



**SNC • LAVALIN**

# Management Proxy Circular and Notice of Annual Meeting of Shareholders

**20** | **MARCH**  
**21** | **15**



# Table of Contents

LETTER FROM THE CHAIR OF THE BOARD **3** / NOTICE OF 2021 ANNUAL MEETING OF SHAREHOLDERS AND NOTICE OF AVAILABILITY OF MEETING MATERIALS **4** / VOTING INFORMATION **7** / BUSINESS OF THE 2021 ANNUAL MEETING OF SHAREHOLDERS **13** / INFORMATION ON OUR DIRECTOR NOMINEES **15** / DIRECTORS' COMPENSATION DISCUSSION AND ANALYSIS **21** / BOARD COMMITTEE REPORTS **25** / EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS **35** / STATEMENT OF CORPORATE GOVERNANCE PRACTICES **63** / OTHER INFORMATION **84** / SCHEDULE A – SHAREHOLDER PROPOSALS **85** / SCHEDULE B – MANDATE OF THE BOARD OF DIRECTORS **91** / SCHEDULE C – SUMMARY OF LEGACY LONG-TERM INCENTIVE PLANS **94**

## Glossary of Terms

**AIF** Annual Information Form

**AIP** Annual Incentive Plan

**Atkins WS** Atkins plc

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

**CD&A** Executive Compensation Discussion and Analysis

**CEO** Chief Executive Officer

**CFO** Chief Financial Officer

**CIO** Chief Integrity Officer

**COO** Chief Operating Officer

**CSA** Canadian Securities Administrators

**Chair** Chair of the Board / Chairs of the Committees

**Circular** Management Proxy Circular dated March 15, 2021

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

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

**Company** SNC-Lavalin Group Inc.

**Computershare** Computershare Investor Services Inc.

**DCPP** Defined Contribution Pension Plan

**Directors** Members of the Board of Directors of the Company

**D-DSUs** Director Deferred Share Units

**D-DSUP** Director Deferred Share Unit Plan

**E&C** Engineering and Construction

**EBIT** Earnings before interest and taxes

**EBITDA** Earnings before interest, taxes, depreciation and amortization

**ED&I** Equality, Diversity & Inclusion

**EDPM** Engineering, Design & Project Management

**E-DSUs** Executive Deferred Share Units

**E-DSUP** Executive Deferred Share Unit Plan

**Employment Agreements** Executive Employment Agreements

**EPS** Earnings per share

**ESG** Environmental, Social and Governance

**ESOP** Employee Share Ownership Plan

**EVP** Executive Vice-President

**Executive Committee** A committee established by management comprised of the President and CEO and other Senior Officers

**G&E Committee** Governance and Ethics Committee of the Board

**HR Committee** Human Resources Committee of the Board

**HSE** Health, Safety and Environment

**IFRS** International Financial Reporting Standards

**LSTK** Lump Sum Turnkey

**LTIP** Long-Term Incentive Plan

**MD&A** Management's Discussion and Analysis

**Meeting** SNC-Lavalin Group Inc.'s annual meeting of shareholders to be held on May 14, 2021

**MSOP** Management Share Ownership Program

**NEOs** Named Executive Officers

**PSUs** Performance Share Units

**PSUP** Performance Share Unit Plan

**RSUs** Restricted Share Units

**RSUP** Restricted Share Unit Plan

**Say on Pay** Non-binding advisory vote on the Company's approach to executive compensation

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

**SERP** Supplemental Executive Retirement Plan

**SNC-Lavalin** SNC-Lavalin Group Inc.

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

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

**TDC** Total Direct Compensation

**TSR** Total Shareholder Return

**TSX** Toronto Stock Exchange



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# Letter from the Chair of the Board

## INVITATION TO SHAREHOLDERS

Dear Fellow Shareholders:

On behalf of the Board of Directors, management and employees of SNC-Lavalin, we are pleased to invite you to this year's Meeting to be held on Friday, May 14, 2021, at 11:00 a.m. (Eastern Time). This year, as a precautionary measure to proactively address the public health impact of coronavirus disease (COVID-19) and to mitigate health and safety risks to our shareholders, employees and other stakeholders, we will hold our Meeting in a virtual format, which will be conducted via live webcast as further detailed in our "Notice of 2021 Annual Meeting of Shareholders and Notice of Availability of Meeting Materials".

## MESSAGE TO SHAREHOLDERS

My tenure as Chair of the Board of Directors of SNC-Lavalin began in the fall of 2020. It is an honour to lead the Board of such an iconic Quebec-based Canadian company at a critical juncture in its journey; and to serve during an unprecedented and challenging time.

The global community finds itself amid a pandemic the likes of which has not been seen in over a century. While the staggering human loss, economic fallout and devastation caused by COVID-19 will likely be felt for many years to come, individuals, business communities, and all levels of government, mobilized a response that was immediate and unparalleled.

The SNC-Lavalin management team was no exception in this regard. When faced with uncharted territory brought on by unprecedented COVID-19 challenges, its response was exemplary. The team took swift action in the early days of the pandemic, implementing measures that facilitated the move from office to home in a seamless manner, and prioritized the health and wellbeing of employees around the world. To ensure the organization was well positioned financially to see through the pandemic, the Directors and the executive leadership took quick action, ahead of the second quarter of 2020. These measures, which included foregoing compensation by team members across the organization, stringent cash controls, and reviews of spending, helped to preserve SNC-Lavalin's ability to continue for its clients around the world during a time of crisis.

### Pivotal Progress on Strategic Direction

Since announcing the new strategy in 2019, the executive leadership, with advice and oversight from the Board, has made significant strides in advancing SNC-Lavalin's strategic direction. Most recently, the Company executed a critical element of the strategy with the divestiture of the Resources Oil & Gas business, announced in February 2021. This important milestone not only reduces the Company's risk profile, but also accelerates its transition to becoming a leading provider of professional engineering services and project management solutions.

The Company is on an unrelenting path to de-risk the business. I want to commend the work of management, and external advisors, in assessing and reducing the Company's risk areas, especially in relation to the wind-down of the remaining LSTK contracts. To this end, the Company announced in February the conclusion of the review into all significant litigation matters, and commercial claims receivable. The goal of the review was to give a clear and current picture of the identifiable risks and with this work now complete, and with necessary financial adjustments made, the Company can focus squarely on the future and growing the high potential Engineering Services business. This is a core area that we are confident will unlock and ultimately create long-term shareholder value.

### Board Renewal

2020 continued to be a year of ongoing renewal for the Board as we welcomed four new members: Ms. Mary-Ann Bell, Mr. Gary C. Baughman, Mr. Christie J.B. Clark, and Mr. Michael B. Pedersen. These individuals bring relevant skills and competencies and a wealth of experience. Their counsel, and that of the five other exceptional individuals who make up our current Board, is critical in supporting the Company's strategic focus on growing engineering services and long-term sustainability.

On behalf of the Board of Directors and SNC-Lavalin management, I would also like to take this opportunity to thank outgoing Director Mr. Jean Raby, who will not stand for re-election, and my predecessor, Mr. Kevin Lynch, for their tireless commitment, invaluable contributions and years of service to the Board.

### Turning our Focus on Environmental, Social, and Governance (ESG) for the Future

As part of this renewal, and to remain aligned with SNC-Lavalin's evolving ED&I program, we are mindful of the diversity of the Board and strive for greater inclusivity and representation. We continue to move the needle in this regard and are proud that following this year's Meeting, 30% of our Directors will be women.

The Board is committed to advancing the broader ESG agenda which includes ED&I, Integrity and carbon targets and views it as a strategic priority for the organization. SNC-Lavalin's business plan is aligned with ESG criteria and a suite of metrics will be discussed at the Meeting.

I want to conclude by expressing my appreciation for the steadfast counsel provided by the Board during this unprecedented year and for the leadership of our CEO, Mr. Ian Edwards, and the entire management team. To all SNC-Lavalin employees, particularly to those on the front-lines on essential projects around the world, thank you for your perseverance, resilience and dedication; and to the employees and their families who have experienced the direct impact of the virus, know that the entire SNC-Lavalin family stands with you.

Yours truly,

**William L. Young, P.Eng.** *(signed)*  
Chair of the Board



# Notice of 2021 Annual Meeting of Shareholders and Notice of Availability of Meeting Materials

To the Shareholders of SNC-Lavalin Group Inc. (the “Company”):

## NOTICE OF MEETING

**NOTICE IS HEREBY GIVEN THAT** the 2021 annual meeting of the shareholders (the “**Meeting**”) of the Company will be conducted via a virtual format, allowing shareholder participation online, on Friday, May 14, 2021, commencing at 11:00 a.m. (Eastern Time) for the purposes listed below. Registered shareholders and duly appointed and registered proxyholders can attend the Meeting online at <https://web.lumiagm.com/439549909> where they can participate, vote, or submit questions during the Meeting’s live webcast.

For details on how you can participate, vote, or submit questions during the Meeting, see the “Voting Information” section of our Management Proxy Circular dated March 15, 2021 (the “**Circular**”) as well as the “Annual Meeting User Guide” available on our website at [www.snc-lavalin.com](http://www.snc-lavalin.com) under “Investors”/Investor’s Briefcase and on the SEDAR website at [www.sedar.com](http://www.sedar.com).

Purposes of the Meeting:

1. **to receive the consolidated financial statements of the Company for the year ended December 31, 2020 and the auditor’s report thereon** (for details, see subsection 1 under the “Business of the 2021 Annual Meeting of Shareholders” section of the Circular);
2. **to elect the Directors for the ensuing year** (for details, see subsection 2 under the “Business of the 2021 Annual Meeting of Shareholders” section of the Circular);
3. **to appoint the auditor for the ensuing year and to authorize the Directors of the Company to fix the auditor’s remuneration** (for details, see subsection 3 under the “Business of the 2021 Annual Meeting of Shareholders” section of the Circular);
4. **to consider and, if deemed appropriate, to adopt a resolution providing for a non-binding advisory vote on the Company’s approach to executive compensation** (the full text of the resolution is reproduced in subsection 4 under the “Business of the 2021 Annual Meeting of Shareholders” section of the Circular); and
5. **to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.** Information respecting the use of discretionary authority to vote on any such other business may be found in the “Voting Information” section of the Circular.

Shareholders may register and log into the live webcast platform from 10:30 a.m. We would appreciate your early registration so that the Meeting may start promptly at 11:00 a.m. (Eastern Time).

## NOTICE-AND-ACCESS

As permitted by Canadian securities regulators, you are receiving this notification as the Company has decided to use the “notice-and-access” mechanism for delivery of its Circular and its 2020 annual financial documents to its shareholders (the “**Meeting Materials**”). Notice-and-access is a set of rules that allows issuers to post electronic versions of proxy-related materials online, via SEDAR and one other website, rather than mailing paper copies of such materials to shareholders. Under notice-and-access, shareholders still receive a proxy form or voting instruction form enabling them to vote at the Company’s Meeting. However, instead of a paper copy of the Meeting Materials, shareholders receive this notice which contains information on how they may access the Meeting Materials online and how to request a paper copy. The use of notice-and-access directly benefits the Company by substantially reducing its printing and mailing costs and is more environmentally friendly.



## HOW TO ACCESS THE MEETING MATERIALS

On our website: [www.snclavalin.com](http://www.snclavalin.com) under “Investors”/“Investor’s Briefcase”

On SEDAR: [www.sedar.com](http://www.sedar.com)

Shareholders are reminded to read the Circular and other Meeting Materials carefully before voting their Common Shares.

## HOW TO REQUEST A PAPER COPY OF THE MEETING MATERIALS

### Before the Meeting

If you are a registered shareholder, you may request paper copies of the Meeting Materials at no cost to you by calling Computershare at 1-866-962-0498 (toll free within North America) or 514-982-8716 (international direct dial) and entering your control number as indicated on your form of proxy.

If you are a non-registered shareholder, you may request paper copies of the Meeting Materials from Broadridge at no cost to you up to one (1) year from the date the Circular was filed on SEDAR. The request can be made online at [www.proxyvote.com](http://www.proxyvote.com) by entering the control number located on your voting instruction form and following the instructions provided. Alternatively, you may submit a request by calling 1-877-907-7643 (toll free within North America) or 905-507-5450 (international direct dial), or by email to [noticeandaccess@broadridge.com](mailto:noticeandaccess@broadridge.com).

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

In any case, requests should be received at least ten (10) business days prior to the Meeting date in order to receive the Meeting Materials in advance of the Meeting date. To ensure receipt of the paper copy in advance of the voting deadline and Meeting date, we estimate that your request must be received no later than Friday, April 30, 2021.

### After the Meeting

By calling Computershare at 1-866-964-0492 (toll free within North America) or 514-982-8714 (international direct dial) or [investors@snclavalin.com](mailto:investors@snclavalin.com). A copy of the Meeting Materials will be sent to you within ten (10) calendar days of receiving your request.

## VOTING

### Registered Shareholders

If your name appears on a share certificate, you are considered as a “registered shareholder”. You may vote your Common Shares on the Internet, by telephone or by mail. Please refer to the instructions on your separate form of proxy on how to vote using these methods. If you wish to vote by online ballot at the Meeting, do not complete or return the form of proxy. However, even if you plan to participate in the Meeting, you may vote your Common Shares in advance, so that your vote will be counted if you later decide not to participate in the Meeting.

If you wish to appoint a third-party proxyholder to represent you at the Meeting online, **you must submit your form of proxy AND register your proxyholder. Registering your proxyholder is an additional step once you have submitted your form of proxy. Failure to register your proxyholder will result in the proxyholder not receiving a username to participate in the Meeting online.** To register your proxyholder, you MUST visit [www.computershare.com/SNC](http://www.computershare.com/SNC) by Wednesday, May 12, 2021 at 11:00 a.m. (Eastern Time) and provide Computershare with your proxyholder’s contact information, so that Computershare may provide your proxyholder with a username via email after the voting deadline indicated below has passed. Your proxyholder will then be able to participate in the Meeting online by going to <https://web.lumiagm.com/439549909> and by clicking “I have a login” and entering the aforementioned username and a password before the start of the Meeting. The password to the Meeting online is “snc2021”.

### Non-Registered Shareholders (“Beneficial Owners”)

If your Common Shares are listed in an account statement provided to you by an intermediary, you are considered as a “non-registered shareholder” (or a “beneficial owner”). For example, your Common Shares are listed in an account statement provided to you by the SNC-Lavalin Employee Share Ownership Plan (ESOP) administrator or by a bank, a trust company, a securities broker or other financial institution. Please refer to the instructions on your separate voting instruction form that you will or may have already received from your nominee. If you wish to vote by online ballot at the Meeting, insert your own name in the space provided on the voting instruction form provided by your nominee to appoint yourself as proxyholder and follow the instructions of your nominee.

Furthermore, if you have appointed yourself as proxyholder or if you have appointed a third party to represent you at the Meeting online, **you must submit your voting instruction form AND register yourself or your third-party proxyholder. Registration is an additional step once you have submitted your voting instruction form. Failure to register will result in you**



or your third-party proxyholder not receiving a username to participate in the Meeting online. To register yourself or your third-party proxyholder, you MUST visit [www.computershare.com/SNC](http://www.computershare.com/SNC) by Wednesday, May 12, 2021 at 11:00 a.m. (Eastern Time) and provide Computershare with your contact information or that of your third-party proxyholder, so that Computershare may provide you or your third-party proxyholder with a username via email after the voting deadline indicated below has passed. You or your third-party proxyholder will then be able to participate in the Meeting online by going to <https://web.lumiagm.com/439549909> and by clicking "I have a login" and entering the aforementioned username and a password before the start of the Meeting. The password to the Meeting online is "snc2021".

#### Deadline

The deadline for receiving duly completed forms of proxy or voting instruction forms or a vote using the telephone or over the Internet is 11:00 a.m. (Eastern Time) on Wednesday, May 12, 2021.

#### QUESTIONS

If you are a registered shareholder and have any questions regarding this notice, the notice-and-access mechanism or the Meeting, please call Computershare at 1-800-564-6253 (toll free in Canada and the United States) between 8:30 a.m. and 8:00 p.m. (Eastern Time) or 514-982-7555 (international direct dial) or online at [www.investorcentre.com/service](http://www.investorcentre.com/service). If you are a non-registered shareholder, please call Broadridge Investor Communication Solutions toll free at 1-855-887-2244.

Alternatively, registered and non-registered shareholders may contact our proxy solicitation agent, Laurel Hill Advisory Group at 1-877-452-7184 (toll free within North America), 416-304-0211 (international direct dial) or by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com).

Montreal, Quebec, March 15, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

[Andrée-Claude Bérubé](#) *(signed)*

Associate General Counsel and Corporate Secretary



# Voting Information

This Circular is being sent to shareholders in connection with the solicitation of proxies, by and on behalf of the management of the Company, for use at the virtual Meeting to be held on Friday, May 14, 2021, at the web address, commencing at the time and for the purposes set forth in the foregoing notice of said Meeting and at any and all adjournments or postponements thereof. Unless otherwise indicated, the information provided in this Circular is given as of March 15, 2021.

This year, as a precautionary measure to proactively address the public health impact of coronavirus disease (COVID-19), to mitigate health and safety risks to our shareholders, employees and other stakeholders, and in line with governmental guidelines, we will hold our annual meeting in a virtual format, which will be conducted via live webcast.

Registered shareholders and duly appointed and registered proxyholders who will be attending the Meeting online will have an equal opportunity to participate in the Meeting, regardless of geographic location, ask questions and vote, all in real time, provided they are connected to the Internet and comply with all of the requirements set out in this Circular. Non-registered shareholders who have not duly appointed themselves as proxyholder and registered themselves with Computershare may attend the Meeting but will not be able to ask questions or vote at the Meeting. Guests may also attend the Meeting but will not be able to ask questions or vote at the Meeting.

## Proxy Solicitation

The solicitation of proxies in connection with the Meeting is being made primarily by mail, but proxies may also be solicited by telephone, fax or other personal contact by Directors, officers or other employees of the Company. The Company has also hired Laurel Hill Advisory Group ("Laurel Hill") to act as the Company's proxy solicitation agent and shareholder communications advisor in connection with the Meeting. Additionally, Laurel Hill will provide the following services in connection with the Meeting: review and analysis of this Circular, recommend corporate governance best practices and liaising with proxy advisory firms, as applicable, and assist the Company in connection with its communication with shareholders. In connection with these services, the Company will pay Laurel Hill a fee of \$42,500 in connection with their engagement, plus additional costs relating to out-of-pocket expenses. Shareholders can contact Laurel Hill at 1-877-452-7184 within North America, 416-304-0211 outside of North America or by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com).

## Information on Certain Shareholders of the Company

As of March 15, 2021, the Company had 175,554,252 Common Shares outstanding. As of March 15, 2021, to the knowledge of the Directors and officers of the Company based on shareholders' public filings, the persons or companies who beneficially own, or control or direct, directly or indirectly,

voting securities carrying more than 10% of the voting rights attached to all shares of the Company are:

- (i) the Caisse de dépôt et placement du Québec (the "**Caisse**"), an institutional fund manager. As of March 15, 2021, based on public filings, the Caisse beneficially owned, or controlled or directed, directly or indirectly, 34,935,200 Common Shares representing 19.9% of the outstanding Common Shares of the Company; and
- (ii) Jarislowsky Fraser Limited ("**Jarislowsky**"), a global investment management firm. As of March 15, 2021, based on public filings, Jarislowsky beneficially owned, or controlled or directed, directly or indirectly, 24,100,376 Common Shares representing 13.73% of the outstanding Common Shares of the Company.

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

Concurrently with the closing of the Atkins Acquisition, the Company and the Caisse entered into an investor's rights agreement (the "**Investor's Rights Agreement**"). Among other things, the Investor's Rights Agreement provides the Caisse with the right, as long as it beneficially owns or exercises control or direction over, directly or indirectly, 10% or more of the Company's outstanding Common Shares, to recommend to SNC-Lavalin one (1) nominee for election or appointment as a Director, provided that the Caisse nominee shall have no material relationship with SNC-Lavalin or the Caisse, and that his or her nomination shall be subject to a favourable recommendation of SNC-Lavalin's G&E Committee. In addition, the Company has agreed that it will consult with the Caisse prior to the appointment of any new Chair of the Board.

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

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

- As long as the Caisse holds, directly or indirectly, at least 12% of the Company's issued and outstanding Common Shares, it has a pre-emptive right to participate in new issuances of Common Shares and convertible securities, subject to customary exceptions;



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

For a complete description and the full text of the Investor’s Rights Agreement’s provisions, please refer to the SEDAR website at [www.sedar.com](http://www.sedar.com). The Investor’s Rights Agreement was filed thereon on July 7, 2017.

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

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

#### Who can vote?

Each holder of Common Shares is entitled to one (1) vote at the Meeting or any adjournment or postponement thereof for each Common Share registered in the holder’s name as at the close of business on the record date, March 15, 2021.

#### What will I be voting on?

Shareholders will be voting to (i) elect Directors; (ii) appoint the auditor of the Company for the ensuing year and authorize the Directors to fix its remuneration; and (iii) adopt a resolution providing for a Say on Pay vote, the full text of which is reproduced in subsection 4 under the “Business of the 2021 Annual Meeting of Shareholders” section of this Circular.

