces and also asserts a claim for common law negligent misrepresentation. The Peters Class Action claims damages in the sum of $75 million or such other amount as the Superior Court may determine plus interest and costs.

On March 5, 2020, the plaintiff in the Peters Class Action brought a motion for leave and certification of the Peters Class Action. The leave and certification hearing was held between June 1 and June 3, 2021 and, on July 16, 2021, the court ruled dismissing the Peters Class Action. The Plaintiff has appealed the ruling and the appeal hearing is expected to occur in 2022.

SNC-Lavalin believes that the claims outlined in the Ruediger Class Action Motion and the Peters Class Action are, in each case, entirely without merit and is vigorously defending these claims. Due to the inherent uncertainties of litigation, it is not possible to predict the final outcomes of the Ruediger Class Action or the Peters Class Action, or determine the amount of any potential losses resulting therefrom, if any, and SNC-Lavalin may, in the future, be subject to further class action lawsuits or other litigation. SNC-Lavalin has directors' and officers' liability insurance insuring individuals against liability for acts or omissions in their capacity as directors and officers, and the Company itself has coverage for such claims. The amount of coverage under the directors' and officers' policy is limited and such coverage may be less than any amounts the Company is required or determines to pay in connection with these proceedings. If the Company is required or determines to pay an amount in connection with any or all of the Ruediger Class Action and/or the Peters Class Action, such amount could have a material adverse effect on SNC-Lavalin's liquidity and financial results.

Pyrrhotite case

On June 12, 2014, the Quebec Superior Court rendered a decision in "Wave 1" of the matter commonly referred to as the "Pyrrhotite Case" in Trois-Rivières, Quebec and in which SNC-Lavalin was one of numerous defendants. The Quebec Superior Court ruled in favour of the plaintiffs, awarding an aggregate amount of approximately $168 million in damages apportioned amongst the then-known defendants, on a solidary (in solidum) basis (the "**Wave 1 claims**"). The Quebec Superior Court ruled that SNC-Lavalin's share of the damages award was approximately 70%. The Company's external insurers disputed the extent of the insurance coverage available to the Company and this dispute was included in the Pyrrhotite Case. The Company, among other parties, appealed the Quebec Superior Court's ruling and, on April 6, 2020, the Quebec Court of Appeal rendered its decision dismissing most of the appeals filed by all parties and upheld: (i) the Quebec Superior Court's ruling regarding SNC-Lavalin's approximate 70% share of liability; and (ii) the solidary nature of the defendants' liability. In a further ruling, on June 12, 2020, the Quebec Court of Appeal confirmed SNC-Lavalin's allocated share of the damages, inclusive of interest and costs at approximately $200 million, and the Company paid this amount of damages awarded to the plaintiffs on August 3, 2020. The Company filed a notice seeking leave to appeal to the Supreme Court of Canada.

The Quebec Court of Appeal also dismissed an appeal from SNC-Lavalin's external insurers and confirmed that multiple insurance policy towers were triggered by the Wave 1 claims, resulting in multiple years of coverage. The Company's external insurers filed notices seeking leave to appeal to the Supreme Court of Canada.

On May 6, 2021, the Supreme Court of Canada dismissed both the Company's and its external insurers' applications seeking leave to appeal.

Given that SNC-Lavalin's external insurers initially refused to comply with terms contained in the relevant policies of insurance and the orders of the Quebec Superior Court and the Quebec Court of Appeal requiring them to pay a substantial portion of the $200 million damages award, SNC-Lavalin filed an application with the Quebec Superior Court seeking an order requiring the Company's external insurers to comply with the Quebec Court of Appeal's order and facilitate execution of the $200 million damages award by way of the multiple towers of insurance. On October 16, 2020, the Quebec Superior Court ruled in favour of SNC-Lavalin ordering SNC-Lavalin's external insurers to pay the Company approximately $141 million, which was fully collected. An additional $33 million in insurance proceeds was also collected by the Company through a reinsurance policy which was not subject to this court ruling.