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

#### How will these matters be decided at the Meeting?

A simple majority of the votes cast will constitute approval of these matters.

#### How do I vote?

If your name appears on a share certificate, you are considered as a “registered shareholder”. See the “Registered Shareholder Voting” subsection below for details on how to vote.

If your Common Shares are not registered in your name and are held in the name of a nominee, you are considered as a “non-registered shareholder” (or a “beneficial owner”). For example, your Common Shares are listed in an account statement provided to you by the SNC-Lavalin ESOP administrator or by a bank, a trust company, a securities broker or other financial institution. If this is the case, see the “Non-Registered Shareholder Voting” subsection below for details on how to vote.

Only persons shown on the register of shareholders at the close of business on the record date, i.e. on Monday, March 15, 2021, and duly appointed proxyholders (including non-registered shareholders who have duly appointed themselves as proxyholders), will be entitled to vote at the Meeting.

### REGISTERED SHAREHOLDER VOTING

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

#### Can I vote by proxy and how?

If you are a registered shareholder, you may appoint someone else to vote for you as your proxyholder at the Meeting by using the form of proxy sent to you by Computershare. The persons named in the form of proxy are Directors or officers of the Company. **As a shareholder, you have the right to appoint as proxyholder a person other than those whose names are printed as proxyholders in the form of proxy, by inserting the name of your chosen proxyholder in the blank space provided for that purpose in the form of proxy.** In either case, the completed form of proxy must be delivered to Computershare following one (1) of the methods below, prior to the Meeting at which it is to be used. A person acting as proxyholder need not be a shareholder of the Company. Make sure that the person you appoint is aware that he or she is appointed and participates in the Meeting, otherwise your vote will not be taken into account.

If you wish to appoint a person other than the Directors or officers named in the form of proxy as your proxyholder to represent you at the Meeting online, **you must submit your form of proxy AND register your proxyholder. Registering your proxyholder is an additional step once you have submitted your form of proxy. Failure to register your proxyholder will result in the proxyholder not receiving a username to participate in the Meeting online.** See the “How do I attend, participate and vote at the Meeting?”/“Online” subsection below for details on how to register your proxyholder to represent you at the Meeting online.

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



#### By telephone

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

If you choose to vote by telephone, you cannot appoint any person other than the Directors or officers of the Company named on your form of proxy as your proxyholder.





### On the Internet

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

If you choose to vote via the Internet, you can appoint a person other than the Directors or officers of the Company named on the form of proxy as your proxyholder. This person does not have to be a shareholder. Make sure that the person you appoint is aware that he or she has been appointed and participates in the Meeting, otherwise your vote will not be taken into account.

If you wish to appoint a person other than the Directors or officers of the Company named on the form of proxy as your proxyholder to represent you at the Meeting online, **you must submit your form of proxy AND register your proxyholder. Registering your proxyholder is an additional step once you have submitted your form of proxy. Failure to register your proxyholder will result in the proxyholder not receiving a username to participate in the Meeting online.** See the “How do I attend, participate and vote at the Meeting?”/“Online” subsection below for details on how to register your proxyholder to represent you at the Meeting online.



### By mail

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

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

If you wish to appoint a person other than the Directors or officers of the Company named on the form of proxy as your proxyholder to represent you at the Meeting online, **you must submit your form of proxy AND register your proxyholder. Registering your proxyholder is an additional step once you have submitted your form of proxy. Failure to register your proxyholder will result in the proxyholder not receiving a username to participate in the Meeting online.** See the “How do I attend, participate and vote at the Meeting?”/“Online” subsection below for details on how to register your proxyholder to represent you at the Meeting online.

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

The deadline for receiving duly completed forms of proxy or a vote by telephone or over the Internet is 11:00 a.m. (Eastern Time) on Wednesday, May 12, 2021, or if the Meeting is adjourned or postponed, by no later than 48 hours (excluding weekends and statutory holidays) prior to the new day fixed for the adjourned or postponed Meeting. The proxy deadline may be waived or extended by the chair of the Meeting, in his sole discretion without notice.

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

Common Shares represented by proxies will be voted in accordance with the instructions indicated thereon. If no contrary instruction is indicated, Common Shares represented by proxies will be voted FOR: (i) the election as Directors of the persons named under the heading “Election of Directors”; (ii) the appointment of the firm named under the heading “Appointment of Auditor” as auditor and the authorization to the Directors to fix the auditor’s remuneration; and (iii) the Say on Pay resolution.

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

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

A registered shareholder who has given a proxy may revoke the proxy by completing and signing a form of proxy bearing a later date and depositing it with Computershare (100 University Avenue, 8<sup>th</sup> Floor, North Tower, Toronto, Ontario, M5J 2Y1) no later than 11:00 a.m. (Eastern Time) on Wednesday, May 12, 2021, or no later than 11:00 a.m. (Eastern Time) on the business day before the Meeting is reconvened if it was postponed or adjourned, or in any other manner permitted by law.

If you log into the Meeting online, you will be provided the opportunity to revoke any and all previously submitted proxies, if any, and vote by ballot on the matters put forth at the Meeting.

### How do I attend, participate and vote at the Meeting?

The Company is holding the Meeting in a virtual format, which will be conducted via live webcast. The Meeting will begin at 11:00 a.m. (Eastern Time) on Friday, May 14, 2021 online at <https://web.lumiagm.com/439549909>.

#### Online

**If you are a registered shareholder and wish to vote online at the Meeting, do not complete or return the form of proxy.** Registered shareholders can vote at the appropriate times by completing a ballot online during the Meeting. However, even if you plan to participate in the Meeting, you may vote your Common Shares in advance, so that your vote will be counted if you later decide not to participate in the Meeting.

Registered shareholders can participate in the Meeting by going to <https://web.lumiagm.com/439549909> and by clicking “I have a login” and entering a username and password before the start of the Meeting.

The username is the 15-digit control number located on the form of proxy or in the email notification you received, and the password is “snc2021”.

If you log into the Meeting online, you will be provided the opportunity to revoke any and all previously submitted proxies, if any, and vote by ballot on the matters put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, you can log and participate into the Meeting online without completing a ballot online during the Meeting.

If you wish to appoint a person other than the Directors or officers named in the form of proxy as your proxyholder to represent you at the Meeting online, **you must submit your form of proxy AND register your proxyholder. Registering your proxyholder is an additional step once you have submitted your form of proxy. Failure to register your proxyholder will result in the proxyholder not receiving a username to participate in the Meeting online.** To register your proxyholder, you **MUST** visit [www.computershare.com/SNC](http://www.computershare.com/SNC) by Wednesday, May 12, 2021 at 11:00 a.m. (Eastern Time) and provide Computershare with your proxyholder's contact information, so that Computershare may provide your proxyholder with a username via email after the voting deadline has passed.

Your proxyholder will then be able to participate in the Meeting online by going to <https://web.lumiagm.com/439549909> and by clicking "I have a login" and entering the aforementioned username and a password before the start of the Meeting. The password to the Meeting online is "snc2021".

If you participate in the Meeting online, it is important that you are connected to the Internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedure.

Note that the Internet Explorer web browser cannot be used to access the Lumi platform. You should therefore consider using the latest version of a web browser such as Chrome, Safari, Edge or Firefox should you want to participate online in the Meeting.

#### Who can I call with questions?

If you have questions about the information contained in this Circular or require assistance in completing your form of proxy, please contact our proxy solicitation agent, Laurel Hill at 1-877-452-7184 within North America, 416-304-0211 outside of North America or by email at [assistance@laurelhill.com](mailto:assistance@laurelhill.com).

#### NON-REGISTERED SHAREHOLDER VOTING

If your Common Shares are not registered in your name and are held in the name of a nominee, you are considered as a "non-registered shareholder" (or a "beneficial owner"). For example, if your Common Shares are listed in an account statement provided to you by the SNC-Lavalin ESOP administrator or by a bank, a trust company, a securities broker or other financial institution, those Common Shares will, in all likelihood, not be registered in your name. Such Common Shares will more likely be registered in the name of a depository or of your broker or an agent of that broker. Without specific instructions, brokers and their agents or

nominees are prohibited from voting shares for their clients. Non-registered shareholders are either "objecting beneficial owners" or "OBOs", who object that intermediaries disclose information about their identity and ownership in the Company or "non-objecting beneficial owners" or "NOBOs", who do not object to such disclosure. The Company does not send proxy-related materials directly to OBOs or NOBOs and intends to pay for an intermediary to deliver to OBOs and NOBOs the proxy-related materials.

If you are a non-registered shareholder, there are two (2) ways, listed below, that you can vote your Common Shares.

#### How do I give my voting instructions?

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

#### How do I attend, participate and vote at the Meeting?

The Company is holding the Meeting in a virtual format, which will be conducted via live webcast. The Meeting will begin at 11:00 a.m. (Eastern Time) on Friday, May 14, 2021 online at <https://web.lumiagm.com/439549909>.

#### Online

If you are a non-registered shareholder and wish to vote online at the Meeting, insert your own name in the space provided on the voting instruction form provided by your nominee to appoint yourself as proxyholder and follow the instructions of your nominee. Non-registered shareholders who have duly appointed themselves as proxyholders can vote at the appropriate times by completing a ballot online during the Meeting.

Furthermore, if you have appointed yourself as proxyholder or if you have appointed a third party to represent you at the Meeting online, **you must submit your voting instruction form AND register yourself or your third-party proxyholder. Registration is an additional step once you have submitted your voting instruction form. Failure to register will result in you or your third-party proxyholder not receiving a username to participate in the Meeting online.** To register yourself or your third-party proxyholder, you **MUST** visit [www.computershare.com/SNC](http://www.computershare.com/SNC) by Wednesday, May 12, 2021 at 11:00 a.m. (Eastern Time) and provide Computershare with your contact information or that of your third-party proxyholder, so that Computershare may provide you or your third-party proxyholder with a username via email after the voting deadline has passed.

You or your third-party proxyholder will then be able to participate in the Meeting online by going to <https://web.lumiagm.com/439549909> and by clicking "I have a login" and entering the aforementioned username and a password before the start of the Meeting. The password to the Meeting online is "snc2021".



If you have not appointed yourself to vote at the Meeting or do not have a 16-digit control number or a username, you may login as a guest by clicking on “I am a Guest” and complete the online form. Attending the Meeting online as a guest will allow you to listen to the Meeting but you will not be able to vote or submit questions.

If you are using a 16-digit control number to log into the Meeting online and you accept the terms and conditions, you will be revoking any and all previously submitted proxies, if any. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the Meeting as a guest.

If you log into the Meeting online, you will be provided the opportunity to revoke any and all previously submitted proxies, if any, and vote by ballot on the matters put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, you can log and participate into the Meeting online without completing a ballot online during the Meeting.

**If you participate in the Meeting online, it is important that you are connected to the Internet at all times during the Meeting in order to vote when balloting commences.** It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedure.

**Note that the Internet Explorer web browser cannot be used to access the Lumi platform. You should therefore consider using the latest version of a web browser such as Chrome, Safari, Edge or Firefox should you want to participate online in the Meeting.**

#### *Online – United States’ Non-Registered Shareholders (Beneficial Holders)*

To attend and vote at the Meeting online, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker or bank included with these proxy materials or contact your broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the Meeting, you must submit a copy of your legal proxy to Computershare. Requests for registration should be directed to Computershare, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Canada, or at [service@computershare.com](mailto:service@computershare.com).

Requests for registration must be labelled as “Legal Proxy” and be received no later than Wednesday, May 12, 2021 at 11:00 a.m. (Eastern Time). You will receive a confirmation of your registration by email after your registration materials are received. You may attend the Meeting and vote your Common Shares at <https://web.lumiagm.com/439549909> during the Meeting. Please note that you are required to register your appointment at <http://www.computershare.com/SNC>.

## **RULES OF CONDUCT AND PROCEDURES FOR THE MEETING**

This year, as a precautionary measure to proactively address the public health impact of COVID-19, to mitigate health and

safety risks to our shareholders, employees and other stakeholders, and in line with governmental guidelines, we will hold our annual meeting in a virtual format, which will be conducted via live webcast.

In order to ensure the effective conduct of the Meeting, we have adopted the following “Rules of Conduct and Procedures for the Meeting” so that our shareholders can understand the process around participating, voting and asking questions at the Meeting.

#### *Requirements to be fulfilled prior to the Meeting*

Because this is a meeting of our shareholders, only persons shown on the register of shareholders at the close of business on the record date, i.e. on Monday, March 15, 2021, and duly appointed and registered proxyholders will be entitled to vote and ask questions at the Meeting, all in real time, provided they comply with all of the requirements set out:

- In the “Voting Information”/“Registered Shareholder Voting” subsection of this Circular, **OR**
- In the “Voting Information”/“Non-Registered Shareholder Voting” subsection of this Circular, **AND**
- In their form of proxy or voting instruction form, as applicable.

We have prepared an Annual Meeting User Guide, which addresses how shareholders and duly appointed and registered proxyholders can register, participate, ask questions and vote during the Meeting. The Annual Meeting User Guide is available on our website at [www.snc-lavalin.com](http://www.snc-lavalin.com) under “Investors”/“Investor’s Briefcase” and on the SEDAR website at [www.sedar.com](http://www.sedar.com).

Non-registered shareholders who have not duly appointed themselves as proxyholder and registered themselves with Computershare may attend the Meeting online but will not be able to ask questions or vote.

As for guests, they may also attend the Meeting but it will not be possible for them to ask questions or vote.

#### *Technological Aspects of the Online Meeting*

If you participate in the Meeting online, it is important that you are connected to the Internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedure.

Note that the Internet Explorer web browser cannot be used to access the Lumi platform. You should therefore consider using the latest version of a web browser such as Chrome, Safari, Edge or Firefox should you want to participate online in the Meeting.

For live technical assistance during the Meeting, please click on the “Support” button on the bottom of the screen on the Lumi platform.

#### *Procedure at the Meeting*

We will strictly follow the agenda as we conduct the Meeting.

### *Shareholder Proposals*

A shareholder who has submitted a shareholder proposal which is included in the Circular will be able to state his or her proposal at the Meeting by telephone. The presentation of a shareholder proposal should not exceed the time needed to read the text accompanying each proposal reproduced in the Circular.

### *Voting Before or During the Meeting*

Shareholders will be able to vote prior to the Meeting using their form of proxy or voting instructions form which was provided to them prior to the Meeting.

Registered shareholders and duly appointed and registered proxyholders who attend the Meeting online will have the opportunity to vote in real time by virtual ballot.

The Chair of the Meeting will indicate the time of opening and closure of the polls. Voting options will be visible on your screen when attending the Meeting online.

### *Asking questions at the Meeting relating to matters to be voted on*

Registered shareholders and duly appointed and registered proxyholders who attend the Meeting online will have the opportunity to ask questions relating to matters to be voted on before a vote is held on each matter by chat. We recommend that questions be submitted as soon as possible during the Meeting so that they can be addressed in due course.

### *Asking general questions following the formal business of the Meeting*

Following the formal business of the Meeting, management will give a presentation about the Company's business. At the conclusion of this presentation, management or the Chair of the Board will address appropriate general questions from shareholders regarding the Company.

Registered shareholders and duly appointed and registered proxyholders who attend the Meeting online will have the opportunity to ask general questions by chat. We recommend that questions be submitted as soon as possible during the Meeting so that they can be addressed in due course.

They should be succinct and cover only one topic per question. Questions from multiple shareholders on the same topic or that are otherwise related may be grouped, summarized and answered together.

### *Before asking a question*

Shareholder questions are welcome, but conducting the business set out in the agenda for the benefit of all shareholders will be paramount. We do not intend to address any questions that are, among other things:

- irrelevant to the business of the Company or to the business of the Meeting;
- related to material non-public information of the Company;
- related to personal grievances;
- derogatory references to individuals or that are otherwise in bad taste;
- repetitious statements already made by another shareholder;
- in furtherance of the shareholder's personal or business interests; or
- out of order or not otherwise suitable for the conduct of the Meeting as determined by the Chair of the Meeting or Corporate Secretary in their reasonable judgment.

If there are any matters of individual concern to a shareholder and not of general concern to all shareholders, or if a question asked was not otherwise answered, such matters may be raised separately after the Meeting by contacting Investor Relations at [investors@snclavalin.com](mailto:investors@snclavalin.com).

### *Other considerations*

The Chair of the Meeting, our President and CEO and certain members of management will attend the Meeting and will be visible via the live webcast.

If a technical malfunction or other significant problem disrupts the Meeting, the Chair of the Meeting may recess, expedite or adjourn the Meeting, or take such other action as the Chair determines is appropriate under the circumstances.

### *Recording of Meeting*

Recording of the Meeting is prohibited. A webcast playback will be available 24 hours after the completion of the Meeting on the Company's website ([www.snclavalin.com](http://www.snclavalin.com)), under "Investors"/"Investor's Briefcase".



# Business of the 2021 Annual Meeting of Shareholders

## 1 CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The consolidated financial statements of the Company for the fiscal year ended December 31, 2020, and the independent auditor's report thereon, as well as the MD&A, are contained in the Company's 2020 Financial Report which is available on

our website ([www.snclavalin.com](http://www.snclavalin.com)) under "Investors"/"Investor's Briefcase" and on the SEDAR website ([www.sedar.com](http://www.sedar.com)) under the name of SNC-Lavalin Group Inc.

## 2 ELECTION OF DIRECTORS

### TEN (10) NOMINEES FOR 2021

Gary C. Baughman	Steven L. Newman
Mary-Ann Bell	Michael B. Pedersen
Christie J.B. Clark	Zin Smati
Isabelle Courville	Benita M. Warmbold
Ian L. Edwards	William L. Young

The Board of Directors has fixed at ten (10) the number of Directors to be elected for the current year. The term of office of each Director so elected will expire upon the election of his/her successor unless he/she shall resign his/her office or his/her office becomes vacant through death, removal or other cause. The management of the Company does not contemplate that any of the nominees will be unable, or for any reason will become unwilling, to serve as a Director. Should this occur for any reason prior to the election, the persons named in the form of proxy or the

voting instruction form reserve the right to vote for another nominee, at their discretion, unless the shareholder has specified in the form of proxy or the voting instruction form that his/her shares are to be withheld from voting on the election of any of the Directors.

The "Information on our Director Nominees" section of this Circular sets out detailed information on each of these nominees.

All nominees are currently Directors of the Company.

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

## 3 APPOINTMENT OF AUDITOR

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

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

### Auditor's Fees

The aggregate fees paid, including the Company's pro-rata share of the fees paid by its joint ventures and other investees, for professional services rendered by Deloitte LLP and its affiliates, for the year ended December 31, 2020, and the year ended December 31, 2019, can be found in the Company's AIF available on SEDAR's website ([www.sedar.com](http://www.sedar.com)) and on the Company's website ([www.snclavalin.com](http://www.snclavalin.com)) under "Investors"/"Investor's Briefcase".

## 4 ADOPTION OF A SAY ON PAY RESOLUTION

An advisory Say on Pay resolution (reproduced below) is submitted for adoption by the shareholders. As this is an advisory vote, the results will not be binding upon the Company. If a significant number of shareholders vote against the Say on Pay resolution, the Board will consult with the Company's shareholders so that they may voice their concerns about the compensation plans in place and so that Directors clearly understand their concerns. The Board will then review the Company's approach to compensation in light of these concerns.

The Board took note of the Say on Pay vote and the 96.75% of favourable votes obtained at the 2020 Annual Meeting of the Shareholders of the Company held on May 7, 2020, consistent with the previous four years voting results all in excess of 91%.

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

**"BE IT RESOLVED:**

**THAT**, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, the shareholders accept the approach to executive compensation disclosed in the Company's Management Proxy Circular delivered in advance of the 2021 annual meeting of shareholders of the Company."

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

## 5 SHAREHOLDER PROPOSALS

Schedule A to this Circular sets forth four (4) proposals received from one (1) shareholder.

Following discussions with this shareholder, in light of the Company's answers included in Schedule A to this Circular, it was mutually agreed not to hold a vote on these proposals at the Meeting.



# Information on Our Director Nominees

## DIRECTOR NOMINEES

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



### Gary C. Baughman

Charlotte (North Carolina), United States  
**Independent**

Mr. Baughman is a corporate director and brings more than 35 years of international engineering, construction, operations, maintenance and environmental industry experience. He is currently the COO of Elixsys Inc., a specialty chemical company, and the President of Back Tee Sports, LLC, a global event management company.

From 2017 to 2019, he was Chairman and CEO of Texas-based APTIM Corp (global design, construction, environmental remediation and maintenance services supplier). He previously worked at M+W Group GmbH (global high-technology engineering services company), where he first served as COO, Americas in 2015 until he was appointed CEO, Americas in 2017. Prior to that, Mr. Baughman served as Executive Vice-President at AECOM (Engineering and Construction) from 2012 to 2015, where he was responsible for leading growth for the industrial end market in the Americas as well as globally for the chemical/pharmaceutical market. He began his career at Fluor Corporation, where he spent 15 years in a number of sales, marketing and finance roles.

Mr. Baughman holds a Bachelor of Science degree in Accounting from Clemson University and obtained his National Association of Corporate Directors (NACD) directorship certification in December 2020.

#### Areas of Expertise:

- Engineering Industry Knowledge
- Strategic Planning
- Risk Management
- Operations
- HR/Compensation
- Mergers & Acquisitions, Divestitures, Restructuring, etc.

**Director since:** May 7, 2020

**Age:** 58

Board/Committee Membership as at December 31, 2020		Overall Attendance 100%		Public Board Memberships During the Last Five (5) Years	
		Regular	Special		
Board		4 of 4	5 of 5	None	
HR Committee (member since October 30, 2020)		2 of 2	1 of 1		
SWPR Committee (member since May 7, 2020)		2 of 2	1 of 1		
Securities Held					
Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Actual Cost Incurred in Buying Common Shares and D-DSUs	Meets Minimum Shareholding Requirement of 3 X Annual Retainer i.e. \$540,000 (5-year target)
As at Dec. 31, 2020	N/A	3,282	3,282	\$71,715	In process (13%)
As at Dec. 31, 2019	N/A	N/A	N/A	N/A	N/A
Voting Results of 2020 Annual Meeting of Shareholders					
Votes For		% For		Votes Withheld	% Withheld
130,682,181		99.76%		319,274	0.24%



### Mary-Ann Bell, P. Eng.

Montreal (Quebec), Canada  
**Independent**

Ms. Bell is an engineer and a corporate director and brings 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, COO, Quebec, where she led different operational functions, including engineering, field services and customer services. She previously worked at Bell Canada from 1982 to 2005, where she held various management positions, including Senior Vice-President, Contract Centres and Vice-President, Operations.

In addition to the public company boards listed below, Ms. Bell is a director of the Institute for Governance of Private and Public Organizations (IGOPP) and chairs its audit committee. She served as director of the Institut national de la recherche scientifique (INRS) from 2002 to 2017 and chaired its board from 2012 to 2017. Ms. Bell has been actively involved in the community. She is a former director of the Théâtre du Nouveau Monde, the International Women's Forum of Canada, the Quebec Council on Science and Technology, Centraide du Grand Montréal and Women's Y of Montreal.

Ms. Bell holds a Bachelor's degree in Industrial Engineering from École Polytechnique de Montréal and a Master of Science degree from INRS. She also completed the corporate governance certification from the Collège des administrateurs de sociétés.

#### Areas of Expertise:

- Strategic Planning
- Risk Management
- Operations
- HR/Compensation
- Technology
- Public Company Leadership

**Director since:** May 7, 2020

**Age:** 61

Board/Committee Membership as at December 31, 2020		Overall Attendance 100%		Public Board Memberships During the Last Five (5) Years	
		Regular	Special		
Board		4 of 4	5 of 5	<ul style="list-style-type: none"><li>• Cogeco Inc. (2016 – Present)</li><li>• NAV Canada (2014 – Present)</li><li>• Energir Inc./Valener Inc. (2014 – 2019)</li><li>• Cominar Real Estate Investment Trust (2012 – 2018)</li></ul>	
Audit Committee (member since May 7, 2020)		2 of 2	—		
G&E Committee (member since October 30, 2020)		—	—		
<b>Securities Held</b>					
Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Actual Cost Incurred in Buying Common Shares and D-DSUs	Meets Minimum Shareholding Requirement of 3 X Annual Retainer i.e. \$540,000 (5-year target)
As at Dec. 31, 2020	10,000	3,282	13,282	\$266,630	In process (49%)
As at Dec. 31, 2019	N/A	N/A	N/A	N/A	N/A
<b>Voting Results of 2020 Annual Meeting of Shareholders</b>					
Votes For		% For	Votes Withheld		% Withheld
130,688,094		99.76%	313,361		0.24%



### Christie J.B. Clark

Toronto (Ontario), Canada  
Independent

Mr. Clark is a corporate director and brings more than 30 years of 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.

In addition to the public company boards listed below, Mr. Clark is also a director of the Canadian Olympic Committee, the Canadian Olympic Foundation, Own The Podium and the Sunnybrook Hospital Foundation. He is a member of the advisory council of the Stephen J.R. Smith School of Business at Queen's University and a former director of Brookfield Office Properties Inc., IGM Financial Inc., Hydro One Limited, Hydro One Inc. and Alpine Canada.

Mr. Clark graduated from Queen's University with a Bachelor of Commerce degree and from the University of Toronto with a MBA. He is a Fellow Chartered Accountant and former National Academic Director for the Institute of Corporate Director's course entitled "Audit Committee Effectiveness".

#### Areas of Expertise:

- Strategic Planning
- Risk Management
- Accounting/Finance
- HR/Compensation
- Capital Markets
- Mergers & Acquisitions, Divestitures, Restructuring, etc.
- Public Company Leadership

Director since: May 7, 2020

Age: 67

Board/Committee Membership as at December 31, 2020	Overall Attendance 100%		Public Board Memberships During the Last Five (5) Years		
	Regular	Special			
Board	4 of 4	5 of 5	<ul style="list-style-type: none"><li>• Air Canada (2013 – Present)</li><li>• Choice Properties Real Estate Investment Trust (2013 – Present)</li><li>• Loblaw Companies Limited (2011 – Present)</li><li>• Hydro One Limited (2015 – 2018)</li></ul>		
Audit Committee (member since May 7, 2020)	2 of 2	—			
HR Committee (member since October 30, 2020)	1 of 1	1 of 1			
Securities Held					
Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Actual Cost Value Incurred in Buying Common Shares and D-DSUs	Meets Minimum Shareholding Requirement of 3 X Annual Retainer i.e. \$540,000 (5-year target)
As at Dec. 31, 2020	N/A	3,282	3,282	\$71,715	In process (13%)
As at Dec. 31, 2019	N/A	N/A	N/A	N/A	N/A
Voting Results of 2020 Annual Meeting of Shareholders					
Votes For		% For	Votes Withheld		% Withheld
130,788,321		99.84%	213,134		0.16%



### Isabelle Courville

Rosemère (Quebec), Canada  
Independent

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

In addition to the public company boards listed below, Ms. Courville is a director of the Institute for Governance of Private and Public Organizations (IGOPP) and of the Quebec Chapter of the Institute of Corporate Directors. She is a former director of the Montreal Heart Institute Foundation, École Polytechnique de Montréal and the Chamber of Commerce of Metropolitan Montreal. She is also a former member of the APEC (Asia-Pacific Economic Cooperation) Business Advisory Council.

Ms. Courville graduated with a degree in Engineering Physics from the École Polytechnique de Montréal and holds a civil law degree from McGill University. In 2012, Ms. Courville was selected amongst Fortune Magazine's 50 Most Powerful Women in Business. In 2007, she received the McGill Management Achievement Award for her contribution to the business world and community involvement. In 2010, the Ordre des ingénieurs du Québec awarded her the Prix Hommage for her exceptional contribution to the engineering profession. In 2017, she received an honorary doctorate from the Université de Montréal.

#### Areas of Expertise:

- Project Management
- Operations
- HR/Compensation

Director since: May 4, 2017

Age: 58

Board/Committee Membership as at December 31, 2020	Overall Attendance 100%		Public Board Memberships During the Last Five (5) Years		
	Regular	Special			
Board	5 of 5	11 of 11	<ul style="list-style-type: none"><li>• Veolia Environnement S.A. (2016 – Present)</li><li>• Canadian Pacific Railway Limited (2013 – Present)</li><li>• Laurentian Bank of Canada (2007 – 2019)</li><li>• Gecina S.A. (2016 – 2018)</li><li>• TVA Group Inc. (2013 – 2016)</li></ul>		
G&E Committee	4 of 4	4 of 4			
HR Committee (Chair)	5 of 5	3 of 3			
Securities Held					
Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Actual Cost Value Incurred in Buying Common Shares and D-DSUs	Meets Minimum Shareholding Requirement of 3 X Annual Retainer i.e. \$540,000 (5-year target)
As at Dec. 31, 2020	3,205	19,834	23,039	\$851,070	Yes (158%)
As at Dec. 31, 2019	3,205	13,851	17,056	\$722,224	Yes (134%)
Voting Results of 2020 Annual Meeting of Shareholders					
Votes For		% For	Votes Withheld		% Withheld
130,559,203		99.66%	442,252		0.34%





## Ian L. Edwards

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

Mr. Edwards was appointed Interim President and CEO on June 11, 2019 and later appointed President and CEO of the Company on October 31, 2019. He has over 30 years of global experience in delivering complex infrastructure and resources projects and leading businesses in many sectors and across numerous geographies including North America, Europe, the Middle East and Asia Pacific.

Mr. Edwards joined the Company in 2014 as Executive Vice-President, Infrastructure Construction, and was appointed President, Infrastructure sector in 2015. As President, Infrastructure sector, he led employees within the Company's global Infrastructure business and oversaw the turnaround and transformation of the sector. He served as COO from January 2019 to June 2019 when he was appointed Interim President and CEO. As COO, he led the initiative to simplify, focus and grow the business and implemented measures to improve the operational performance of the Company. Prior to joining the Company, Mr. Edwards spent six (6) years in senior roles with the Leighton Group (General Contractors), where, as Managing Director, Leighton Asia, India and Offshore, he led a diverse business of 20,000 employees spanning the construction, infrastructure, oil and gas and mining sectors in 14 countries.

Mr. Edwards holds Higher and Ordinary Certificates in Civil Engineering from Lancashire University in the U.K. He is an incorporated Member of the Chartered Institute of Building, a Fellow of the Institution of Civil Engineers, and Fellow of the Hong Kong Institution of Engineers.

### Areas of Expertise:

- Engineering Industry Knowledge
- Strategic Planning
- Risk Management
- Project Management
- Operations

Director since: June 11, 2019  
Age: 58

Board/Committee Membership as at December 31, 2020 <sup>(1)</sup>	Overall Attendance 100%		Public Board Memberships During the Last Five (5) Years
	Regular	Special	
Board	5 of 5	11 of 11	None

### Securities Held

Year	Common Shares	Deferred Share Units (E-DSUs)	Unvested Restricted Share Units (RSUs)	Total Common Shares, E-DSUs and Unvested RSUs	Total Value of Common Shares, E-DSUs and Unvested RSUs <sup>(2)</sup>	Meets Minimum Shareholding Requirement <sup>(3)</sup>
As at Dec. 31, 2020	14,306	78,666	79,374	172,346	\$5,043,876	-
As at Dec. 31, 2019	8,354	21,703	40,711	70,768	\$2,599,870	-

### Voting Results of 2020 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
130,871,075	99.90%	130,380	0.10%

<sup>(1)</sup> Mr. Edwards, as President and CEO, is not a member of any Committee but attends Committee meetings at the invitation of the Committees. In 2020, he attended 100% of all Committee meetings as a non-voting participant. He does not receive compensation as a member of the Board of Directors of the Company. For details on Mr. Edwards's compensation as President and CEO and in his former roles, see the "Executive Compensation Discussion and Analysis" section of this Circular.

<sup>(2)</sup> For details on the calculation of the total value of Mr. Edwards' Common Shares, vested E-DSUs and unvested RSUs, see the "Executive Share Ownership Guidelines" subsection under the "Executive Compensation Discussion and Analysis" section of this Circular.

<sup>(3)</sup> Note that the President and CEO does not have a minimum shareholding requirement as a Director. For details on Mr. Edwards' share ownership requirement as President and CEO, see the "Executive Share Ownership Guidelines" subsection under the "Executive Compensation Discussion and Analysis" section of this Circular.



## Steven L. Newman

Holladay (Utah), United States  
Independent

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

Mr. Newman holds a Bachelor of Science degree in Petroleum Engineering from the Colorado School of Mines and a MBA from Harvard Graduate School of Business. He is a member of the Society of Petroleum Engineers and the National Association of Corporate Directors (NACD).

### Areas of Expertise:

- Strategic Planning
- Operations
- HR/Compensation
- Mergers & Acquisitions, Divestitures, Restructuring, etc.
- Public Company Leadership

Director since: November 5, 2015  
Age: 56

Board/Committee Membership as at December 31, 2020	Overall Attendance 100%		Public Board Memberships During the Last Five (5) Years
	Regular	Special	
Board	5 of 5	11 of 11	<ul style="list-style-type: none"> <li>• Dril-Quip, Inc. (2015 – Present)</li> <li>• Tidewater, Inc. (2017 – 2019)</li> <li>• Bumi Armada Berhad (2015 – 2017)</li> <li>• Transocean, Ltd. (2010 – 2015)</li> </ul>
Audit Committee (member since May 7, 2020)	2 of 2	-	
G&E Committee (Chair)	4 of 4	4 of 4	
HR Committee (member until May 7, 2020)	2 of 2	1 of 1	
SWPR Committee	4 of 4	1 of 1	

### Securities Held

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Actual Cost Value Incurred in Buying Common Shares and D-DSUs	Meets Minimum Shareholding Requirement of 3 X Annual Retainer i.e. \$540,000 (5-year target)
As at Dec. 31, 2020	4,917	29,885	34,802	\$1,311,716	Yes (243%)
As at Dec. 31, 2019	4,917	24,703	29,620	\$1,199,583	Yes (222%)

### Voting Results of 2020 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
130,467,617	99.59%	53,838	0.41%



## Michael B. Pedersen

Toronto (Ontario), Canada  
Independent

Mr. Pedersen is a corporate director and brings more than 30 years of experience in the banking and finance sectors. Prior to his retirement in 2018, he was Special Advisor to the CEO of The Toronto-Dominion Bank since June 2017 and, from 2013 to 2017, President and CEO of TD Bank US Holding Company's retail and commercial banking business. From 2007 to 2013, he served as Group Head for The Toronto-Dominion Bank's corporate operations and global wealth and insurance businesses. Prior to joining TD Bank Group in 2007, Mr. Pedersen worked at Barclays plc (financial institution) in the U.K. where he was responsible for three global businesses and prior to that he worked at CIBC where he held senior executive roles in retail and business banking.

In addition to the public company board listed below, Mr. Pedersen is the chairperson of the board of the Business Development Bank of Canada (BDC), the vice-chairman of the board of Nature Conservancy of Canada, the co-chair of the Personal Philanthropy Project as well as a member of the advisory committee of the Intact Centre on Climate Adaptation of the University of Waterloo.

Mr. Pedersen holds a Bachelor of Commerce degree from the University of British Columbia and a Master of Industrial Relations degree from the University of Toronto.

### Areas of Expertise:

- Strategic Planning
- Risk Management
- Extensive Knowledge/Experience U.S. and U.K. Markets
- Government/Regulatory Affairs
- HR/Compensation
- Mergers & Acquisitions, Divestitures, Restructuring, etc.
- Public Company Leadership

Director since: May 7, 2020  
Age: 60

Board/Committee Membership as at December 31, 2020	Overall Attendance 100%		Public Board Memberships During the Last Five (5) Years
	Regular	Special	
Board	4 of 4	5 of 5	• CGI Inc. (2017 – Present)
HR Committee (member since May 7, 2020)	3 of 3	2 of 2	
SWPR Committee (member since October 30, 2020)	—	1 of 1	

### Securities Held

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Actual Cost Value Incurred in Buying Common Shares and D-DSUs	Meets Minimum Shareholding Requirement of 3 X Annual Retainer i.e. \$540,000 (5-year target)
As at Dec. 31, 2020	75,000	7,113	82,113	\$2,144,328	Yes (397%)
As at Dec. 31, 2019	N/A	N/A	N/A	N/A	N/A

### Voting Results of 2020 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
130,653,470	99.73%	347,985	0.27



## Zin Smati, Ph.D.

Houston (Texas), United States  
Independent

Mr. Smati is a corporate director and brings over 30 years of U.S. and international experience in the energy industry. He is the former President and CEO of GDF SUEZ Energy North America, Inc., part of ENGIE, one of the world's leading energy groups where he managed, for 10 years, all energy activities (power generation, energy services, renewable energy and liquefied natural gas) in the U.S., Canada and Mexico. He is also the former President and CEO of BP Global Power, part of BP, where he managed a worldwide power generation business. He started his career in the energy industry in the United Kingdom.

He is currently a senior advisor to EV Private Equity (a Norwegian Investment group) and a member of the board of trustees of the University of Houston's Bauer College of Business. He is also the former senior advisor to LS Power (a US Private Equity group), the former chairman and CEO of LifeEnergy (a portfolio energy company), a former member of the board of directors of Gaz Metro Inc., a former member of the National Petroleum Council and the former chairman of the Electric Power Supply Association of the US.

Mr. Smati holds a Ph.D., a Master of Business Administration, a Master of Science degree, and a Bachelor of Engineering degree, respectively from Brunel University, Henley Management College, Nottingham University and Sheffield University, all in the U.K.

### Areas of Expertise:

- Engineering Industry Knowledge
- Strategic Planning
- Risk Management
- Operations
- Extensive Knowledge/Experience U.S. and U.K. Markets
- Mergers & Acquisitions, Divestitures, Restructuring, etc.

Director since: May 5, 2016  
Age: 63

Board/Committee Membership as at December 31, 2020	Overall Attendance 100%		Public Board Memberships During the Last Five (5) Years
	Regular	Special	
Board	5 of 5	11 of 11	None
G&E Committee	4 of 4	4 of 4	
SWPR Committee (Chair)	4 of 4	1 of 1	

### Securities Held

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Actual Cost Value Incurred in Buying Common Shares and D-DSUs	Meets Minimum Shareholding Requirement of 3 X Annual Retainer i.e. \$540,000 (5-year target)
As at Dec. 31, 2020	4,091	19,396	23,487	\$893,652	Yes (166%)
As at Dec. 31, 2019	1,150	14,251	15,401	\$715,912	Yes (133%)

### Voting Results of 2020 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
130,451,813	99.58%	549,642	0.42%





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

Toronto (Ontario), Canada  
Independent

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

In addition to the public company boards listed below, Ms. Warmbold is chair of the Canadian Public Accountability Board, a director of Crestone Peak Resources and a member of Queen's University Board of Trustees.

Ms. Warmbold holds an Honours Bachelor of Commerce degree from Queen's University, is a Fellow of CPA-Ontario and has been granted the ICD.D designation by the Institute of Corporate Directors. She was recognized as a Top 100 Most Powerful Women in 2009, 2010 and 2015 and in 2016 was inducted into the WXN Hall of Fame. She was also selected by the Canadian Board Diversity Council for its first-ever Diversity 50, which recognizes qualified, diverse candidates for board of director appointments.

### Areas of Expertise:

- Risk Management
- Operations
- Accounting/Finance
- Capital Markets
- Mergers & Acquisitions, Divestitures, Restructuring, etc.

Director since: May 4, 2017

Age: 62

Board/Committee Membership as at December 31, 2020	Overall Attendance 100%		Public Board Memberships During the Last Five (5) Years		
	Regular	Special			
Board	5 of 5	11 of 11	<ul style="list-style-type: none"><li>• The Bank of Nova Scotia (2018 – Present)</li><li>• Methanex Corporation (2016 – Present)</li></ul>		
Audit Committee (Chair)	4 of 4	–			
HR Committee	5 of 5	3 of 3			
Securities Held					
Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Actual Cost Value Incurred in Buying Common Shares and D-DSUs	Meets Minimum Shareholding Requirement of 3 X Annual Retainer i.e. \$540,000 (5-year target)
As at Dec. 31, 2020	3,000	14,977	17,977	\$696,561	Yes (129%)
As at Dec. 31, 2019	3,000	9,849	12,849	\$585,596	Yes (108%)
Voting Results of 2020 Annual Meeting of Shareholders					
Votes For		% For	Votes Withheld		% Withheld
119,682,211		95.56%	4,259,535		3.44%



## William L. Young, P.Eng.

Lexington (Massachusetts), United States  
Independent

Mr. Young is a corporate director with extensive public company board experience and has been Chair of the Board since September 9, 2020. He also brings more than 30 years of experience in the private equity sector. He co-founded and until 2018, was a partner of Monitor Clipper Partners, a private equity firm established in 1998. He is also a founding partner of Westbourne Management Group (1988) and was a partner in the European practice of Bain & Company (1981 to 1988). Mr. Young possesses significant operational experience, as well as extensive mergers & acquisitions experience.

In addition to the public company boards listed below, he is Chair Emeritus of the Board of Trustees of Queen's University, which he chaired from 2006 to 2012 and he is chair of the board of the Canadian Institute for Advanced Research (CIFAR). Mr. Young has acquired significant private company board and board leadership experience over the last 20 years, including at a number of European and U.S.-based companies.

He is a professional engineer (P.Eng. – Ontario) and holds an Honours Bachelor of Science in chemical engineering from Queen's University and a Master of Business Administration with distinction from Harvard Business School.