SNC-Lavalin filed a recourse in warranty claim against Lafarge Canada Inc. ("**Lafarge**") seeking its contribution to the damages awarded against SNC-Lavalin in the Wave 1 judgement. The trial commenced in March 2019 and concluded in 2020. On February 4, 2021, the Quebec Superior Court dismissed SNC-Lavalin's claim and SNC-Lavalin has appealed the Quebec Superior Court's ruling to the Quebec Court of Appeal.

In parallel to the Wave 1 claims, notices of additional potential claims have been made and continue to be made against numerous defendants, including SNC-Lavalin, in "Wave 2" of the Pyrrhotite Case. Wave 2 claims that relate to damaged residential buildings have been given priority by the Court and a trial date has been set in May and June 2022, for those claims. The remaining claims will be dealt with separately. SNC-Lavalin expects some insurance coverage for the Wave 2 claims. In addition, SNC-Lavalin has filed a separate recourse in warranty claim against Lafarge with respect to the Wave 2 claims. SNC-Lavalin's liability exposure on all Wave 2 claims remains subject to several uncertainties.

Dubai civil case

In November 2018, WS Atkins & Partners Overseas, a subsidiary of the Company, was named as respondent together with other parties by the subrogated insurers of a property developer in a civil case initiated before the courts of Dubai. The claimant is seeking damages jointly from the respondents on account of the alleged refurbishment costs and loss of income arising from a fire at the property developer's building. WS Atkins & Partners Overseas was a subcontractor in the hotel's design and construction supervision and the claim revolves around alleged negligence in the specification, testing and installation of the building cladding which is claimed to have exacerbated the fire, thereby increasing the damage to the building. In a first instance court ruling in 2021, the claim was dismissed against all defendants including WS Atkins & Partners Overseas. The claimant has filed an appeal with a ruling anticipated in 2022.

Jacques Cartier Bridge Criminal Charges (Canada)

On September 23, 2021, the Royal Canadian Mounted Police (the "**RCMP**") represented by the Province of Quebec's Directeur des Poursuites Criminelles et Pénales ("**DPCP**") laid charges against the Company's subsidiary, SNC-Lavalin Inc. and indirect subsidiary, SNC-Lavalin International Inc. Each entity has been jointly charged (along with a former employee of the Company, Normand Morin) with the following counts: 1) forgery under Section 366 of the *Criminal Code* (Canada) (the "**Criminal Code**"), 2) fraud under Section 380 of the Criminal Code, and 3) fraud against the government under Section 121 of the Criminal Code. Each entity has also been charged with one count of conspiracy to commit the aforementioned crimes (the "**Criminal Charges**"). On the same date, the DPCP gave notice to SNC-Lavalin Inc. and SNC-Lavalin International Inc. of an invitation to negotiate a remediation agreement in accordance with Part XXII.1. of the Criminal Code with respect to the Criminal Charges and on October 1, 2021, both entities formally accepted the invitation. These Criminal Charges follow the RCMP's formal investigation relating to alleged payments in connection with a 2002 contract for the refurbishment of the Jacques Cartier Bridge by a consortium which included SNC-Lavalin Inc. and which has previously led to a guilty plea on certain criminal charges in 2017 by the former head of the Canada Federal Bridges Corporation. Another former employee of the Company, Kamal Francis, was also charged separately with similar offenses.

Due to the inherent uncertainties of these proceedings, it is not possible to predict whether the parties will be able to successfully negotiate and enter into a remediation agreement or the final outcome of the Criminal Charges, which could possibly result in a conviction on one or more of the Criminal Charges. The Company cannot predict what, if any, other actions may be taken by any other applicable government or authority or the Company's customers or other third parties as a result of the Criminal Charges, or whether additional charges may be brought in connection with the RCMP investigation of these matters.