### Areas of Expertise:

- Strategic Planning
- Extensive Knowledge/ Experience U.S. and U.K. Markets
- Accounting/Finance
- Capital Markets
- Mergers & Acquisitions, Divestitures, Restructuring, etc.
- Public Company Leadership

Director since: September 9, 2020

Age: 66

Board/Committee Membership as at December 31, 2020	Overall Attendance 100%		Public Board Memberships During the Last Five (5) Years		
	Regular	Special			
Board (Chair since Sept. 9, 2020)	2 of 2	–	<ul style="list-style-type: none"><li>• Intact Financial Corporation (2018 – Present)</li><li>• Magna International Inc. (2011 – Present)</li></ul>		
As Chair of the Board, Mr. Young attended 100% of all Committee meetings					
Securities Held					
Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Actual Cost Value Incurred in Buying Common Shares and D-DSUs	Meets Minimum Shareholding Requirement of 3 X Annual Retainer i.e. \$1,200,000 (5-year target)
As at Dec. 31, 2020	12,300	3,080	15,380	\$304,545	In process (25%)
As at Dec. 31, 2019	N/A	N/A	N/A	N/A	N/A
Voting Results of 2020 Annual Meeting of Shareholders					
Votes For		% For		Votes Withheld	% Withheld
N/A		N/A		N/A	N/A

## ADDITIONAL INFORMATION ON OUR DIRECTOR NOMINEES

As of the date hereof, to the knowledge of the Company, in the last ten (10) years, none of the above-named nominees is or has been a director or officer of any company that, while that person was acting in that capacity, was the subject of a cease trade order or similar order, or an order that denied the relevant company access to any exemptions under securities legislation (each, an “**order**”), for a period of more than thirty (30) consecutive days. To the knowledge of the Company, in the last ten (10) years, none of the above-named nominees is or has been a director or officer of any company that was subject to an order that was issued after that person ceased to act in that capacity and which resulted from an event that occurred while that person was acting in that capacity.

In addition, to the knowledge of the Company, in the last ten (10) years, none of the above-named nominees has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted

any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his/her assets. Furthermore, to the knowledge of the Company, in the last ten (10) years, none of the above-named nominees is or has been a director or officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets, except for the following:

- **William L. Young**, our Chair of the Board, served as a director of Pharmetics Inc. (“**Pharmetics**”), a private company, from 2011 until he resigned in connection with the sale of Pharmetics in September 2017. Approximately five (5) months after the sale, in February 2018, Pharmetics filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) and was subsequently declared bankrupt as of March 16, 2018.



# Directors' Compensation Discussion and Analysis

DIRECTORS' COMPENSATION PHILOSOPHY, REVIEW AND PROCESS 21 / DIRECTORS' COMPENSATION PACKAGE 22 / D-DSUs 22 / ANTI-HEDGING AND ANTI-MONETIZATION 22 / DIRECTORS' SHARE OWNERSHIP REQUIREMENT 22 / TOTAL DIRECTORS' COMPENSATION 23 / OUTSTANDING SHARE-BASED AWARDS 24

## DIRECTORS' COMPENSATION PHILOSOPHY, REVIEW AND PROCESS

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

- Recruit and retain qualified individuals to serve as Directors of the Company;
- Align the interests of the Directors with those of shareholders by requiring Directors to hold a multiple of their annual retainer in Common Shares or D-DSUs, or a combination of both;
- Provide compensation reflecting the risks and responsibilities inherent to the role of Director and recognizing the increasing complexity of the Company's business; and
- Provide competitive compensation based on market standards by positioning Directors' compensation at approximately the median of the compensation paid by the Director Comparator Group.

The G&E Committee is responsible for reviewing Directors' compensation every year and recommending changes to the

Board, if required. In order to appropriately benchmark Directors' compensation, the G&E Committee reviews our Directors' compensation scheme against that of a group of companies as outlined below, referred to herein as the "Director Comparator Group". The Director Comparator Group is created with the assistance of an external consultant who the Company retains to benchmark its Directors' compensation. Based on these findings and the above guiding principles, the G&E Committee makes its recommendations to the Board thereon.

The last review with respect to the compensation of our Chair of the Board and non-employee Directors was carried out by the G&E Committee in October 2018, following a recommendation made by the G&E Committee in 2017 to defer the decision to change the compensation of our Chair of the Board and non-employee Directors. To assist in its review, the G&E Committee used the 2017 compensation review reports prepared by Willis Towers Watson, whose services were retained in 2017 to assess whether the level and structure of our Chair of the Board and non-employee Directors' compensation were aligned with market practices.

The following Director Comparator Group was used by Willis Towers Watson in 2017 to assess the compensation of our Chair of the Board and non-employee Directors:

Company Name	Country	Industry
AECOM	U.S.	Engineering and Construction
Baker Hughes Incorporated	U.S.	Oil and Gas Equipment and Services
Balfour Beatty plc	U.K.	Engineering and Construction
Cenovus Energy Inc.	Canada	Integrated Oil and Gas
Edison International	U.S.	Electric Utilities
Fluor Corporation	U.S.	Engineering and Construction
Fortis Inc.	Canada	Electric Utilities
Husky Energy Inc.	Canada	Integrated Oil and Gas
Jacobs Engineering Group Inc.	U.S.	Engineering and Construction
John Wood Group PLC	U.K.	Oil and Gas Equipment and Services
KBR, Inc.	U.S.	Engineering and Construction
McDermott International, Inc. <sup>(1)</sup>	U.S.	Oil and Gas Equipment and Services
Teck Resources Limited	Canada	Diversified Metals and Mining
TransCanada Corporation <sup>(2)</sup>	Canada	Oil and Gas Storage and Transportation
WSP Global Inc.	Canada	Engineering and Construction

<sup>(1)</sup> McDermott International, Inc. was delisted from the NYSE in 2020.

<sup>(2)</sup> TransCanada Corporation became TC Energy Corporation on May 3, 2019.

The Director Comparator Group is representative of global companies located in North America and the United Kingdom. The selection criteria include: (a) listed companies; (b) SNC-Lavalin's direct competitors and companies operating in the main sector of activities; (c) majority of revenue generated outside of Canada; and (d) comparable revenue scope falling within or close to 0.5x and 2x of SNC-Lavalin revenues. Pursuant to this review, the G&E Committee recommended to the Board that the decision to change the compensation of our Chair of the Board and non-employee Directors be deferred. Accordingly, there has been no change to the compensation of the Chair of the Board and non-employee Directors since 2015.

## DIRECTORS' COMPENSATION PACKAGE

The following table outlines the compensation received by our Chair of the Board and non-employee Directors in 2020. Note that our President and CEO does not receive compensation as a member of the Board of Directors of the Company. For details on our President and CEO's compensation, see the "Executive Compensation Discussion and Analysis" section of this Circular.

Note that in the second quarter of 2020, our Directors accepted a 20% reduction of the cash award portion of their annual retainer in response to the economic disruption and the impact of COVID-19 on the Company and its employees.

	AMOUNT (\$)
ANNUAL RETAINER	2020
<b>Director Retainer</b>	
Annual retainer consisting of:	
i) a cash award <sup>(1)</sup>	70,000
ii) a lump sum credited in D-DSUs	110,000
Total:	180,000
<b>Chair of the Board Retainer</b>	
Annual retainer consisting of:	
i) a cash award <sup>(1)</sup>	182,500
ii) a lump sum credited in D-DSUs	217,500
Total:	400,000
<b>Committee Chair Retainer<sup>(1)</sup></b>	
Audit Committee	16,000
G&E, HR and SWPR Committees, non-standing Selection Committee and non-standing Special Risk Review Committee	12,000
<b>MEETING FEES<sup>(1)(2)(3)(4)</sup></b>	
Board or Committee meeting	
– in person	2,250
– by telephone	925
<b>TRAVEL FEES<sup>(1)(5)</sup></b>	
For travel requiring more than three (3) hours but less than five (5) hours (one way)	1,500
For travel requiring five (5) hours or more (one way)	3,000

<sup>(1)</sup> The Chair of the Board and other non-employee Directors may elect to receive 100% of their compensation payable in cash, in

either cash or D-DSUs (i.e. cash award portion of annual retainer, meeting fees, travel fees and Committee Chair retainer (if applicable)).

- <sup>(2)</sup> Meeting fees are paid for attendance at Board meetings as well as standing and non-standing Committee meetings. The Chair of the Board does not receive meetings fees for attendance at regular Board and standing Committee meetings. Non-employee Directors who attended meetings of Committees on which they did not sit did not receive meeting fees for these meetings.
- <sup>(3)</sup> A non-employee Director (excluding the Chair of the Board) is paid \$2,250 when he/she is required to meet with management or any other person in the course of his/her work as a Director. This fee is payable per day of meeting, notwithstanding the number of meetings held during that day.
- <sup>(4)</sup> Since the second quarter of 2020, regular Board and standing Committee meetings have been held virtually instead of being held in person to mitigate health and safety risks to our Directors and employees given the COVID-19 pandemic. Non-employee Directors were therefore paid \$2,250 for each regular Board and standing Committee meeting held virtually (versus \$925 for telephone meetings).
- <sup>(5)</sup> This is a lump sum amount paid to the Chair of the Board or non-employee Directors when travelling to Board or Committee meetings or meetings with management or any other person the Chair of the Board or non-employee Director is required to meet in the course of his/her work as Chair of the Board or Director.

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

## D-DSUs

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

Under the D-DSUP, Directors are credited D-DSUs as part of their annual retainer (i.e. lump sum credited in D-DSUs). They can also elect to receive 100% of their cash compensation in D-DSUs (i.e. cash award portion of their annual retainer, meeting fees, travel fees and Committee Chair retainer, if applicable). In 2020, three (3) Directors elected to receive all of their compensation in D-DSUs, including our former Chair of the Board.

D-DSUs track the value of our Common Shares. They accumulate during the Director's term in office and are redeemed in cash when the Director leaves the Board. For the purposes of redeeming D-DSUs, the value of a D-DSU on any given date is equivalent to the average of the closing price for a Common Share on the Toronto Stock Exchange for the five (5) trading days immediately prior to such date. D-DSUs are credited on a quarterly basis and do not carry voting rights. Furthermore, additional D-DSUs accumulate as dividend equivalents whenever cash dividends are paid on Common Shares.

## ANTI-HEDGING AND ANTI-MONETIZATION

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

## DIRECTORS' SHARE OWNERSHIP REQUIREMENT

The Board believes it is important that Directors demonstrate their commitment to the Company's growth through share ownership. In order to align the interests of the Directors with



those of the shareholders, the Company requires its Directors to hold a multiple of their annual retainer in Common Shares or D-DSUs, or a combination of both.

The last review with respect to the Directors' share ownership requirement was carried out by the G&E Committee in October 2018. To assist in its review, the G&E Committee used the 2017 compensation review reports prepared by Willis Towers Watson, which had carried out a review of the share ownership requirement for our Chair of the Board and non-employee Directors. Willis Towers Watson prepared a benchmarking study using the Director Comparator Group that was used for benchmarking the compensation of our Chair of the Board and non-employee Directors. Following this review, Willis Towers Watson concluded that our practice with respect to share ownership by our Chair of the Board and non-employee Directors was slightly above market median and therefore, the G&E Committee did not recommend any changes to the Board in this respect.

#### Directors' Share Ownership Requirement<sup>(1)</sup> 5-Year Target = 3 X Annual Retainer

Position	2020 (approx.)
Chair of the Board	\$1,200,000
Non-employee Directors	\$ 540,000

<sup>(1)</sup> The value of the share ownership requirement is determined as the greater of:

- (i) The actual purchase cost of the Common Shares incurred by the Director, plus the total value, at the time of the grant, of the D-DSUs granted under the D-DSUP to such Director; or
- (ii) The market value, at the time of assessment, of all Common Shares held by a Director and of all Common Shares represented by DSUs granted to such Director under the D-DSUP.

Ownership can be achieved by purchasing Common Shares and by participating in the Company's D-DSUP. All Directors, with the exception of our President and CEO, are required to continue to hold all their D-DSUs throughout their tenure as Directors. They can, however, dispose of their Common Shares as long as the minimum Director share ownership requirement is satisfied.

For further details on each Director's share ownership requirement, see the "Securities Held" section of each nominee Director's biographical and compensation information located under the "Information on Our Director Nominees" section of this Circular.

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

## TOTAL DIRECTORS' COMPENSATION

DIRECTOR COMPENSATION TABLE							
Director	Fees Earned			Share-based Awards <sup>(4)</sup>	All Other Compensation <sup>(5)</sup>	TOTAL	Percentage of Total Fees Received in D-DSUs <sup>(6)</sup>
	Non-Employee Director Retainer and Chair of the Board Retainer <sup>(1)</sup>	Committee Chair Retainer <sup>(2)</sup>	Board and Committee Meeting Fees <sup>(3)</sup>				
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(%)
G.C. Baughman <sup>(7)</sup>	43,462	–	33,200	71,621	6,806	155,089	46%
M.-A. Bell <sup>(8)</sup>	43,462	–	29,100	71,621	6,806	150,989	47%
J. Bougie <sup>(9)</sup>	–	–	–	84,772	1,211	85,983	100%
C.J.B. Clark <sup>(10)</sup>	43,462	–	35,975	71,621	6,806	157,864	45%
I. Courville	49,000	12,000	53,175	127,500	8,064	249,739	52%
C. Hughes <sup>(11)</sup>	23,193	–	20,550	38,682	725	83,150	47%
K.G. Lynch <sup>(12)</sup>	–	–	–	289,599	2,048	291,647	100%
S.L. Newman	66,500	12,000	64,525	110,000	22,383	275,408	41%
M.B. Pedersen <sup>(13)</sup>	–	–	–	155,298	106	155,404	100%
J. Raby	66,500	–	44,675	110,000	1,060	222,235	50%
A. Rhéaume <sup>(14)</sup>	23,193	–	14,550	38,682	743	77,168	51%
E.D. Siegel <sup>(15)</sup>	–	–	19,050	63,297	1,200	83,547	77%
Z. Smati	66,500	15,000	56,700	110,000	8,046	256,246	43%
B.M. Warmbold	66,500	22,022	55,950	110,000	9,543	264,015	42%
W.L. Young <sup>(16)</sup>	56,536	–	5,550	67,378	12	129,476	52%
<b>TOTAL</b>	<b>548,308</b>	<b>61,022</b>	<b>433,000</b>	<b>1,520,071</b>	<b>75,559</b>	<b>2,637,960</b>	<b>60%</b>

<sup>(1)</sup> Such amounts represent the portion of the annual retainer elected to be received in cash by the Chair of the Board and each non-employee Director.

<sup>(2)</sup> Such amounts represent fees elected to be received in cash by Committee Chairs.

- <sup>[3]</sup> Such amounts represent fees elected to be received in cash by the Chair of the Board and non-employee Directors and include (i) fees paid to members of non-standing Board Committees, (ii) fees paid to our Chair of the Board and non-employee Directors for attendance at special Board and special Committee meetings, and (iii) travel fees paid to our non-employee Directors (totalling \$21,000 in 2020). Note that for the December Board meeting held over two (2) full days, the Company pays its non-employee Directors for attendance at two (2) meetings.
- <sup>[4]</sup> Such amounts represent (i) the cash award portion of the annual retainer elected to be received in D-DSUs by the Chair of the Board and each non-employee Director, and (ii) the lump sum portion of the annual retainer payable in D-DSUs. Such amounts also represent fees elected to be received in D-DSUs by the Chair of the Board and non-employee Directors and include (i) meeting fees, travel fees and Committee Chair retainers (if applicable), (ii) fees paid to members of non-standing Board Committees, (iii) fees paid to our Chair of the Board and non-employee Directors for attendance at special Board and special Committee meetings, and (iv) fees paid to Committee Chairs and other non-employee Directors for meetings with stakeholders.
- <sup>[5]</sup> Such amounts represent (i) D-DSUs from dividend equivalents, and (ii) fees elected to be received in cash paid to Committee Chairs and other non-employee Directors for meetings with stakeholders.
- <sup>[6]</sup> Such percentage is calculated by dividing the aggregate of the value provided under the share-based awards column and the dividend equivalents included in the all other compensation column, by the value provided under the total column.
- <sup>[7]</sup> Mr. Baughman was elected to the Board on May 7, 2020 and became a member of the SWPR Committee on May 7, 2020 and a member of the HR Committee on October 30, 2020. As a result, his compensation was prorated.
- <sup>[8]</sup> Ms. Bell was elected to the Board on May 7, 2020 and became a member of the Audit Committee on May 7, 2020 and a member of the G&E Committee on October 30, 2020. As a result, her compensation was prorated.
- <sup>[9]</sup> Mr. Bougie ceased to be a Director and a member of the G&E and HR Committees on May 7, 2020. As a result, his compensation was prorated.
- <sup>[10]</sup> Mr. Clark was elected to the Board on May 7, 2020 and became a member of the Audit Committee on May 7, 2020 and a member of the HR Committee on October 30, 2020. As a result, his compensation was prorated.
- <sup>[11]</sup> Ms. Hughes ceased to be a Director and a member of the Audit and SWPR Committees on May 7, 2020. As a result, her compensation was prorated.
- <sup>[12]</sup> Mr. Lynch ceased to be a Director and Chair of the Board on September 9, 2020. As a result, his compensation was prorated.
- <sup>[13]</sup> Mr. Pedersen was elected to the Board on May 7, 2020 and became a member of the HR Committee on May 7, 2020 and a member of the SWPR Committee on October 30, 2020. As a result, his compensation was prorated.
- <sup>[14]</sup> Mr. Rhéaume ceased to be a Director and a member of the Audit Committee on May 7, 2020. As a result, his compensation was prorated.
- <sup>[15]</sup> Mr. Siegel ceased to be a Director and a member of the Audit and HR Committees on May 7, 2020. As a result, his compensation was prorated.
- <sup>[16]</sup> Mr. Young was appointed to the Board and became its Chair on September 9, 2020. As a result, his compensation was prorated.

## OUTSTANDING SHARE-BASED AWARDS

The following table reflects all awards outstanding as at December 31, 2020 with respect to our non-employee Directors.

Director	Share-based Awards <sup>[1]</sup>	
	Number of shares or units of shares that have not vested (#)	Market or payout value of Share-based Awards that have not vested <sup>[2]</sup> (\$)
G.C. Baughman	3,282	71,318
M.-A. Bell	3,282	71,318
J. Bougie <sup>[3]</sup>	32,955	716,112
C.J.B. Clark	3,282	71,318
I. Courville	19,834	430,993
K.G. Lynch <sup>[4]</sup>	42,803	930,109
S.L. Newman	29,885	649,401
M.B. Pedersen	7,113	154,565
J. Raby	16,441	357,263
A. Rhéaume <sup>[3]</sup>	19,753	429,233
E.D. Siegel <sup>[3]</sup>	31,935	693,948
Z. Smati	19,396	421,475
B.M. Warmbold	14,977	325,450
W.L. Young	3,080	66,928

<sup>[1]</sup> This table represents information with respect to D-DSUs held by our non-employee Directors as at December 31, 2020.

<sup>[2]</sup> The value of outstanding D-DSUs is based on the closing price for a Common Share on the TSX on December 31, 2020 (\$21.73).

<sup>[3]</sup> Messrs. Bougie, Rhéaume and Siegel ceased to be Directors on May 7, 2020 and have not redeemed any of their D-DSUs since their departure from the Board.

<sup>[4]</sup> Mr. Lynch ceased to be a Director and Chair of the Board on September 9, 2020 and has not redeemed any of his D-DSUs since his departure from the Board.

<sup>[5]</sup> Ms. Hughes is not included in the above table as she redeemed all of her D-DSUs throughout the course of 2020 following her departure from the Board on May 7, 2020.



# Board Committee Reports

AUDIT COMMITTEE REPORT 25 / GOVERNANCE AND ETHICS COMMITTEE REPORT 27 / SAFETY, WORKPLACE AND PROJECT RISK COMMITTEE REPORT 28 / HUMAN RESOURCES COMMITTEE REPORT 29

## AUDIT COMMITTEE REPORT

### Mandate

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

### Composition

The members of the Audit Committee are:

Benita M. Warmbold (Chair)  
Mary-Ann Bell  
Christie J.B. Clark  
Steven L. Newman  
Jean Raby

### Independence, Audit and Related Experience and Financial Literacy of Audit Committee Members

The Audit Committee shall be 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.

For the purposes of determining whether a Director is suitably qualified to become a member of the Company's Audit Committee, the Board has adopted the definition of "financial literacy" set out in Section 1.6 of Regulation 52-110 – Audit Committees ("Regulation 52-110")<sup>(1)</sup>, which has been incorporated in the terms of the mandate of the Audit Committee.

The Audit Committee members complied with the independence and financial literacy requirements throughout 2020.

For details on the mandate of the Audit Committee and on the relevant professional qualifications/business experience of each Audit Committee member, see the Company's AIF available on SEDAR's website ([www.sedar.com](http://www.sedar.com)) and on the Company's website ([www.snclavalin.com](http://www.snclavalin.com)) under "Investors"/"Investor's Briefcase".

### Cross membership

The mandate of the Audit Committee provides for at least one (1) member to sit on the HR Committee and vice versa in order to monitor and maintain the link between pay and performance, both financial and individual, and thus mitigate

risks. Christie J.B. Clark and Benita M. Warmbold are currently members of both the Audit and HR Committees. The mandate of the Audit Committee also provides for at least one (1) member to sit on the SWPR Committee and vice versa in order to understand the operational issues which may have a negative impact on the financial outcome of a project, and thus mitigate risks. Steven L. Newman and Jean Raby are currently members of both the Audit and SWPR Committees.

### 2020 Highlights

In 2020, in response to the impact of the global pandemic, the Committee provided oversight and reviewed the impact of COVID-19 on the operating cashflow performance and forecasted liquidity of the Company, the internal audit plan, the effectiveness of internal controls and the increased cyber-security risks, including potential implications of having a mostly remote workforce.

In 2020, four (4) regular meetings of the Audit Committee were held.

### Financial Disclosure

A major part of the Committee's activities is to review the Company's annual and quarterly financial disclosure documents listed below. This includes reviewing any reports or materials prepared by management, the independent auditor or the internal auditor outlining any significant financial reporting issues as well as all critical judgments made by management in connection with the preparation of the financial statements. This review is to provide reasonable assurance that the accounting principles used to prepare the Company's financial statements are appropriate, in particular where judgments, estimates, risks and uncertainties are involved, and that adequate disclosure of material issues is provided. In 2020, the Committee:

- Reviewed and recommended for approval by the Board the quarterly and annual financial statements and accompanying notes, MD&A, press releases, AIF and other disclosure documents;
- Reviewed the quarterly CEO and CFO certification of the effectiveness of the disclosure controls and procedures and internal controls over financial reporting, in compliance with Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings ("Regulation 52-109");
- Reviewed the annual CEO/CFO certification testing results with respect to the effectiveness of the

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

- disclosure controls and procedures and internal controls over financial reporting, in compliance with Regulation 52-109;
- Reviewed significant management judgments relating to a number of accounting matters, including provisions, claims recoverable and project reforecasts;
- Reviewed the results of impairment testing;
- Reviewed and ensured appropriateness of accounting policies;
- Reviewed the Disclosure and Insider Trading Policy;
- Reviewed the minutes from the Disclosure Committee;
- Reviewed the results of a benchmarking exercise with respect to non-IFRS measures reporting and accounting policies and management's recommended changes, including with respect to the Company's disclosure documents; and
- Reviewed the operating cashflow performance as well as the current and forecasted liquidity of the Company, including in light of COVID-19 impact thereon.

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

#### Independent Auditor

The Committee retains an independent auditor to conduct the annual audit of the financial statements. In 2020, the Committee reappointed Deloitte LLP as its independent auditor to undertake the 2020 audit. The Committee discussed with its independent auditor its responsibilities, its determination of areas of significant audit risk and its related mitigation procedures. The Committee:

- Reviewed the independent auditor's annual audit report and quarterly review reports;
- Reviewed the independent auditor's audit plan and fees;
- As per the Company's written policy for pre-approving audit and non-audit services to be provided by the independent auditor, approved the independent auditor's fees and those that were either pre-approved internally by management or that required direct approval by the Committee;
- Reviewed and discussed with the independent auditor and management the quality, appropriateness and disclosure of the Company's critical accounting principles and policies, underlying assumptions and reporting practices, and any changes thereto;
- Reviewed the Company's hiring policies regarding partners, employees and former partners and employees of the independent auditor;
- Discussed with the independent auditor the process for how the independent auditor ensures the quality of the audit;
- Reviewed the results of impairment testing;
- Reviewed the conclusions of significant management judgements;

- Reviewed the independence of the independent auditor; and
- Performed an annual review of the mandate, organization, staffing, qualifications and performance of the independent auditor.

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

#### Internal Auditor

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

- Reviewed the internal audit charter;
- Reviewed and approved the annual internal audit plan and the changes thereto, including adjustments triggered by the COVID-19 pandemic; and
- Reviewed the internal audit reports and reviewed the status of corrective actions with management at regular quarterly meetings, including with respect to IT security.

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

#### Internal Controls & Other

The Committee also:

- Reviewed the quarterly report on financial controls and governance which is performed in-house by the Company's Internal Audit team in collaboration with the Finance team so as to support ongoing improvements in the internal controls process and the timely remediation of any deficiencies;
- Reviewed the report on financial controls and governance;
- Reviewed insurance programs and overall insurance coverage;
- Reviewed tax filing compliance and discussed emerging tax issues;
- Reviewed and discussed appropriateness of non-GAAP measures reporting;
- Reviewed all legal and regulatory matters that could have a material impact on financial position;
- Reviewed reports from the CIO with respect to progress on the results of financially relevant investigations conducted by the Integrity team and deviation requests to the Levels of Authority policy;
- Reviewed the Committee's mandate;
- Reviewed the Treasury Policy and portfolio;
- Reviewed the performance of the internal auditor;
- Reviewed the performance of the CFO; and
- Reviewed the performance of the Audit Committee and its Chair.

Submitted by the members of the Audit Committee

## GOVERNANCE AND ETHICS COMMITTEE REPORT

### Mandate

The G&E Committee assists the Board in developing and overseeing the Company's approach to corporate governance and integrity issues, proposing new Board nominees and assessing the effectiveness of the Board and its Committees, their respective chairs and individual Directors. The G&E Committee also provides its statement of corporate governance practices in the "Statement of Corporate Governance Practices" section of this Circular. For a complete copy of the G&E Committee mandate, see the Company's website ([www.snc-lavalin.com](http://www.snc-lavalin.com)), under "About Us"/"Leadership & Governance"/"Governance".

### Composition

The members of the G&E Committee are:

Steven L. Newman (Chair)  
Mary-Ann Bell  
Isabelle Courville  
Zin Smati

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

### 2020 Highlights

During 2020 the G&E Committee applied particular focus to key aspects of the Board's composition, effectiveness and governance framework, recruiting five (5) new directors to replace five retiring directors which included the Chair of the Board, revising the Company's Levels of Authority policy, adopting the Company's Indigenous Engagement Statement, and initiating a third-party facilitated review of the Board's culture, processes, composition and effectiveness.

In 2020, four (4) regular meetings and one (1) special meeting of the G&E Committee were held.

During the course of 2020, the G&E Committee:

#### Integrity Function

- Reviewed quarterly reports by the CIO and the Integrity team so as to provide them with timely and constructive feedback and oversight on the integrity framework and programs;
- Continued to oversee the simplification of the Company's policies and standard operating procedures;
- Reviewed the progress against the integrity targets included in the 2020 AIP and established expanded integrity targets for the 2021 AIP;
- Conducted, via the Chair of the G&E Committee and the EVP and General Counsel, the performance evaluation of the CIO and the review of his compensation and his objectives for the coming year; and
- Met *in camera* with the CIO at each meeting.

### Board and Committee Composition

- Assisted the Board in renewing Committee memberships by recommending for appointment by the Board:
  - Mr. Baughman as member of the SWPR Committee (effective May 7, 2020) and HR Committee (effective October 30, 2020);
  - Ms. Bell as a member of the Audit Committee (effective May 7, 2020) and G&E Committee (effective October 30, 2020);
  - Mr. Clark as member of the Audit Committee (effective May 7, 2020) and HR Committee (effective October 30, 2020);
  - Mr. Newman as member of the Audit Committee (effective May 7, 2020). Mr. Newman stepped down as a member of the HR Committee on May 7, 2020; and
  - Mr. Pedersen as member of the HR Committee (effective May 7, 2020) and SWPR Committee (effective October 30, 2020).
- Reviewed qualifications of incumbent Directors and potential candidates as Board nominees, including independence, board interlocks, availability and the skills and experience required to assist the Board with its mandate.

### Director Succession and Board Renewal

Following Kevin G. Lynch's indication of his intention to retire as Director and Chair of the Board in September 2020, the G&E Committee recommended to the Board the creation of the Selection Committee, a non-standing Board Committee, to conduct the process for identifying a new Chair of the Board and to make a recommendation thereon to the G&E Committee and the Board. Further to this process, William L. Young was appointed as the new Chair of the Board and as a Director, effective September 9, 2020.

For details on this process, see the "Statement of Corporate Governance Practices"/"Board Annual Review and Succession Process"/"Process for Selecting a New Chair of the Board in 2020" subsection of this Circular.

### Board Effectiveness Assessment

- Reviewed the 2020 Board effectiveness objectives arising from the 2019 Board evaluation process and monitored progress.

### Ongoing Director Education

- Ensured that ongoing development and education opportunities were made available to Directors during 2020, such as virtual project site visits and presentations on various topics to the Board, including on ED&I.

### Corporate Governance Matters

- Reviewed and recommended amendments to mandates of the G&E Committee and the Audit Committee;
- Reviewed and recommended amendments to the Company's Code of Conduct; reviewed, monitored and oversaw compliance with the Code of Conduct;



- Reviewed amendments to the Modern Slavery and Human Trafficking Statement;
- Reviewed the Notice of Annual Meeting and Circular, including meeting date and record date;
- Conducted the annual review of the Ethics and Compliance Committee Charter;
- Reviewed the Board and Committee meeting schedules for 2021 and 2022;
- Monitored developments in corporate and securities laws and regulations, legal and regulatory requirements and best practices; and
- Reviewed the performance of the G&E Committee and its Chair.

#### Other Matters

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

#### Submitted by the members of the G&E Committee

### SAFETY, WORKPLACE AND PROJECT RISK COMMITTEE REPORT

#### Mandate

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

#### Composition

The members of the SWPR Committee are:

Zin Smati (Chair)  
 Gary C. Baughman  
 Steven L. Newman  
 Michael B. Pedersen  
 Jean Raby

Each of the members of the SWPR Committee is independent.

#### Cross membership

The mandate of the SWPR Committee provides for at least one (1) member to sit on the Audit Committee and vice versa in order to understand the operational issues which may have an impact on the financial outcome of a project, and thus mitigate risks. Steven L. Newman and Jean Raby are currently members of both the Audit and SWPR Committees. For a complete copy of the SWPR Committee mandate, see the Company's website ([www.snc-lavalin.com](http://www.snc-lavalin.com)), under "About Us"/"Leadership & Governance"/"Governance".

#### 2020 Highlights

The key focus for the Committee in 2020 was the identification, assessment and mitigation of the new risks created by the global COVID-19 pandemic.

In 2020, four (4) regular meetings and one (1) special meeting of the SWPR Committee were held.

During the course of 2020, the SWPR Committee:

#### Health, Safety and Environment ("HSE")

- Reviewed the impact of COVID-19 on the Company's workforce by regions and sectors and the Company's response to the pandemic, including with respect to the physical and mental well-being of its employees;
- Reviewed and oversaw the Company-wide HSE processes and mandatory training initiative for all employees with respect to HSE;
- Reviewed continued progress on the "Perfect Days" initiative, an account of the days where the Company's projects and operations were incident free. In 2020, the Company recorded 186 Perfect Days, exceeding the target set for 2020 at 110; and
- Oversaw safety performance by sector.

#### Security

- Reviewed cyber security risks linked to the COVID-19 pandemic and the Company's response; and
- Endorsed the Company's Global Security Statement.

#### Risk Management

- Oversaw the existing ERM framework; and
- Oversaw the top enterprise risks, mitigation plans, progress by quarter and post mitigation impact and probability.

#### Processes

- Oversaw the further refinement and improvement of the risk dashboard by sector; and
- Initiated a review of the Company's risk management framework to be carried out in 2021.

#### Projects

- Reviewed reports from management on gross margin backlog by sector, project type and client, including the impacts of COVID-19;
- Reviewed key findings and resulting action plans from peer reviews;
- Reviewed claims value included in policy escalations by sector and project; and
- Reviewed the major LSTK projects report, including updates on operations, key risks, COVID-19 impact and key financial metrics.

#### Other

- Reviewed the performance of the SWPR Committee and its Chair;
- Contributed to the Special Risk Review Committee; and
- Reviewed the HSE and ESG targets for the AIP.

#### Submitted by the members of the SWPR Committee

## HUMAN RESOURCES COMMITTEE REPORT

### Mandate

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

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

### Composition

The members of the HR Committee are:

Isabelle Courville (Chair)  
Gary C. Baughman  
Christie J.B. Clark  
Michael B. Pedersen  
Benita M. Warmbold

Each of the members of the HR Committee is independent.

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

- **Isabelle Courville** has extensive experience in human resources and compensation matters. She served as President of Hydro-Québec Distribution from March 2011 to January 2013 and as President of Hydro-Québec TransÉnergie from 2007 to 2011. Prior to that, she was President of Bell Canada's Enterprise business segment from 2003 to 2006 and President and CEO of Bell Nordiq Group from 2001 to 2003. Ms. Courville is a member of the human resources committee of the Institute for Governance of Private and Public Organizations (IGOPP). She is the former chair of the management resources and compensation committee of Canadian Pacific Railway Limited (2016-2019), the former chair (2009-2013) and member (2008-2019) of the Laurentian Bank of Canada's human resources and corporate governance committee, the former chair of the human resources and corporate governance committee of Miranda Technologies Inc. (2006-2012) and a former member of the compensation committee of TVA Group Inc. (2013-2016).
- **Gary C. Baughman** has extensive experience in overseeing various human resources and compensation matters acquired through his 35 years of experience as

an operational executive in the engineering, construction and diversified services industry. He is currently the COO of Elixsys Inc. and the President of Back Tee Sports, LLC, a global event management company. From 2017 to 2019, he was Chairman and CEO of APTIM Corp and previously worked at M+W Group GmbH, where he first served as COO, Americas in 2015 until he was appointed CEO, Americas in 2017. Prior to that, he served as Executive Vice-President at AECOM from 2012 to 2015 and spent 15 years in various roles at Fluor Corporation. During his career, Mr. Baughman has actively participated in the development and implementation of compensation programs as well as the periodic review and modification of compensation plans. He is a former partner in an organizational development consultancy firm that delivers a platform called The Collaborative Way. Mr. Baughman holds a Bachelor of Science degree in Accounting from Clemson University and obtained his National Association of Corporate Directors (NACD) directorship certification in December 2020.

- **Christie J.B. Clark** has extensive experience in overseeing various human resources and compensation matters. From 2005 to 2011, he was CEO and Senior Partner of PricewaterhouseCoopers LLP where he had overall responsibility for compensation matters at the firm. Prior to being elected as CEO, Mr. Clark served as National Managing Partner and was member of the firm's executive committee from 2001 to 2005. He is a director of Air Canada and Loblaw Companies Limited, a former member of the human resources and compensation committee of Hydro One Inc. and Hydro One Limited and a former member of the governance and compensation committee of Choice Properties Real Estate Investment Trust. 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 also completed the Institute of Corporate Director's course entitled "Human Resources & Compensation Committee Effectiveness".
- **Michael B. Pedersen** has extensive experience in various human resources and compensation matters acquired during his career. Over his 30 years of experience, he has managed more than 200,000 people and occupied various roles in human resource and labor relations. Until his retirement in 2018, he served as Special Advisor to the CEO of The Toronto-Dominion Bank, prior to which, from 2013 to 2017, he was President and CEO of TD Bank US Holding Company's retail and commercial banking business. From 2007 to 2013, he served as Group Head for The Toronto-Dominion Bank's corporate operations and global wealth and insurance businesses. Prior to joining TD Bank Group in 2007, Mr. Pedersen worked at Barclays plc and previously at CIBC where he held senior executive roles including Vice-President Human Resources. Mr. Pedersen is currently the chairperson of the board of the Business Development Bank of Canada (BDC) and a director of CGI Inc. Mr. Pedersen holds a Bachelor of Commerce degree, with a Major in Organizational Behavior, from the University of British Columbia and a Master of Industrial Relations degree from the University of Toronto.

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

### Cross membership

The HR Committee mandate requires at least one (1) member to sit on both the HR Committee and the Audit Committee in order to monitor and maintain the link between pay and performance and to further ensure the mitigation of compensation-related risks. Christie J.B. Clark and Benita M. Warmbold are currently members of both the Audit and HR Committees. For a complete copy of the HR Committee mandate, see the Company's website at [www.snc-lavalin.com](http://www.snc-lavalin.com), under "About Us"/"Leadership & Governance"/"Governance".

In 2020, five (5) regular meetings and two (2) special meetings of the HR Committee were held.

### Key Activities Undertaken

During 2020, the HR Committee undertook the following key activities:

#### Annual Activities

- Reviewed and recommended for Board approval:
  - AIP payouts for 2019 (paid in 2020);
  - The performance payout multiplier and resulting zero level payout of the PSU awards granted in 2017 as well as awards granted in 2018 and 2019 to employees that left the Company in 2019 following retirement or termination without cause;
  - Long-term incentive awards granted during 2020 under the 2019 PSUP and 2019 RSUP;
  - The Performance Comparator Group for the 2020-2022 PSUP performance period, as well as the selection criteria and resulting Performance Comparator Group for the 2021 PSU awards onwards to more accurately reflect the markets that SNC-Lavalin competes for capital, particularly given the change of focus to a professional services business;

- The AIP structure, financial performance metrics and targets, and the target setting methodology and targets for non-financial metrics for 2021;
- The Executive Compensation Comparator Group to be used in the executive compensation benchmarking exercise in 2021;
- The termination of the MSOP Plan;
- The 2020 Circular CD&A section;
- The President and CEO's non-financial objectives including specific COVID-19 objectives for 2020, as well as non-financial objectives for 2021; and
- The succession plans for the President and CEO, members of the Executive Committee and operational leadership group and the resilience measures of those plans under COVID-19.

#### Reviewed:

- Approach to people issues during the COVID-19 crisis, including preserving liquidity, preserving talent and preparations for returning to the workplace;
- Results of the Company-wide talent review process and associated development activities;
- Update on the Company's ED&I activities;
- Results of the senior leadership engagement survey;
- Results of the executive compensation benchmarking exercise for the President and CEO;
- 2021 salary budgets by country;
- Proposal to introduce ESG targets such as qualitative safety and integrity measures, human capital management measures and environmental sustainability metrics in the 2021 AIP;
- The level of the threshold payout in the AIP for the financial, HSE and Integrity metrics;
- Introduction of additional measures in the 2019 PSUP and proposal to use an index peer group rather than a custom Performance Comparator Group, commencing with the 2021 PSU awards;
- Status and projections of the share ownership requirements for Senior Officers and other EVPs not reporting to President and CEO subject to these requirements;
- The Company's retirement plans' investment performance, funding status and overall administration and governance;
- Presentation of North American compensation and governance trends;
- Results of the Glass Lewis and ISS reports (proxy advisory firms);
- Integrity performance reports, as a mitigation tool, given the interest in a culture of integrity and in the light of ED&I initiatives; and



- Participation of Senior Officers in for-profit company boards as non-executive directors.

#### Event-Driven Activities

- Reviewed and recommended for Board approval:
  - The appointment, compensation and employment terms for Senior Officers hired or promoted in 2020 and selective retention provisions;
  - The retention of key talent throughout the business;
  - The proposal for the resetting of the financial targets in the 2020 AIP as a result of COVID-19;
  - Consolidated EBITDA and Free Cash Flow calculations for the 2020 AIP, including performance derived through normal business operations in 2020 and the impact of financial provisions taken relating to historical LSTK projects; and
  - Results of the pulse engagement surveys in times of COVID-19 and resultant well-being actions.
- Reviewed:
  - The COVID-19 impacts on executive pay including market reaction for the 2020 and 2021 performance years and principles to evaluate performance in 2020 in the context of the COVID-19 pandemic.

#### Other

- Reviewed the performance of the HR Committee and its Chair.

#### Executive Compensation Consultants

Since 2008, the HR Committee has retained Hugessen Consulting Inc. to provide it with independent advice on executive compensation and related performance assessment and governance matters. The nature and scope of services provided by this consultant to the HR Committee during 2020 included:

- Review and advice on:
  - President and CEO compensation;
  - Corporate performance as it relates to determining President and CEO and other NEOs' compensation;
  - The 2020 Circular CD&A section;
  - The calculation of the performance payout multipliers of the PSU awards granted in 2017 as well as awards granted in 2018 and 2019 for payments on a prorated basis to employees that left the Company in 2019 following retirement or termination without cause; and
  - Management-prepared materials and recommendations in advance of HR Committee meetings as requested.
- Attendance at HR Committee meetings as requested.
- Presented North American market compensation trends, governance trends and COVID-19 impacts on executive pay to HR Committee members.

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

The table below outlines the fees paid by the Company to Hugessen Consulting Inc. in 2020 and 2019:

Nature of work	2020 Fees	2019 Fees
Executive Compensation Fees – Annual Work Plan	\$ 76,429	\$ 78,088
Executive Compensation Fees – Mandates outside of Annual Work Plan scope	\$ 48,326	\$ 94,675
All Other Fees	\$ 0	\$ 0
<b>Total</b>	<b>\$124,755</b>	<b>\$172,763</b>

Management of the Company spent \$67,021 on executive compensation-related matters with Willis Towers Watson in 2020 and \$4,832 in 2019, as shown in the table below:

Nature of work	2020 Fees	2019 Fees
Executive Compensation <sup>(1)</sup>	\$ 67,021	\$ 4,832
All other fees:		
• Benefits plan management and ongoing consulting for various countries <sup>(2)</sup>	\$ 1,133,148	\$ 872,717
• Accounting	\$ 48,476	\$ 39,603
• Global job classification, compensation surveys and communication	\$ 3,267	\$ 46,887
• Risk management consulting	\$ 251,423	\$ 576,861
<b>Total</b>	<b>\$1,503,335</b>	<b>\$1,540,900</b>

<sup>(1)</sup> Includes fees for the Executive Committee benchmarking exercise based on the new global Executive Compensation Comparator Group, as described in the "Our Compensation Philosophy" subsection of the CD&A, and *ad hoc* Senior Officers' compensation market comparisons.