The Criminal Charges and potential outcomes thereof, and any negative publicity associated therewith, could adversely affect the Company's business, results of operations and reputation and could subject the Company to sanctions, fines and other penalties, some of which may be significant. In addition, potential consequences of the Criminal Charges could include, in respect of the Company or one or more of its subsidiaries, mandatory or discretionary suspension, prohibition or debarment from participating in projects by certain governments (such as the Government of Canada and/or Canadian provincial governments) or by certain administrative organizations under applicable procurement laws, regulations, policies or practices. The Company derives a significant percentage of its annual consolidated revenue and of its revenue in Canada from government and government-related contracts. As a result, suspension, prohibition or debarment, whether discretionary or mandatory, from participating in certain government and government-related contracts (in Canada, Canadian provinces or elsewhere) would likely have a material adverse effect on the Company's business, financial condition and liquidity and the market prices of the Company's publicly traded securities.

Ongoing and Potential Investigations

The Company understands that there are investigations by various authorities which may remain ongoing in connection with certain legacy matters in various jurisdictions, including, without limitation, Algeria, Brazil and Angola.

Other Legal Proceedings

SNC-Lavalin Inc., a subsidiary of the Company, has initiated court proceedings against a Canadian client stemming from engineering, procurement, and construction management services that SNC-Lavalin Inc. provided in relation to the client's expansion of an ore-processing facility. SNC-Lavalin Inc. claimed from the client certain amounts due under the project contract. The client has counter-claimed alleging that SNC-Lavalin Inc. defaulted under the project contracts and is seeking damages.

9. Interest of Management and Others in Material Transactions

Other than the CDPQ Loan (as amended) or as elsewhere described in this Annual Information Form, to the knowledge of the Company, none of the (i) directors or executive officers of the Company, (ii) shareholders of the Company that beneficially own, or control or direct, directly or indirectly, more than 10% of any class of shares of the Company, or (iii) any associate or affiliate of the persons referred to in (i) and (ii), has or has had any material interest, direct or indirect, in any transaction during the three most recently completed financial years or the current financial year that has materially affected or is reasonably expected to materially affect the Company or any of its affiliates or subsidiaries.

10. Transfer Agent and Registrar

Computershare Investor Services Inc. is the Company's transfer agent and registrar for the Company's common shares, with principal offices in the cities of Montreal (Quebec), Toronto (Ontario), and Vancouver (British Columbia).

11. Material Contracts

Other than those contracts entered into during the normal course of business, the only contracts that are material to the Company and that were entered into within the fiscal year ended December 31, 2021, or before such year and after January 1, 2002 that are still in effect, and which are required to be filed with the Canadian securities regulatory authorities pursuant to applicable securities laws, are (i) the 407 Sale SPA, and (ii) the Credit Agreement and the CDPQ Loan. Each of the 407 Sale SPA, the Credit Agreement and the CDPQ Loan is described in section 2 of this Annual Information Form, "General Development of the Business" and has been filed on SEDAR at **www.sedar.com** under the Company's issuer profile. As at December 31, 2021, an aggregate of $307.4 million was outstanding under the Credit Agreement ($100.0 million of cash draws and $207.4 million related to letters of credit issued thereunder) and $400 million was outstanding under the CDPQ Loan.

12. Experts

Deloitte LLP is the auditor of the Company and is independent within the meaning of the Code of Ethics of the Ordre des comptables professionnels agréés du Québec.

13. Audit and Risk Committee

Mandate of the Audit and Risk Committee

The mandate of the Audit and Risk Committee of SNC-Lavalin is attached as Schedule "A" to this Annual Information Form.