<sup>(2)</sup> Mainly related to Canada and U.S. Includes fees paid for Rx Collaborative, a drug plan management outsourcing service in the U.S., benefits brokerage services and benefits-related projects and Canadian pension plan management.

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

The HR Committee reviews the information and advice provided by Hugessen Consulting Inc. and the benchmarking information provided by Willis Towers Watson, among other factors, in making its executive compensation decisions and recommendations to the Board. The HR Committee ultimately makes its own recommendations and decisions on compensation matters.

## Letter to Shareholders

Dear Fellow Shareholders:

On behalf of the Board of Directors, I am pleased to provide an overview of our executive compensation program during 2020.

We believe in providing clear and comprehensive information to help you fully understand and evaluate our compensation programs and we are committed to engaging with our shareholders, listening to your feedback and ensuring that our approach to executive compensation remains aligned with your interests.

### Compensation Philosophy

Despite the challenges presented by the COVID-19 global pandemic, our philosophy for executive compensation has remained unchanged. We pay for performance and seek to ensure that executive compensation is directly linked to the achievement of our business objectives. In these unprecedented circumstances it has been necessary for the HR Committee to review, and in some circumstances adapt, our approach to compensation during 2020, to ensure that our overall framework still attracts, incentivizes, and retains talent while being responsive to the environment in which we operate.

### Fiscal year 2020 and our response to COVID-19

Fiscal year 2020 was unprecedented and the pandemic has had far-reaching consequences for our people, our clients and the way we have managed our operations. During this period, our primary focus has been to protect the health and safety of our workforce and to enact robust business continuity plans for our clients. In the early stages of the pandemic and subsequent lockdowns, we were able to transition our workforce rapidly to remote working arrangements and quickly adapt to our new circumstances, ensuring continuity of services to clients in a reliable manner. During this time, we were also able to provide direct support to local community actions and governmental COVID-19 response efforts in a number of the locations where we operate. This included supporting the design and construction of ten, 100-bed mobile and temporary health units in Canada, contributing to the construction of an alternative care site in the US and supporting a temporary hospital in the UK. Additionally, KN95 masks were donated in Canada and many of our employees around the world utilized their expertise supporting local COVID-19 responses, for example using advanced 3D printing for the provision of shields and other PPE.

Our leaders across the Company have worked diligently to communicate regularly throughout the pandemic with all of our employees as to how we are managing the impact and risks of COVID-19 in our business and working environment. This has included running regular townhalls, publishing dedicated intranet pages, running webinars and manager briefings, as well as delivering training and support through our employee assistance providers.

In response to the economic disruption and impact of COVID-19, we also enacted several measures to create financial resilience during this period and preserve liquidity.

These measures focused on reducing costs and managing cash flow across the Company. Discretionary expenditure not required to directly support client delivery was significantly reduced, and capital expenditures were carefully managed.

We were very grateful to significant numbers of our staff who took pay or hours reductions for the 3-month period from April to June 2020. This included our senior staff and executives (including the Executive Committee) who agreed to a 20% pay reduction, with many other staff having a 10% reduction. Our directors also took a 20% pay cut for the same 3-month period.

As part of these activities to support our business resilience, protect jobs for the longer term and minimize redundancies, we had to initiate temporary lay-offs or unpaid leaves of absence (furloughs). In some countries, such as the U.K. and Canada, the government contributed to compensating affected employees for lost income to different degrees. In the UK we reached a peak of circa 1,000 staff on furlough in June, and then brought staff back into the business as client work became available, with most staff returning by the end of the third quarter. As a result of the program in Canada, we were able to save approximately 350 jobs. Any wage subsidies received through these schemes were excluded from financial performance for bonus purposes.

### 2020 Financial Performance and Key Compensation Decisions

The Company's financial performance in 2020 was mixed – with strong Company-wide cash flow performance and resilient profitability and operational performance in SNCL Engineering Services, contrasted with losses in SNCL Projects.

The Company's focus on driving improved cash flow performance resulted in a notable improvement in operating cash flow, from a usage of cash from operations in 2019 of \$355 million to a positive generation of cash from operations in 2020 of \$121 million. As a result, the Company ended 2020 with significant available liquidity, with \$933 million in cash and cash equivalents and an additional \$2.0 billion of available drawing capacity under its revolving credit facility.

In SNCL Engineering Services, the decisive and early actions that management took to align costs at the onset of the COVID-19 pandemic proved to be effective, and allowed the Company to continue delivering for its customers. As a result, financial performance in SNCL Engineering Services was resilient, with a less than 1% drop in revenue in 2020 compared to 2019, and the segment adjusted EBIT to revenue ratio, a key performance metric, being 9.0% for the full year 2020, in line with our targeted range of 8-10%. Backlog also finished the year strongly at \$10.9 billion, in line with the 2019 year-end position.

In Capital, the financial performance for 2020 was impacted by its investment in 407 International Inc. (Highway 407 ETR). Lower traffic as a result of COVID-19 led to a lower level of dividends received and a negative fair value revaluation of contingent consideration receivable, which was only partially offset by good performance on the other investment assets in the portfolio and the release of a provision for contingent indemnification related to the previous disposal of a Capital investment.



In SNCL Projects, strong delivery related to the remaining LSTK backlog in both the Infrastructure Projects and Resources sectors was overshadowed by losses related to cost reforecasts, adjustments to provisions and claims receivable reductions in legacy and ongoing projects. Transformation of the Resources sector's services business in 2020 was successful in improving the operational and financial performance in the second half of the year, but ultimately the Company announced on February 9, 2021 that it had entered into an agreement to sell the Resources Oil & Gas business, including services and LSTK projects, which comprises the vast majority of the business in the Resources sector. The sale of this business is expected to significantly reduce operational and execution risks and will simplify the Company's corporate structure and enable management to dedicate more time, effort and resources to growing the higher margin and more stable SNCL Engineering Services business.

As a result of the above, for its continuing operations, the Company reported a net loss of \$347 million in 2020 (loss from continuing operations of \$2.03 per diluted share). The Company's decision to dispose of its Resources Oil & Gas business resulted in the classification of this disposal group as held for sale as at December 31, 2020 and the presentation of its results as discontinued operations. This classification resulted in an impairment loss on remeasurement of assets of the disposal group of \$271.6 million, included in the net loss from discontinued operations of \$609 million in 2020. Upon closing, the transaction is expected to generate a gain on disposal due to the reclassification of the foreign exchange cumulative translation adjustments balance from equity to the income statement at that time.

#### Short-Term Incentive – AIP

As a result of the COVID-19 pandemic, we cancelled the financial element of the short-term incentive plan for all participants for the first half of the year. This removed the opportunity to earn any of the financial element of the bonus for the period when we had enacted salary and hours cuts to help preserve our liquidity. This decision was made at the end of the first half of the year, and in order to drive and incentivize performance in the second half of the year, we set revised financial targets for the period from July 1, 2020, to December 31, 2020. The non-financial element, relating to safety, integrity and personal performance, remained unchanged for the whole year. These changes were intended to be consistent and proportionate with expectations of our shareholders and the challenges that the whole workforce has experienced during the COVID-19 pandemic.

As a result of the financial performance of the Company in the second half of the year, the financial elements of our AIP generated a bonus at an SNC-Lavalin corporate level for the second half of the year. However, the NEOs and the Executive Committee were only rewarded for the exceptional Free Cash Flow result and did not earn AIP for the EBITDA element. Employees in sectors which have performed very strongly, such as Nuclear and EDPM, were rewarded for the financial performance of their sector for the second half of the year only.

#### Long-Term Incentive – LTIP

PSUs constitute 60% of the LTIP for NEOs. For the PSUs vested on December 31, 2020 the performance factor for the performance period was 0.25x, as a result of the Company's TSR performance relative to its peer group from 2018 to 2020. This resulted in payments significantly below target for NEOs, other members of the Executive Committee and all other senior executives who participated in the plan.

#### 2021 Changes to Executive Compensation

We have made changes to the overall executive compensation design to be applied in 2021 to ensure that our executive compensation structure is appropriately aligned to our Company's strategic objectives and focus. These changes are explained in more detail below.

During the year, the HR Committee and management undertook a comprehensive review of the plan structure and in particular the non-financial targets within the AIP for 2021, with a particular focus on opportunities to enhance the ESG measures in the AIP. As a result of this review, the financial element of the AIP will increase slightly to 70% and the non-financial element of the AIP for 2021 will reduce to 30% of the overall bonus.

The financial element will be based on two measures, profit (measured by EBITDA) and cash (measured by Free Cash Flow), with an equal weighting on each. The non-financial element will include a basket of ESG measures, determined annually by the HR Committee. In 2021 the ESG measures will include revised health, safety and integrity targets, and all members of the Executive Committee and operational leadership team will have an ED&I target included in their personal AIP element. These changes reflect the integration and importance of ESG measures within our business strategy and the expectations of our stakeholders and shareholders.

The HR Committee also reviewed and approved a revised peer group for PSU grants made in 2021 and onwards. The Performance Peer Group has been updated to more accurately reflect the market that SNC-Lavalin competes for capital with on a go-forward basis, particularly given the change of strategic focus to a professional services business. The new Performance Peer Group also aligns with our transformation and priorities moving forward, including an alignment of industries, markets/geographies and comparably sized companies. Our LTIP grants will continue to incentivize improvements to SNC-Lavalin's share price and TSR over a three-year period.

The Committee will continue to keep the compensation programs under review with a view to enhancing the ESG measures further in 2022, as well as considering the possible re-introduction of options for the go-forward compensation program.

#### Executive Compensation Comparator Group

The HR committee undertakes an executive compensation benchmarking exercise every two years. In 2020, the committee reviewed the benchmark peer group that is referenced for this analysis and adopted some revisions to the peer group to ensure that this group of peers accurately reflects the key markets and organizations where



SNC-Lavalin competes for senior talent. The new peer group contains a global group of companies with an equal weighting of Canadian, U.S. and U.K. headquartered organizations which are reflective of SNC-Lavalin's current size.

### Executive Appointments

In January 2020, the Company appointed Louis Véronneau to the newly created role of Chief Transformation Officer ("CTO"), responsible for simplifying the Company's structure and processes and supporting the new strategic direction with a focus on information technology and divestitures.

Having joined the Company in February 2020, Jeffrey (Jeff) Bell transitioned into the role of CFO effective April 14, 2020, replacing Sylvain Girard who left the Company at the end of August 2020 following a period of transition to his successor.

Robert E. Alger, based in the U.S., joined the Company in August 2020 to lead the Infrastructure Projects sector, and replaced Jonathan Wilkinson. Dale Clarke was appointed President, Infrastructure Services sector in November 2020, responsible for growing the high-performing services business in North America.

After year-end, Steve Morriss joined the Company in January 2021 into the newly created role of President, Asia Pacific and Middle East.

Craig Muir, President of the Resources sector, will leave the Company as of 31 March 2021.

### 2020 President and CEO Compensation

Upon initial appointment, the President and CEO compensation was set below market as is often common practice with a new internal appointment. For 2020, Mr. Edwards' target total direct compensation was

\$6,267,500, comprised of a \$1,090,000 base salary, and AIP target of \$1,362,500, and LTIP target of \$3,815,000, with 60% in the form of PSUs and 40% in the form of RSUs.

Following a compensation benchmarking review, Mr. Edwards' target total direct compensation for 2021 was increased to \$7,000,000, and the pay mix adjusted to be more aligned with that of the other NEOs, comprised of a \$1,400,000 base salary, AIP target of \$1,400,000, and LTIP target of \$4,200,000, with the same 60%/ 40% mix of PSUs/ RSUs.

Mr. Edwards received his one-time E-DSU grant of \$1.8M on March 9, 2020. This award was originally awarded to him on his appointment into the Interim President and CEO role in 2019, but the E-DSU award could not be granted in that year due to trading restrictions pursuant to the Company's Disclosure and Insider Trading policy. This award will now vest in three (3) equal tranches over a three-year period from the 2020 date of grant.

### Conclusion

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

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

Should you have any outstanding concerns, we invite you to contact the Chair of the HR Committee.

Yours truly,

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

# Executive Compensation Discussion and Analysis

INTRODUCTION 35 / ANNUAL OVERSIGHT OF EXECUTIVE COMPENSATION 35 / OUR COMPENSATION PHILOSOPHY 36 / EXECUTIVE COMPENSATION DESIGN AND MIX 38 / COMPONENTS OF COMPENSATION 39 / COMPONENTS OF TDC 39 / OTHER COMPONENTS OF COMPENSATION 48 / PRESIDENT AND CEO COMPENSATION AND REVIEW 49 / OTHER NEO COMPENSATION AND REVIEW 51 / PERFORMANCE GRAPH 52 / COST OF MANAGEMENT RATIO 53 / SUMMARY COMPENSATION TABLE 54 / RISK MANAGEMENT 55 / PRESIDENT AND CEO'S ACCUMULATED COMMON SHARES AND SHARE UNITS OR EQUIVALENT EQUITY HOLDINGS 56 / INCENTIVE PLAN AWARDS 57 / PENSION PLAN BENEFITS 58 / EMPLOYMENT AGREEMENTS 58 / RETIREMENT AND TERMINATION COMPENSATION 58 / SUCCESSION PLANNING 62 / APPROVAL OF THE REPORT ON EXECUTIVE COMPENSATION 62

## INTRODUCTION

The following section outlines the compensation programs in which the NEOs participate. For 2020, the NEOs are:

- Ian Edwards – President and CEO;
- Jeffrey (Jeff) Bell – EVP and CFO;
- Sylvain Girard – Former EVP and CFO;
- Craig Muir – President, Resources sector;
- Alexander (Sandy) Taylor – President, Nuclear sector; and
- Philip Hoare – President, Atkins, EDPM sector.

### Executive Committee

Our NEOs are part of our Executive Committee, a team composed in 2020 of Senior Officers led by the President and CEO. Our Executive Committee is responsible for delivering on commitments made to shareholders, setting the strategic direction for the Company, monitoring performance against targets, and setting policies and common operating procedures.

## ANNUAL OVERSIGHT OF EXECUTIVE COMPENSATION

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

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

### At the Outset of the Year:

#### *Establish Target Compensation Levels and Mix*

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

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

responsibility, skills and experience, for recommendation to the Board.

#### *Establish Performance Objectives and Targets*

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

The HR Committee annually evaluates financial and operational objectives under our short-term and long-term incentive plans to ensure alignment with our strategic plan. We believe that key financial results, including Company profit and cash management, measure the sustainability of our core operations and drive long-term value creation. Our non-financial goals reflect our strong commitment to ethical business practices and the health and safety of our employees, over and above their individual performance. Our LTIP incorporates relative TSR targets, thereby strengthening the alignment of our executive compensation with shareholder return.

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

### During the Year and Following Year-End:

#### *Assess the Executive Compensation Framework and Programs*

The HR Committee reviews the Company's executive compensation framework and programs on an as-needed basis against the Company's compensation philosophy and strategy, evolving best practices, market trends and shareholder expectations. As appropriate, adjustments to compensation programs are considered and implemented.

### *Assess Performance Against Objectives*

The President and CEO shares and reviews performance results with the HR Committee, and discusses how the Company, Senior Officers and other EVPs not reporting directly to the President and CEO are tracking against the performance targets and objectives established at the beginning of the year. Adjustments to performance goals are considered, on an as-needed basis, in light of any acquisitions and/or divestitures or other types of transactions by the Company during the year. In 2020, the Board cancelled the financial targets of the AIP that relate to performance for the first half of the year and set new financial targets for the second half of the year. This removed the opportunity to earn any of the financial element of the bonus for the period when we had enacted salary and hours cuts to help preserve our liquidity. This decision was made at the end of the first half of the year, and in order to drive and incentivize performance in the second half of the year, we set revised financial targets for the period from July 1, 2020 to December 31, 2020. The payout opportunity on financial element was reduced by 50% for all participants, but the overall AIP structure remained unchanged. The non-financial elements remained unchanged and continue to be based on the full year.

At the end of the year, the HR Committee reviews performance against pre-set financial and non-financial goals considering input from management and its independent advisor. Additionally, the President and CEO shares with the HR Committee individual performance ratings for each member of the Executive Committee.

### *Recommend Pay Outcomes for Board Approval*

All incentive plan payouts are put forward by the HR Committee to the Board for final approval. The Board, in its sole discretion and considering recommendations from the HR Committee, may exercise discretion to adjust incentive plan payouts in order to achieve the appropriate outcomes in light of unanticipated internal or external developments. Having reset targets and evaluated the impact of legacy prior year items relating to substantially complete projects, the Board did not exercise any further discretion when reviewing performance and approving payouts for the NEOs and the other members of the executive management team.

## **OUR COMPENSATION PHILOSOPHY**

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

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

guidelines and thus a long-term view of Company strategy and performance.

### **Risk Management Measures**

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

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

#### **What we do**

- Operate a clawback policy which provides the Board with discretion to seek reimbursement of all or part of paid incentives under specific circumstances.<sup>(1)</sup>
- Maintain an anti-monetization and anti-hedging policy for all insiders of the Company that prohibits hedging Company equity exposure and trading in derivatives of the Company.<sup>(1)</sup>
- Require Senior Officers and other EVPs to comply with Executive Share Ownership Guidelines. The President and CEO is also subject to a minimum share ownership requirement for one year following retirement.<sup>(1)</sup>
- Allow Senior Officers and other EVPs not reporting to President and CEO subject to share ownership requirements to convert their bonus under the AIP, in whole or in part, into E-DSUs.
- Hold an annual Say on Pay vote to facilitate engagement between shareholders and the Company.
- Engage external executive compensation consultants to provide independent advice on market best practices and pay levels.
- Perform an executive market compensation review every two (2) years to ensure that compensation packages are aligned with our target positioning for members of the Executive Committee.
- Maintain double-trigger change in control provisions for Senior Officers.
- Maintain a target TDC mix in which a significant portion of the compensation is variable.
- Review the AIP structure, objectives and financial and non-financial targets annually to ensure alignment with shareholder value creation and the Company's values.
- Limit incentive awards under the AIP and PSUP, including the possibility of a zero payout.
- Limit on bonus payouts in circumstances where the Company profit falls below a threshold level of performance to further reinforce linkage between financial performance and bonus payout, starting with the 2020 performance year.



- Include HSE and Integrity measures, that relate to ESG, in the AIP.
- Limit the Performance Payout Multiplier at 100% if the TSR is negative over the performance period for the PSUP.
- Maintain a Code of Conduct that applies to employees, officers and Directors of the Company and its subsidiaries.
- Maintain a team of Directors who have the knowledge and skills to enhance the long-term performance of the Company.
- Maintain a policy that establishes the levels of authority for all commitments (to clients, suppliers, etc.), expenditures, disbursements and governance decisions on behalf of the Company.

#### What we don't do

- Provide guaranteed, multi-year cash bonuses.
- Provide guaranteed increases in compensation in executive Employment Agreements.
- Grant, renew or extend loans to Directors or employees.
- Set performance targets for incentives without appropriate stress testing.

- Count PSUs towards achievement of the Executive Share Ownership Guidelines.

- Offer compensation changes to Senior Officers without appropriate Board approval.

<sup>(1)</sup> Described in greater detail in the "Risk Management" section of this CD&A.

#### Executive Compensation Comparator Group

The HR Committee undertakes an executive compensation benchmarking exercise every two years. In 2020, the HR Committee reviewed the benchmark peer group that is referenced for this analysis and adopted some revisions to the peer group to ensure that this group of peers accurately reflects the key markets and organizations where SNC-Lavalin competes for senior talent and to provide competitive market context to support pay level and pay mix decision-making. The new peer group contains a global group of companies with an equal weighting of Canadian, U.S. and U.K. headquartered organizations, which are reflective of SNC-Lavalin's current size.

Company	Headquarters	Market Capitalization <sup>(1)(2)</sup>	Total Enterprise Value <sup>(1)(2)</sup>	Last 12 Months Total Revenues <sup>(1)(3)</sup>	Primary Industry <sup>(4)</sup>
AECOM	U.S.	\$ 9,582	\$11,355	\$ 16,857	Engineering and Construction
Aecon Group Inc.	Canada	\$ 980	\$ 1,153	\$ 3,484	Engineering and Construction
Babcock International Group Inc.	U.K.	\$ 2,467	\$ 5,436	\$ 7,586	Diversified Support Services
Balfour Beatty plc	U.K.	\$ 3,248	\$ 3,037	\$ 12,916	Engineering and Construction
CAE Inc.	Canada	\$ 9,962	\$12,407	\$ 3,156	Aerospace and Defense
Capita plc	U.K.	\$ 1,141	\$ 3,449	\$ 6,100	Data Processing and Outsourced Services
CGI Group Inc.	Canada	\$ 26,035	\$28,628	\$ 12,164	IT Consulting and Other Services
EMCOR Group Inc.	U.S.	\$ 6,415	\$ 6,231	\$ 11,356	Engineering and Construction
Finning International Inc.	Canada	\$ 4,382	\$ 5,706	\$ 6,287	Trading Companies and Distributors
Fluor Corporation	U.S.	\$ 2,869	\$ 2,596	\$ 17,998	Engineering and Construction
Jacobs Engineering Group Inc.	U.S.	\$ 18,083	\$19,879	\$ 17,273	Engineering and Construction
John Wood Group plc	U.K.	\$ 3,722	\$ 6,172	\$ 11,697	Oil and Gas Equipment and Services
KBR, Inc.	U.S.	\$ 5,629	\$ 6,386	\$ 7,325	IT Consulting and Other Services
Serco Group plc	U.K.	\$ 2,569	\$ 3,452	\$ 6,249	Environmental and Facilities Services
Smiths Group plc	U.K.	\$ 10,393	\$12,513	\$ 4,429	Industrial Conglomerates
Stantec Inc.	Canada	\$ 4,584	\$ 5,674	\$ 3,724	Research and Consulting Services
Tetra Tech, Inc.	U.S.	\$ 7,950	\$ 8,448	\$ 2,990	Environmental and Facilities Services
WSP Global Inc.	Canada	\$ 13,690	\$15,075	\$ 8,765	Engineering and Construction
Percentile 75		\$ 9,870	12,140	\$ 12,050	
<b>Median</b>		<b>\$ 5,110</b>	<b>\$ 6,200</b>	<b>\$ 7,460</b>	
Percentile 25		\$ 2,960	\$ 3,950	\$ 4,850	
Average		\$ 7,428	\$ 8,755	\$ 8,909	
<b>SNC-Lavalin Group Inc.<sup>(5)</sup></b>	<b>Canada</b>	<b>\$ 3,815</b>	<b>\$ 5,484</b>	<b>\$ 8,624</b>	<b>Engineering and Construction</b>
<b>Percentile Rank</b>		<b>P36</b>	<b>P31</b>	<b>P58</b>	

<sup>(1)</sup> Source: Bloomberg. Data in \$MM CAD, converted to CAD using the relevant Bank of Canada spot currency exchange rates as at December 31, 2020.

<sup>(2)</sup> As at December 31, 2020.

<sup>(3)</sup> Based on information that was publicly available on December 31, 2020.

<sup>(4)</sup> As per the Global Industry Classification Standards (GICS) sub-industry classification used by Bloomberg.

<sup>(5)</sup> Market capitalization and total enterprise value are based on a market close share price of \$21.73.

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

### Target Positioning

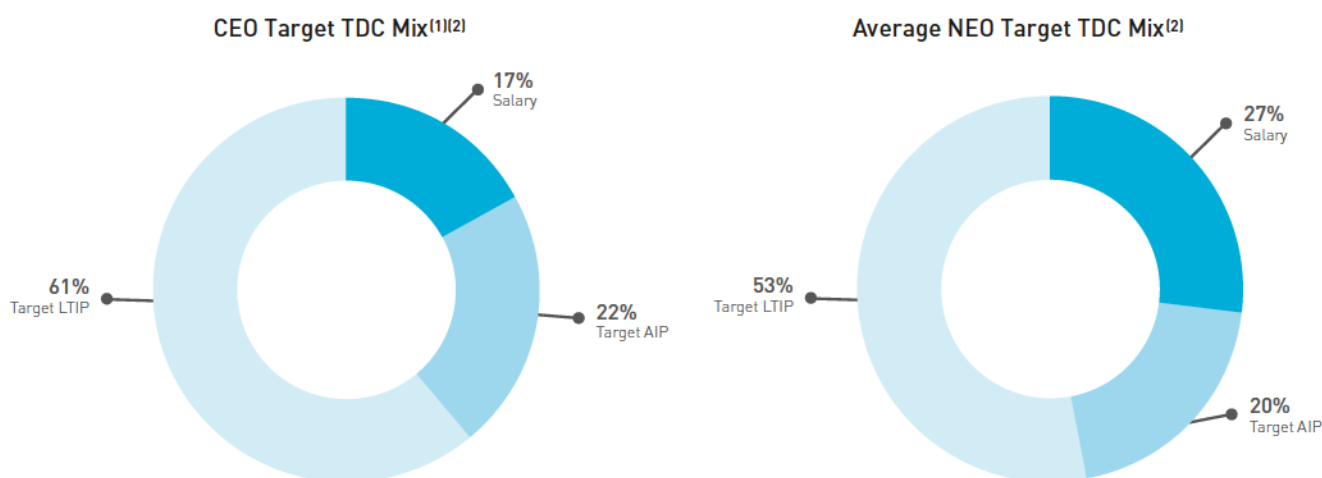
For all of our Senior Officers, the executive compensation framework targets TDC, which includes base salary and target short-term and long-term incentive awards (at grant

date fair value), at median compared to the Executive Compensation Comparator Group, giving equal weighting to each of the companies and adjusting for currency exchange, with above median pay realized through incentive payouts for above target performance and below median pay realized for below target performance.

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

## EXECUTIVE COMPENSATION DESIGN AND MIX

A significant portion of our NEOs' compensation is variable and linked to performance against: 1) our short-term financial and non-financial objectives under our AIP; and 2) TSR as well as share price performance under our LTIP. The following charts illustrate our President and CEO's 2020 target TDC mix as well as that of the other NEOs (on average).



<sup>(1)</sup> Reflects the target TDC mix of Mr. Edwards effective February 27, 2020.

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

## COMPONENTS OF COMPENSATION

Our NEOs receive compensation that is both fixed and variable and triggered by Company and individual performance. There are six (6) elements incorporated in our executive compensation program: i) base salary; ii) AIP; iii) LTIP (PSUP, RSUP, E-DSUP); iv) ESOP; v) benefits and perquisites; and vi) pension.

Component	Risk	Objectives	Time Frame	Description
<b>Components of TDC</b>				
Base Salary	Fixed	Provides competitive level of fixed compensation	Set annually	<ul style="list-style-type: none"> <li>Primary fixed component of TDC</li> <li>While typically set in reference to the median of their Executive Compensation Comparator Group, individual NEO salaries reflect level of responsibility, skills and experience, as well as individual performance</li> </ul>
AIP	Variable	Rewards individual contributions to and achievement of Company objectives	1 year	<ul style="list-style-type: none"> <li>Cash bonus</li> <li>Payout based on combination of Board-approved financial and non-financial objectives, the latter including individual performance</li> </ul>
PSUP	Variable	Promotes retention, rewards performance and creates incentive to enhance shareholder value	3 years	<ul style="list-style-type: none"> <li>Annual grants</li> <li>Cliff vesting (0-200% of units granted) on the third December 31<sup>st</sup> following the grant date based on Company relative TSR performance vs. the Performance Comparator Group</li> </ul>
RSUP	Variable	Promotes retention and rewards contribution to long-term value creation	3 years	<ul style="list-style-type: none"> <li>Annual grants</li> <li>Cliff vesting on the third anniversary of the grant</li> </ul>
E-DSUP	Variable	Aligns the interests of management with those of shareholders and rewards contribution to long-term value creation	5 years when granted (vesting)	<ul style="list-style-type: none"> <li>Grants are made on an <i>ad hoc</i> basis under special circumstances. These awards typically vest at a rate of 20% at the end of each calendar year following the date of grant, or referencing a vesting schedule as determined by the Board</li> <li>Separately, Senior Officers and other EVPs not reporting to President and CEO subject to share ownership requirements have the option to elect to convert all or part of their bonus under the AIP into E-DSUs to assist them in meeting their requirements. E-DSUs received pursuant to an election to convert a bonus under the AIP into E-DSUs are immediately vested</li> <li>Payout of vested units made one (1) year following the termination of employment</li> </ul>
<b>Other Components of Compensation</b>				
ESOP	Variable	Encourages share ownership and aligns participant interests with shareholder interests	3 years	<ul style="list-style-type: none"> <li>Voluntary share purchase plan</li> <li>Employee contributions of up to 10% of base salary in a given year with a 35% Company-matching contribution over the subsequent two-year period</li> <li>Senior Officers and other EVPs not reporting to President and CEO subject to share ownership requirements may contribute up to 20% without the Company-matching contribution on the incremental 10%</li> </ul>
Benefits and Perquisites	Fixed	Provides an effective and attractive executive compensation program	1 year	<ul style="list-style-type: none"> <li>Flexible group life, health and disability insurance program and perquisite allowance</li> </ul>
Pension	Fixed		1 year	<ul style="list-style-type: none"> <li>DCCP – a registered retirement plan (Canadian NEOs)</li> <li>SERP – a non-registered supplemental executive retirement plan (Canadian NEOs)</li> <li>Atkins Pension Plan Defined Contribution section - U.K. Trust-based Plan</li> </ul>

In 2020, the Company terminated the MSOP, a legacy voluntary share purchase plan, as participation had not been offered to executives since 2014 and as there were no additional Company-matching contributions outstanding under this plan.

## COMPONENTS OF TDC

### Base Salary

We determine NEOs' base salaries by reference to the median of their Executive Compensation Comparator Group, with each NEO's base salary taking into account the level of responsibility, skills and experience of the NEO as well as individual performance. Base salaries for the President and

CEO's direct reports are recommended by the President and CEO and are reviewed by the HR Committee for final Board approval in the first quarter of each calendar year, in conjunction with a review of total compensation. The President and CEO's base salary is recommended by the HR Committee for Board approval at the same time.



The following table outlines our NEOs' 2020 base salaries. From April 1, 2020 to June 30, 2020, all NEOs have taken a 20% base salary reduction as a result of COVID-19 measures.

Executive	Annual Base Salary at Year-End		
	2019	2020	Change from 2019
Ian Edwards <sup>(1)</sup>	\$1,050,000	\$1,090,000	3.8%
Jeff Bell <sup>(2)</sup>	N/A	\$ 720,000	N/A
Sylvain Girard <sup>(3)</sup>	\$ 648,000	\$ 666,000	2.8%
Craig Muir <sup>(4)</sup>	\$ 668,438	\$ 687,159	2.8%
Sandy Taylor	\$ 685,000	\$ 706,000	3.1%
Philip Hoare <sup>(5)</sup>	\$ 557,504	\$ 627,192	12.5%

<sup>(1)</sup> Effective January 1, 2021, Mr. Edwards' base salary was increased to \$1,400,000.

<sup>(2)</sup> Mr. Bell joined the Company on February 11, 2020.

<sup>(3)</sup> Mr. Girard's 2020 annualized base salary represents his salary prior to his departure on August 31, 2020.

<sup>(4)</sup> Mr. Muir's base salary is paid in AED. For the purposes of this disclosure, amounts were converted to CAD using the December 31, 2020 spot currency exchange rate of 1 AED = 0.3467 CAD.

<sup>(5)</sup> Mr. Hoare's base salary is paid in GBP. For the purposes of this disclosure, amounts were converted to CAD using the December 31, 2020 spot currency exchange rate of 1 GBP = 1.7422 CAD. Mr. Hoare's base salary was reviewed in the context of his experience, development and performance in the role and compared to his internal peers and similar external roles. Mr. Hoare's base salary was increased to 360,000 GBP effective January 1, 2020. Effective January 1, 2021, his base salary was increased to 440,000 GBP.

## AIP

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

### Plan Design

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



### Target Award Levels

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

Executive	Below Threshold (% of salary)	Target (% of salary)	Maximum (% of salary)
Ian Edwards <sup>(1)</sup>	0%	125%	250%
Jeff Bell	0%	75%	150%
Sylvain Girard	0%	75%	150%
Craig Muir	0%	75%	150%
Sandy Taylor	0%	75%	150%
Philip Hoare	0%	75%	150%

<sup>(1)</sup> Effective January 1, 2021, Mr. Edwards' AIP target was decreased from 125% to 100% of base salary.

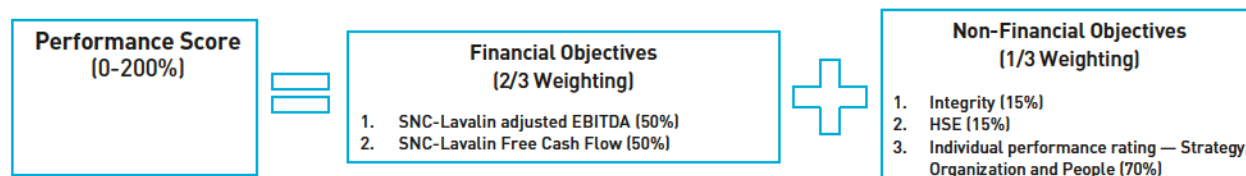
### Performance Measurement

The plan structure for 2020 was changed in the following manner:

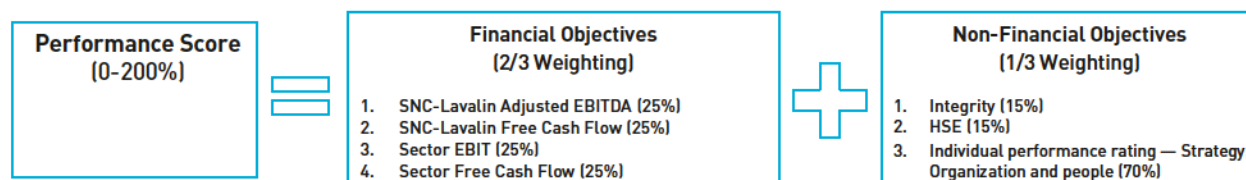
- The Sector Presidents are measured on a combination of Corporate and Sector line of sight;
- The Free Cash Flow metric's weight at the Sector line of sight was decreased from 50% to 25% and the remaining 25% is measured on the SNC-Lavalin Free Cash Flow;
- An additional limitation on AIP payout (underpin) was introduced for circumstances where Company profit falls below a defined level of performance;
- The integrity measure was modified to bring more focus on the effective execution and operationalization of the integrity program. As such, the substantiated compliance investigations cases metric was replaced by the tone from the top and the middle management which relates to the communication of related integrity topics by managers to employees.

The performance score under the AIP is calculated as follows:

For Mr. Edwards, Mr. Bell and Mr. Girard, who have global corporate responsibilities:

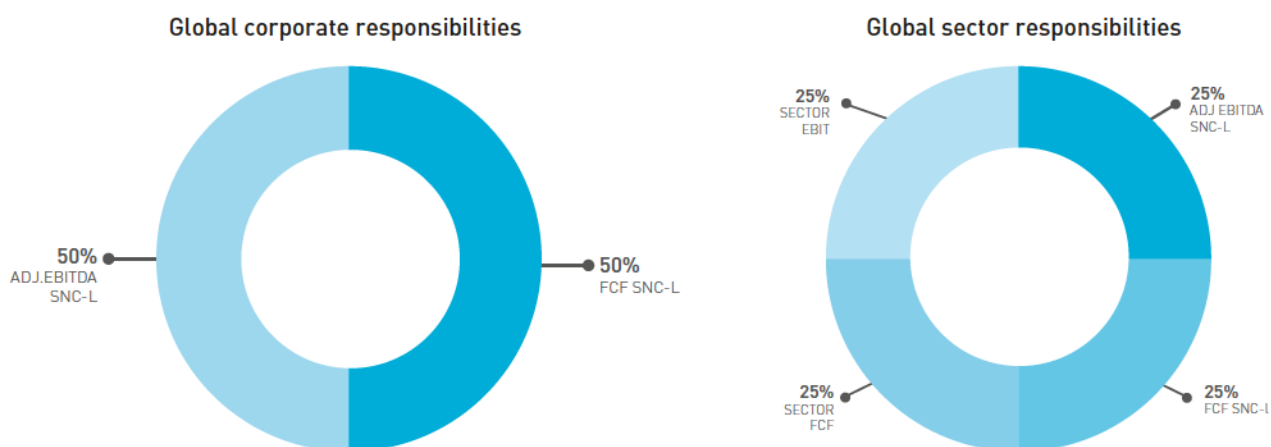


For Mr. Muir, Mr. Taylor and Mr. Hoare, who have global sector responsibilities:



### 2020 Financial Performance Objectives and Achievement (2/3 weighting)

In 2020, the financial measures were defined as follows:



As a result of the pandemic, we cancelled the financial element of the short-term incentive plan for all participants for the first half of the year. This removed the opportunity to earn any of the financial element of the bonus for the period when we had enacted salary and hours cuts to help preserve our liquidity. This decision was made at the end of the first half of the year, and in order to drive and incentivize performance in the second half of the year, we set revised financial targets for the period from July 1, 2020 to December 31, 2020. The non-financial element, relating to safety, integrity and personal performance, remained unchanged for the whole year. These changes were intended to be consistent and proportionate with expectations of our shareholders and the challenges that the whole workforce has experienced during the COVID-19 pandemic.

As a result of the financial performance of the Company in the second half of the year, the financial elements of our AIP generated a bonus at an SNC-Lavalin corporate level for the second half of the year. However, the NEOs and the Executive Committee were only rewarded for the exceptional Free Cash Flow result and did not earn AIP for the EBITDA element. Employees in sectors which have performed very strongly, such as Nuclear and EDPM, were rewarded for the financial performance of their sector for the second half of the year only.

Performance Measure (Weighting) <sup>(1)</sup>	Threshold (0% payout)	Target (50% payout)	Maximum (100% payout)	Actual Achievement	Actual Score <sup>(2)</sup>
SNC-Lavalin Adjusted EBITDA for AIP Purposes (000s) (50%)	\$ 222,210	\$ 246,900	\$ 271,590	\$ 205,309	0.00
SNC-Lavalin Free Cash Flow for AIP Purposes (000s) (50%)	\$ (516,000)	\$ (430,000)	\$ (344,000)	\$ (104,363)	1.00

<sup>(1)</sup> The terms "SNC-Lavalin Adjusted EBITDA for AIP purposes" and "SNC-Lavalin Free Cash Flow for AIP purposes" are non-IFRS performance measures, which do not have any standardized meaning under IFRS. Therefore, they may not be comparable to similar measures presented by other issuers. The calculations of SNC-Lavalin Adjusted EBITDA for AIP purposes and SNC-Lavalin Free Cash Flow for AIP purposes for 2020 can be found below.

<sup>(2)</sup> Scores are interpolated on a linear basis between threshold, target and maximum performance levels.

Performance Measure (in 000s)	Actual Achievement
SNC-Lavalin Adjusted EBITDA for the 6-month period ended December 31, 2020 <sup>(3)</sup>	\$ (160,242)
Adjustments for certain legacy litigations and commercial claims receivable reduction excluded for AIP purposes	\$ 406,080
Other Adjustments for AIP Purposes	\$ (40,529)
SNC-Lavalin Adjusted EBITDA for AIP Purposes	\$ 205,309

<sup>(3)</sup> SNC-Lavalin Adjusted EBITDA consists of the Company's consolidated EBITDA, from both continuing operations and discontinued operations, adjusted for certain items. SNC-Lavalin Adjusted EBITDA for the 6-month period ended December 31, 2020 therefore corresponds to the sum of i) SNC-Lavalin Adjusted EBITDA for the third quarter of 2020 of \$102.9 million (as disclosed on a total basis for both continuing operations and discontinued operations in the third quarter of 2020); ii) SNC-Lavalin Adjusted EBITDA for the fourth quarter of 2020 of -\$235.5 million (as disclosed for continuing operations in the fourth quarter of 2020) and iii) SNC-Lavalin Adjusted EBITDA from discontinued operations for the fourth quarter of 2020 of -\$27.6 million (as detailed below). A reconciliation of SNC-Lavalin Adjusted EBITDA for the third quarter of 2020 (on a total basis) and of SNC-Lavalin Adjusted EBITDA for the fourth quarter of 2020 (for continuing operations) to the nearest IFRS measure can be found in the Company's MD&A for the third quarter of 2020 and annual MD&A of 2020, respectively. SNC-Lavalin Adjusted EBITDA from discontinued operations for the fourth quarter of 2020 corresponds to a net loss of \$379.8 million adjusted by the sum of i) income taxes expense of \$69.8 million, ii) depreciation and amortization of \$17.4 million; iii) an impairment loss on remeasurement of assets of disposal group held for sale of \$271.5 million; and iv) restructuring costs of \$0.1 million, less the sum of v) net financial income of \$0.4 million and vi) a gain on disposal of South African subsidiaries of \$6.2 million.