Composition of Audit and Risk Committee

The Audit and Risk Committee of the Company consists of Ms. Benita M. Warmbold (Chair), Ms. Mary-Ann Bell, Mr. Christie J.B. Clark and Mr. Steven L. Newman. Each member of the Audit and Risk Committee is independent as determined by the Board including in light of Canadian securities legislation and regulations, and none receives, directly or indirectly, any compensation from the Company other than for service as a member of the Board of Directors and its Committees. All members of the Audit and Risk Committee are financially literate, as this phrase is defined under National Instrument 52-110—*Audit Committees* of the Canadian Securities Administrators (the "**CSA**"). In considering the criteria for determining financial literacy, the Board considers the ability of the director to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Professional Qualifications and Experience of Audit and Risk Committee Members

Each of the members of the Company's Audit and Risk Committee has professional qualifications or business experience, or both, that are relevant to the performance of their responsibilities as a member of the Audit and Risk Committee.

Benita M. Warmbold (Chair) has more than 30 years of experience in the finance industry. She is the former Senior Managing Director and CFO of CPPIB, a position she held from December 2013 to July 2017. Prior to that, she was Senior Vice-President and COO 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. Ms. Warmbold is currently a director of The Bank of Nova Scotia (where she is a member of the audit and conduct review committee and a member of governance committee) and Methanex Corporation (where she is chair of the audit, finance and risk committee and a member of governance committee). She chairs the Canadian Public Accountability Board. She is also a former chair of the audit committee of Canada Development Investment Corporation, a former chair of the audit and risk committee of Crestone Peak Resources (now, Civitas Resources, Inc.), and a former chair of capital asset and finance committee and member of the Board of Trustees of Queens 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.

Mary-Ann Bell has more than 30 years of experience in the telecommunications sector. Prior to her retirement in 2014, she was Senior Vice-President, Quebec and Ontario at Bell Aliant Regional Communications Inc. from 2009 to 2014, and from 2005 to 2009, Chief Operating Officer, Quebec, where she led different operational functions, including engineering, field services and customer services. Ms. Bell is currently a director of Cogeco Inc. (where she is a member of the human resources and governance committees), NAV Canada (where she is a member of the safety committee, the human resources and compensation committee, and the transformation committee) and mdf commerce inc. (where she serves on the audit committee). She was a former director of Energir Inc./Valener Inc. (where she was chair of the audit committee) and Cominar Real Estate Investment Trust (where she was a member of the audit committee). In addition to these public company memberships, Ms. Bell is director and chair of the audit Committee of the Institute for Governance of Private and Public Organizations (IGOPP) and was previously a director of the Institut National de la Recherche Scientifique (INRS) (where she was chair of the audit

Committee from 2009 to 2012). Ms. Bell holds a Bachelor's degree in Industrial Engineering from École Polytechnique de Montréal and a Master of Science degree from the Institut National de la Recherche Scientifique (INRS).

Christie J.B. Clark has more than 30 years experience in the accounting, finance and professional services industries. From 2005 to 2011, he was CEO and Senior Partner of PricewaterhouseCoopers LLP (professional services). Prior to being elected as CEO, Mr. Clark served as National Managing Partner and member of the firm's executive committee from 2001 to 2005. Mr. Clark is the chair of the audit committees of Air Canada and Loblaw Companies Limited, and a member of the audit committee of Choice Properties Real Estate Investment Trust. In addition to these public company memberships, Mr. Clark is a director and chair of the audit Committee of the Canadian Olympic Committee, the Canadian Olympic Foundation, Own The Podium and the Sunnybrook Hospital Foundation. He is an Emeritus member of the advisory board of the Stephen J.R. Smith School of Business at Queen's University. Mr. Clark graduated from Queen's University with a Bachelor of Commerce degree and from the University of Toronto with a Master of Business Administration. He is a Fellow of Chartered Professional Accountants of Ontario and former National Academic Director for the Institute of Corporate Director's course entitled "Audit Committee Effectiveness".

Steven L. Newman is a corporate director and has more than 25 years of experience in the energy industry. Since May 2021, he is the Chairman and CEO of Aquadrill LLC (offshore contract drilling). Prior to that, from March 2010 to February 2015, he was President and CEO and a director of Transocean, Ltd. (oil and gas drilling and exploration). Mr. Newman joined Transocean in 1994 and held various management and operational positions. He served as President and COO from May 2008 until March 2010 when he was appointed President and CEO. In his early career, Mr. Newman was Financial Analyst at Chevron Corporation and Reservoir Engineer at Mobil E&P US. Mr. Newman is a director of Dril-Quip, Inc. (where he is a member of the audit committee), and was a director of Rubicon Oilfield International Holdings GP, Ltd. (where he was a member of the finance and audit committee). 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.

Auditor's Fees

The Audit and Risk Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditor's independence. 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, 2021 and the year ended December 31, 2020, are presented in the following table:

	Year Ended December 31, 2021	**Year Ended December 31, 2020**
Audit fees (1)	$8,925,295	$10,347,148
Audit-related fees (2)	$1,499,635	$1,649,817
Tax fees (3)	$841,901	$1,340,462
Other fees (4)	$85,155	$133,906
Total (5)	**$11,351,986**	**$13,471,333**

(1) Audit fees include fees for professional services rendered for the audit of the Company's annual financial statements and the review of the Company's quarterly reports. They also include fees for services that generally only the Company's auditor can provide, such as comfort letters, consents and assistance with and review of documents filed with the securities commissions.

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

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

(4) Other fees include fees for services other than those described under “Audit fees”, “Audit-related fees” and “Tax fees”.

(5) The aggregate fees paid to Deloitte LLP, irrespective of the Company’s proportionate interests in its joint ventures and other investees, totaled $11,637,389 in 2021 and $13,818,732 in 2020.

14. Additional Information

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s securities and securities authorized for issuance under equity compensation plans is contained in the Management Proxy Circular relating to the May 14, 2021 annual meeting of shareholders of the Company.

Additional financial information, including comparative financial statements for the Company’s most recently completed financial year, is contained in the Company’s 2021 Management’s Discussion and Analysis.

To order paper copies of this Annual Information Form, the most recent Management Proxy Circular, Annual Report and Financial Report, please visit the “Investors” section at **www.snclavalin.com**. These documents are also available on the CSA’s website at **www.sedar.com**. Additional information relating to the Company may also be found on SNC-Lavalin’s website at **www.snclavalin.com** and on the CSA’s website at **www.sedar.com**.

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Schedule “A”

Audit and Risk Committee Mandate

1. MISSION

The Audit and Risk Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of SNC-Lavalin Group Inc. (the “Company”) which assists the Board in supervising the Company’s financial controls and reporting and in overseeing the Company’s Enterprise Risk Management (“ERM”) framework, strategy, policies and governance. The Committee also monitors through reasonable measures whether the Company complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

2. COMPOSITION

The Committee is composed of not less than three (3) and not more than seven (7) Directors, all of whom must be “independent” as determined by the Board in compliance with Canadian securities legislation and regulations.

Furthermore, every Committee member must be financially literate or must become financially literate[1] within a reasonable period of time following appointment to the Committee.

At least one (1) member of the Human Resources Committee sits on the Committee and vice versa. At least one (1) member of the Safety, Project Oversight and Technology Committee sits on the Committee and vice versa.

Subject to the By-Laws of the Company, the Chair and members of the Committee are recommended by the Governance, Ethics and Sustainability Committee and appointed by the Board.

3. ACTIVITIES, DUTIES AND RESPONSIBILITIES

3.1 Primary Accountability

(A) The Committee assists the Board in the discharge of its responsibilities relating to the Company’s accounting policies, reporting practices and internal controls and financial and enterprise risk management in compliance with applicable legal and regulatory requirements.

3.2 Financial Reporting

(A) The Committee reviews and recommends to the Board for approval the Company’s unaudited quarterly financial statements and accompanying notes and related press release.

(B) Before their publication, the Committee reviews and recommends to the Board for approval the Company’s audited annual financial statements and accompanying notes, related press release as well as the statement of management’s responsibility for the financial statements and any significant accounting changes and disclosure of issues.

(C) Before its publication, the Committee reviews and recommends to the Board for approval the Company’s Management’s Discussion and Analysis, with particular attention to the use and consistency of non-GAAP financial measures, and presentation of unusual or sensitive matters such as disclosure of related party transactions, significant non-recurring events, significant risks, changes in accounting policies, and estimates or reserves, and all significant variances between comparative reporting periods.

(D) Before its publication, the Committee reviews and recommends to the Board for approval the Company’s Annual Information Form.

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[1] In accordance with the definition of “financial literacy” set out in Section 1.6 of *Regulation 52-110 – Audit Committees* and as determined by the Board.

(E) The Committee periodically receives reports and assesses the adequacy of the procedures in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure documents set out in paragraphs (B), (C), and (D) above.

(F) Before their publication, the Committee reviews and recommends to the Board for approval the Company's financial information included in the Company's Environmental, Social and Governance (ESG) public disclosure documents.

3.3 Accounting Policies, Reserves and Tax Matters

(A) The Committee reviews and discusses the appropriateness of the accounting policies used in the preparation of the Company's financial statements and, at least each year, reviews the key accounting policies and accounting treatments that are particular to the Company, and any proposed changes to such policies.

(B) Each quarter, the Committee reviews the list of projects that required a policy escalation to the Corporate Controller in determining the project forecast and, as required, discusses specific policy escalations to ascertain the risk of potential reversals in the future.

(C) Each quarter, the Committee receives the legal report and reviews significant litigation matters and material developments and assesses the adequacy of the Company's reserves for litigation, claims or other contingencies and the appropriateness of related disclosure.

(D) Each quarter, the Committee reviews tax assessments that could have a material effect on the financial position or operating results of the Company, and the appropriateness of related disclosure.

(E) Each year, the Committee reviews tax filing compliance and emerging tax issues.

3.4 Controls and Control Deviations / CEO/CFO Certification

(A) The Committee monitors the quality and integrity of the Company's internal controls, disclosure controls and procedures and management information systems, with particular emphasis on accounting and financial controls, and recommends changes where appropriate.

(B) The Committee supervises management's reporting on internal controls and disclosure controls and procedures, including:

(i) the disclosure of significant deficiencies in the design and operation of internal controls;

(ii) the disclosure of significant changes in internal controls; and

(iii) the disclosure of fraud involving management or an employee with significant impact on internal controls.

(C) If deemed necessary, the Committee conducts special investigations and has access to personnel, books, records and facilities of the Company at all times.

(D) The Committee reviews the President and Chief Executive Officer's and Executive Vice-President and Chief Financial Officer's annual certification plan ("**CEO/CFO Certification**"); receives CEO/CFO Certification of interim and annual filings to be made in accordance with *National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings*; and reviews the results of interim and annual CEO/CFO Certification testing.

(E) The Committee monitors the application of the procedures established by the Company for the receipt, retention and treatment of complaints or concerns regarding accounting, internal controls or auditing matters either in respect of the Company or a subsidiary and, as requested by the Board. At least each quarter, the Committee receives a report on:

(i) issues, violations or complaints reported to the Company regarding accounting, internal controls, auditing or fraud[2]; and

(ii) investigations on internal controls and deviations to the Company's *Levels of Authority Policy*.

[2] As defined in Regulation 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings.

3.5 Enterprise Risk Management

(A) Each quarter, the Committee reviews the Company's risk control matrix and enterprise risk register.

(B) The Committee reviews and discusses with management the Company's most significant risks, the Company's methods of risk identification, risk assessment and risk mitigation and the overall effectiveness of the Company's strategy, policies and systems with respect to risk management and assessment.

(C) Each year, the Committee reviews and recommends to the Board for approval the Company's *Risk Management Policy* and *Risk Appetite Statement*.

3.6 Independent Auditor

(A) The Committee formally considers the continuation of, or a change in, the independent auditor and review all issues related to a change of independent auditor, including any differences between the Company and the independent auditor that relate to the independent auditor's opinion or a qualification thereof or a comment by the independent auditor.

(B) Each year, the Committee recommends an independent auditor to the Board, for approval by the shareholders of the Company.

(C) The Committee reviews the annual confirmation of independence provided by independent auditor and assesses any relationships or services that may impact the objectivity and independence of the independent auditor.

(D) The Committee reviews and approves budgeted and actual audit, audit-related and non-audit related fees and services provided by the independent auditor and considers whether the provision of services other than audit services is compatible with maintaining the independent auditor's independence.

(E) The Committee periodically reviews and approves the audit/non-audit-related services policy.

(F) Each year, the Committee performs a review of the mandate, organization, staffing, qualifications, independence, performance and effectiveness of the independent auditor.

(G) The Committee reviews and approves the scope and timing of the independent auditor's reviews of the unaudited quarterly financial statements and of its annual audit plan.

(H) The Committee monitors the work of the independent auditor engaged for the purpose of preparing or issuing an independent auditor's report or performing other audit, review or attest services for the Company.

(I) The Committee reviews (i) the content of the independent auditor's annual audit report to the Committee as well as the results of the independent audit, and (ii) the results of its quarterly reviews, and any significant recommendations from the independent auditor to strengthen the Company's internal controls.

(J) The Committee engages with the independent auditor on an annual discussion on fraud risk.

(K) The Committee reviews any significant problems encountered by the independent auditor in performing its independent audit or quarterly reviews as well as the content of any management letter issued by the independent auditor to the Company, and management's response thereto.

(L) The Committee reviews any unresolved significant issues between management and the independent auditor that could affect the financial reporting or internal controls of the Company.

(M) The Committee reviews and approves the *Policy for the Hiring of Employees and Former Employees of Present and Former Independent Auditor of the Company* (see Attachment "A" hereto).

(N) The Committee monitors that the requirements regarding the rotation of applicable partners of the independent auditor are completed.

3.7 Internal Audit Function

(A) Each year, the Committee reviews and approves the charter, nature, scope of work and budget of the Internal Audit function as well as its annual audit plan and ensures that the Internal Audit function has the necessary resources to fulfill its mandate and responsibilities.

(B) Each quarter, the Committee reviews the annual audit plan status and receives a progress report on the Internal Audit mandates and a follow-up on current, outstanding and past due recommendations.

(C) Each quarter, the Committee reviews the Internal Audit reports' conclusions and summary of findings.

(D) The Committee monitors the independence of the Internal Audit function to ensure that it is free of any influence that could adversely affect its ability to objectively assume its responsibilities.

(E) The Committee reviews the succession plan for the Vice-President, Internal Audit as recommended by management.

(F) The Committee approves the appointment and dismissal of the Vice-President, Internal Audit as well as approve their performance evaluation and compensation.

3.8 Other Responsibilities and Issues

(A) The Committee periodically reviews the Company's *Disclosure and Insider Trading Policy* and makes recommendations to the Board regarding any required changes in light of applicable legal and regulatory requirements.

(B) Each quarter, the Committee reviews the minutes of Disclosure Committee meetings and any issues raised by the Disclosure Committee.

(C) The Committee adopts and reviews the Disclosure Committee charter as required and makes recommendations to the Board regarding any required changes.

(D) Each year, the Committee reviews the Company's treasury policy and portfolio and receives reports on the Company's credit rating and liquidity status.

(E) Each year, the Committee receives a report on the Company's overall insurance coverage, including captive and directors' and officers' (D&O) and makes recommendations to the Board regarding any required changes.

(F) If applicable, the Committee periodically discusses with management any proposed external market financial guidance.

(G) The Committee periodically reviews the Company's related party transactions processes and makes recommendations to the Board regarding any required changes in light of applicable legal and regulatory requirements.

4. ENTERPRISE RISK OVERSIGHT

In supporting the Board's role and responsibility with respect to the Company's risk management framework and in accordance with the Company's *Risk Management Policy,* the Committee provides oversight of the Company's management of risks associated with financial performance, financial controls, capital structure, capital assets and investments, guarantees, taxation and insurance.

5. ORGANIZATION AND PROCEDURES

(A) Meetings of the Committee are held at least quarterly and as required. The Chair of the Committee, the Chief Integrity Officer, the President and Chief Executive Officer, the Chair of the Board, the Executive Vice-President and Chief Financial Officer, the Vice-President, Internal Audit, the independent auditor or any member of the Committee may request a meeting of the Committee. At each of the regularly scheduled meetings and special meetings of the Committee, an in-camera session of the independent Directors is held.

(B) The Chair of the Committee develops the agenda for each meeting of the Committee in consultation with the President and Chief Executive Officer, the Executive Vice-President and Chief Financial Officer and the Corporate Secretary. The Chair of the Committee presides at Committee meetings; in their absence, an alternate may be elected by the Committee.

(C) The Corporate Secretary or, in the case where they are unable to attend, the Assistant Corporate Secretary, acts as secretary of the meeting and forwards all minutes of Committee meetings to each Committee member in a timely manner.

(D) A majority of the members of the Committee constitute a quorum. The proceedings of the Committee are conducted in accordance with the By-Laws of the Company.

(E) The Executive Vice-President and Chief Financial Officer, the Vice-President, Internal Audit and the independent auditor have direct access to the Committee. They receive notice of and are invited to attend all meetings of the Committee, if they choose to, as non-voting participants.

(F) The President and Chief Executive Officer and the Chair of the Board each have direct access to the Committee. The President and Chief Executive Officer and Chair of the Board receive notice of and are invited to attend all meetings of the Committee as non-voting participants.

(G) Each quarter, the independent auditor, the Vice-President, Internal Audit and the Executive Vice-President and Chief Financial Officer each meets separately, in-camera with the Committee.

(H) The Committee has the authority to communicate directly with the independent auditor, the Vice-President, Internal Audit and the Executive Vice-President and Chief Financial Officer, and may also communicate directly with any employee of the Company, as it deems necessary.

(I) The Chair of the Committee reports to the Board at the next regularly scheduled Board meeting following a Committee meeting with respect to its activities and with such recommendations as are deemed appropriate in the circumstances.

(J) The Committee may require the assistance of the Company's resources to research, investigate and report on matters within the Committee's responsibilities. The President and Chief Executive Officer will appoint a member of management to be the Committee's prime interface.

(K) The Committee may engage outside advisors at the expense of the Company to research, investigate and report on matters within the Committee's responsibilities. The Committee approves the outside advisor's retention terms, which includes their compensation, and supervises their work.

(L) The Committee will annually review its mandate to ensure it continues to be appropriate, establish its annual working plan, and make recommendations thereon to the Board as required.

Nothing contained in this mandate shall be intended to assign to the Committee the Board's responsibility of ensuring the Company's compliance with applicable laws or regulations or expanding applicable standards of conduct or other obligations under any law or regulation for the Directors of the Company or the members of the Committee.

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ATTACHMENT "A"

<u>Policy for the Hiring of Employees and Former Employees of Present and Former Independent Auditor of the Company</u>

The Company and its subsidiaries shall not retain the services as an officer, employee or consultant in a position to influence the preparation of the Company's financial statements of any person if they or any member of their immediate family is participating on the engagement team of any firm that is acting as the independent auditor of the Company or any of its subsidiaries.

The same prohibition applies with respect to any person if they or any member of their immediate family previously participated on the engagement team of any firm that is so acting or has so acted, unless a period of at least one (1) year has elapsed from the date on which the financial statements audited by the engagement team were last filed with any regulatory authority.

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