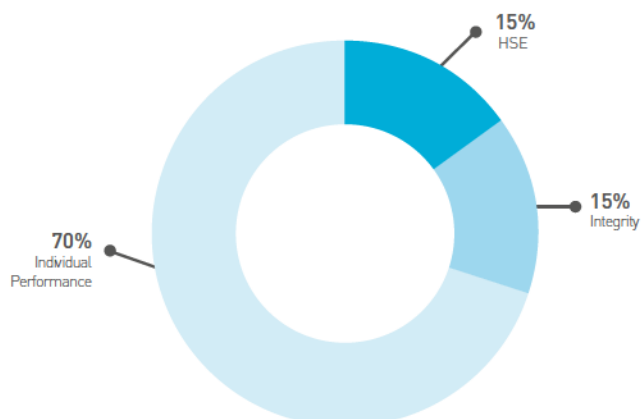
Performance Measure (000s)	Actual Achievement
SNC-Lavalin Operating Cash Flow for the 6-month period ended December 31, 2020 <sup>(4)</sup>	\$ (31,687)
Acquisition of property and equipment <sup>(5)</sup>	\$ (31,002)
Other Adjustments for AIP Purposes	\$ (41,674)
SNC-Lavalin Free Cash Flow for AIP Purposes	\$ (104,363)

<sup>(4)</sup> SNC-Lavalin Operating Cash Flow for the 6-month period ended December 31, 2020 corresponds to the sum of i) SNC-Lavalin Operating Cash Flow for the third quarter of 2020 of -\$136.3 million; ii) SNC-Lavalin Operating Cash Flow for the fourth quarter of 2020 of \$104.6 million.

<sup>(5)</sup> Acquisition of property and equipment corresponds to the sum of i) Acquisition of property and equipment for the third quarter of 2020 of \$16.2 million; ii) Acquisition of property and equipment for the fourth quarter of 2020 of \$14.8 million.

#### 2020 Non-Financial Performance Objectives and Achievement (1/3 weighting)

In 2020, our non-financial performance measures included Integrity and HSE, as well as individual performance.





Performance Measure (Weighting)	Objectives	Achievements
Integrity (15%)	<ul style="list-style-type: none"> <li>Score is 0% in the case of a written warning/sanction at individual level, and/or in case of major breach or serious allegations for the relevant sector/corporate functions</li> <li>Effectively execute and operationalize the Integrity program: completing 100% of the mandatory trainings within the allocated time and communication of integrity related topics more than twice from the top and middle management</li> <li>Maximum performance can be reached only if both integrity measures reach the maximum performance</li> </ul>	<ul style="list-style-type: none"> <li>Integrity program is operating effectively and is seen as best in class for industry segment</li> <li>Assessment: Both integrity measures did not attain maximum performance</li> </ul>
HSE (15%)	<ul style="list-style-type: none"> <li>Score of 0% in the case of a fatality</li> <li>Total recordable incident frequency (TRIF): 0.07</li> <li>Lost time incident frequency (LTIF): 0.013</li> <li>Leading indicators two (2) site safety visits and completion of personal safety commitment) for members of the Executive Committee</li> <li>Perfect Days: 110 days</li> </ul>	<ul style="list-style-type: none"> <li>Overall, at the Company level, the TRIF and LTIF objectives were not met</li> <li>Overall, leading indicators were met for each NEO</li> <li>Objective for Perfect Days was met at maximum level: 186 days</li> </ul>
Individual Performance Rating (70%)	<ul style="list-style-type: none"> <li>Each NEO had specific individual performance objectives</li> </ul>	<ul style="list-style-type: none"> <li>For a discussion regarding individual executive achievements against these objectives, see the "President and CEO Compensation and Review" and "Other NEO Compensation and Review" subsections of this CD&amp;A</li> </ul>

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

#### 2020 AIP Payouts

Based on the financial and non-financial performance results described above, the NEOs were awarded the following AIP payouts with respect to the 2020 performance year:

Executive	Actual AIP payout	Actual AIP as a % of Target
Ian Edwards	\$ 1,070,789	79%
Jeff Bell <sup>(1)</sup>	\$ 319,772	67%
Sylvain Girard <sup>(2)</sup>	\$ 333,666	100%
Craig Muir <sup>(3)</sup>	\$ 237,403	44%
Sandy Taylor	\$ 522,699	99%
Philip Hoare <sup>(4)</sup>	\$ 479,227	103%

<sup>(1)</sup> Mr. Bell joined the Company on February 11, 2020. Therefore, the AIP bonus for the 2020 performance year has been prorated to reflect the number of days worked during the year.

<sup>(2)</sup> Mr. Girard received target bonus as part of his severance following his termination on August 31, 2020.

<sup>(3)</sup> Mr. Muir's actual AIP payout is paid in AED. For the purposes of this disclosure, amounts were converted back to CAD using a monthly average exchange rate of 1 AED = 0.3647 CAD.

<sup>(4)</sup> Mr. Hoare's actual AIP payout is paid in GBP. For the purposes of this disclosure, amounts were converted back to CAD using a monthly average exchange rate of 1 GBP = 1.7201 CAD.

#### Undisclosed Targets

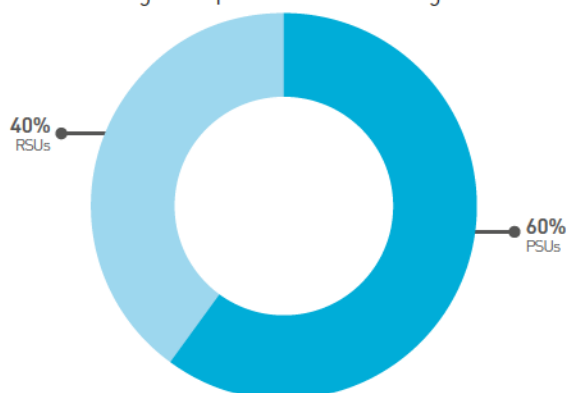
The three NEOs who lead sectors within the Company have a proportion of the AIP determined with reference to the performance of the sectors that they lead. The Company does not provide further details on the performance targets (such as financial, HSE and Integrity) of these sectors as these targets contain strategically confidential information. The Sector targets are aligned to the priorities of each sector and generally consist of targets associated with the delivery of client projects. The disclosure of these targets could seriously prejudice the interests of the Company. The remainder of the AIP is determined with reference to corporate level targets and personal goals, the details of which are disclosed in this Circular.

The Sector level performance goals (including financial, HSE and Integrity) in the AIP which are not fully disclosed contain threshold, target, and stretch performance targets, which the Company believes are challenging and encourage NEOs to exceed expectations and therefore have a positive impact on the Company's performance.

The percentage of total compensation related to undisclosed performance goals (including financial, HSE and Integrity) for the 2020 financial year is 1% for Mr. Muir, 8% for Mr. Taylor and 7% for Mr. Hoare. The performance goals are fully disclosed for Messrs. Edwards, Bell and Girard.

## LTIP

In addition to the AIP, our NEOs are eligible for annual long-term incentive grants with a mix of PSUs (60% of annual LTIP grant) and RSUs (40% of annual LTIP grant) as presented in the graph below. More weighting is put on PSUs to bring additional focus on long term performance and align with shareholders' interests.



Our NEOs and other executive-level employees receive their annual grant of LTIP, calculated as a percentage of base salary in accordance with their terms of employment, once a year and just after the year-end results are published. Off-cycle LTIP grants may be made exceptionally at other times of the year in connection with promotions or recruitment of executives. Mr. Edwards was granted a one-time E-DSUP of \$1.8M on March 9, 2020 that could not be granted in 2019 due to trading restrictions pursuant to the Company's Disclosure and Insider Trading policy. This grant was offered when appointed into the Interim President and CEO role. In 2020, Mr. Bell was granted an off-cycle award on May 18, 2020 after being confirmed in his role of EVP and CFO. Such award is described in more detail in the "2020 RSU Grants" subsection of this CD&A.

## PSUP

### PSUP Design

Under the PSUP adopted in 2019 and the prior PSUP adopted in 2017, the interests of our eligible employees and executives are aligned with those of our shareholders by tying the vesting of PSUs to the ranking of our TSR relative to the Performance Comparator Group, as described below, over a three-year period. TSR measures the appreciation of our Common Shares as well as dividends paid during the performance period assuming dividend reinvestment. The payout is capped at target (100%) if our absolute TSR is negative over the performance period, to further drive performance even in the context of declining markets.

The 2020 PSU grant has a performance period from January 1, 2020 to December 31, 2022 and units vest at the end of the third calendar year. At vesting, the number of units granted will be adjusted by the performance payout multiplier (0% to 200% of the units granted), based on performance according to the following schedule:

Relative TSR Rank vs. Performance Comparator Group	Performance Payout Multiplier <sup>(1) (2)</sup>
Below 25 <sup>th</sup> Percentile	0%
25 <sup>th</sup> Percentile	25%
Median	100%
At or above the 75 <sup>th</sup> Percentile	200%

<sup>(1)</sup> The performance payout multiplier is interpolated between the quartiles on a linear basis and is capped at 100% if our absolute TSR is negative over the performance period.

<sup>(2)</sup> Under the 2017 PSUP and the 2019 PSUP, the performance payout multiplier is capped at 100% for participants terminated without cause when the payouts are triggered by a termination in the first two (2) years of the three-year performance period.

At the end of the three-year period, the actual number of vested units, adjusted for performance, is settled in cash or, if elected by the Senior Officer or other EVP not reporting to the President and CEO, subject to share ownership requirements, in Common Shares purchased on the open market, net of all applicable taxes.

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

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

Below are the companies that form the Performance Comparator Group:

Company	Market Capitalization <sup>(1)(2)</sup>	Total Enterprise Value <sup>(1)(2)</sup>	Last 12 Months Total Revenues <sup>(1)(3)</sup>	Primary Industry <sup>(4)</sup>
ACS, Actividades de Construcción y Servicios, S.A.	\$13,165	\$ 21,271	\$58,456	Engineering and Construction
AECOM	\$ 9,582	\$ 11,355	\$16,857	Engineering and Construction
Balfour Beatty plc	\$ 3,248	\$ 3,037	\$12,916	Engineering and Construction
Ferrovial, S.A.	\$25,854	\$ 33,465	\$ 9,934	Engineering and Construction
Fluor Corporation	\$ 2,869	\$ 2,596	\$17,998	Engineering and Construction
Jacobs Engineering Group Inc	\$18,083	\$ 19,879	\$17,273	Engineering and Construction
KBR, Inc.	\$ 5,629	\$ 6,386	\$ 7,325	IT Consulting and Other Services
VINCI SA	\$77,913	\$120,513	\$71,055	Engineering and Construction
John Wood Group plc	\$ 3,722	\$ 6,172	\$11,697	Oil and Gas Equipment and Services
TechnipFMC plc	\$ 5,394	\$ 6,303	\$16,999	Oil and Gas Equipment and Services
WorleyParsons Limited	\$ 5,904	\$ 7,751	\$12,819	Oil and Gas Equipment and Services
WSP Global Inc.	\$13,690	\$ 15,075	\$ 8,765	Engineering and Construction
Percentile 75	\$14,790	\$ 20,230	\$17,450	
<b>Median</b>	<b>\$ 7,740</b>	<b>\$ 9,550</b>	<b>\$14,890</b>	
Percentile 25	\$ 4,980	\$ 6,270	\$11,260	
Average	\$15,421	\$ 21,150	\$21,841	
<b>SNC-Lavalin Group Inc.</b>	<b>\$ 3,815</b>	<b>\$ 5,484</b>	<b>\$ 8,624</b>	<b>Engineering and Construction</b>

<sup>(1)</sup> Source: Bloomberg. Data in \$MM CAD. Converted to CAD using the relevant Bank of Canada spot currency exchange rates as at December 31, 2020.

<sup>(2)</sup> As at December 31, 2020.

<sup>(3)</sup> Based on information that was publicly available on December 31, 2020.

<sup>(4)</sup> As per the Global Industry Classification Standards (GICS) sub-industry classification used by Bloomberg.

## 2020 PSU Grants

Under this plan, participants are awarded a number of units based on a target percentage of the participant's base salary on the date of grant. The following PSU grants were made to NEOs in 2020:

Executive	2020 PSU Awards			
	Target LTI as a % of Base Salary	Portion of LTI granted in PSUs	Grant Date Fair Value	Number of Units Awarded <sup>(1)</sup>
Ian Edwards <sup>(2)</sup>	350%	60%	\$2,289,000	72,437
Jeff Bell <sup>(3)</sup>	240%	60%	\$1,036,800	50,949
Sylvain Girard	240%	60%	\$ 959,040	30,350
Craig Muir <sup>(4)</sup>	180%	60%	\$ 798,429	25,267
Sandy Taylor	180%	60%	\$ 762,480	24,130
Philip Hoare <sup>(5)</sup>	180%	60%	\$ 698,518	22,105

<sup>(1)</sup> For the purposes of determining the number of PSUs granted, each PSU is attributed a notional value equivalent to the average closing price of Common Shares for the five (5) business days immediately preceding the date of grant. For all NEOs except for Mr. Bell, the average share price was \$31.60 on the date of grant (March 9, 2020).

<sup>(2)</sup> Effective January 1, 2021, Mr. Edwards' LTI target was decreased from 350% to 300% of base salary.

<sup>(3)</sup> Mr. Bell's PSU award was granted on May 18, 2020 at the average price of \$20.35 following his appointment to the role of EVP and CFO on April 14, 2020.

<sup>(4)</sup> Mr. Muir's PSU award valued at AED 2,140,560 has been converted to CAD using the spot currency exchange rate, on the date of grant (March 9, 2020), of 1 AED = 0.3730 CAD.

<sup>(5)</sup> Mr. Hoare's PSU award valued at GBP 388,800 has been converted to CAD using the spot currency exchange rate, on the date of grant (March 9, 2020), of 1 GBP = 1.7966 CAD.

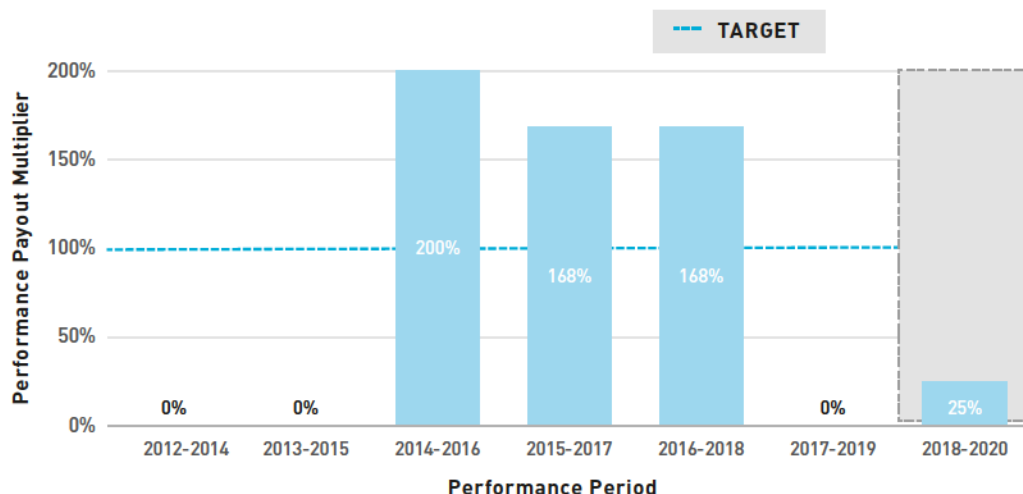
## 2018 PSU Vesting and Settlement

PSU awards made by the Company in 2018 vested on December 31, 2020. The performance payout multiplier for the 2018 grant (performance period from January 1, 2018 to December 31, 2020) was determined according to the methodology described in this CD&A.



During this performance period, the Company achieved a TSR of -60.6%, which placed the Company's TSR at the 25<sup>th</sup> percentile within its Performance Comparator Group. As a result, PSUs granted in 2018 vested with a performance payout multiplier of 25%.

The following graph shows historical payout of the PSUs starting with the 2012 awards. PSU awards granted in 2012 and 2013 resulted in no payout<sup>(1)</sup> and PSU awards granted in 2014, 2015, 2016 and 2017 vested with performance payout multipliers of 200%, 168%, 168% and 0% respectively<sup>(2)</sup>.



<sup>(1)</sup> PSUs awarded in 2012 and 2013 were granted under the legacy 2009 PSUP and were measured entirely on EPS growth. The thresholds were not met for the respective 3-year performance periods.

<sup>(2)</sup> PSUs awarded from 2014 to 2016 were granted under the legacy 2014 PSUP and PSUs awarded in 2017 were granted under the legacy 2017 PSUP. Their relative TSR were compared to those of the Company's Performance Comparator Group as described in the "PSUP Design" subsection of this CD&A.

#### PSU Grants from 2021

The HR Committee considered the selection criteria and the Performance Comparator Group that is referenced to determine TSR performance for future PSU grants and a revised peer group will be applied to PSU grants made in 2021 and onwards. The Performance Comparator Group has been updated to more accurately reflect the market that SNC-Lavalin competes for capital with on a go-forward basis, particularly given the change of strategic focus to a professional services business. The new Performance Comparator Group also aligns with our transformation and priorities moving forward, including an alignment of industries, markets/geographies and comparably sized companies. Our LTIP grants will continue to incentivize improvements to SNC-Lavalin's share price and TSR over a three-year period.

Below are the companies that form the new Performance Comparator Group:

Company	Headquarters	Market Capitalization <sup>(1)(2)</sup>	Total Enterprise Value <sup>(1)(2)</sup>	Last 12 Months Total Revenues <sup>(1)(3)</sup>	Primary Industry <sup>(4)</sup>
AECOM	U.S.	\$ 9,582	\$ 11,355	\$ 16,857	Engineering and Construction
Aecon Group Inc.	Canada	\$ 980	\$ 1,153	\$ 3,484	Engineering and Construction
Arcadis	Netherlands	\$ 3,817	\$ 4,757	\$ 5,414	Engineering and Construction
Balfour Beatty plc	U.K.	\$ 3,248	\$ 3,037	\$ 12,916	Engineering and Construction
EMCOR Group, Inc.	U.S.	\$ 6,415	\$ 6,231	\$ 11,356	Engineering and Construction
Ferrovial, S.A.	Spain	\$ 25,854	\$ 33,465	\$ 9,934	Engineering and Construction
Fluor Corporation	U.S.	\$ 2,869	\$ 2,596	\$ 17,998	Engineering and Construction
Jacobs Engineering Group Inc.	U.S.	\$ 18,083	\$ 19,879	\$ 17,273	Engineering and Construction
John Wood Group plc	U.K.	\$ 3,722	\$ 6,172	\$ 11,697	Oil and Gas Equipment and Services
KBR, Inc.	U.S.	\$ 5,629	\$ 6,386	\$ 7,325	IT Consulting and Other Services
Stantec Inc.	Canada	\$ 4,584	\$ 5,674	\$ 3,724	Research and Consulting Services
Tetra Tech, Inc.	U.S.	\$ 7,950	\$ 8,448	\$ 2,990	Environmental & Facilities Services
Tutor Perini	U.S.	\$ 840	\$ 1,733	\$ 6,553	Engineering and Construction
WorleyParsons Limited	Australia	\$ 5,904	\$ 7,751	\$ 12,819	Oil and Gas Equipment and Services
WSP Global Inc.	Canada	\$ 13,690	\$ 15,075	\$ 8,765	Engineering and Construction
Percentile 75		\$ 8,870	\$ 9,900	\$ 12,870	
<b>Median</b>		<b>\$ 5,630</b>	<b>\$ 6,230</b>	<b>\$ 9,930</b>	
Percentile 25		\$ 3,480	\$ 3,900	\$ 5,980	
Average		\$ 7,544	\$ 8,914	\$ 9,940	
<b>SNC-Lavalin Group Inc.</b>	<b>Canada</b>	<b>\$ 3,815</b>	<b>\$ 5,484</b>	<b>\$ 8,624</b>	<b>Engineering and Construction</b>

<sup>(1)</sup> Source: Bloomberg. Data in \$MM CAD. Converted to CAD using the relevant Bank of Canada spot currency exchange rates as at December 31, 2020.

<sup>(2)</sup> As at December 31, 2020.

<sup>(3)</sup> Based on information that was publicly available on December 31, 2020.

<sup>(4)</sup> As per the Global Industry Classification Standards (GICS) sub-industry classification used by Bloomberg.

## RSUP

### RSUP Design

The RSUP aligns the interests of participants with those of shareholders and rewards the creation of shareholder value by tying payout of units to the value of our Common Shares. It further promotes employee and executive retention through time-based vesting. RSUs vest on the third anniversary of the date of grant and are settled in cash or, if elected by the Senior Officer or other EVP not reporting to the President and CEO subject to share ownership requirements, in Common Shares purchased on the open market, net of all applicable taxes.

### 2020 RSU Grants

Under this plan, participants are awarded a number of units based on a target percentage of the participant's base salary on the date of grant. The following RSU grants were made to NEOs in 2020:

Executive	2020 RSU Awards			
	Target LTI as a % of Base Salary	Portion of LTI granted in RSUs	Grant Date Fair Value	Number of Units Awarded <sup>(1)</sup>
Ian Edwards <sup>(2)</sup>	350%	40%	\$1,526,000	48,292
Jeff Bell <sup>(3)</sup>	240%	40%	\$ 691,200	33,966
Sylvain Girard	240%	40%	\$ 639,360	20,233
Craig Muir <sup>(4)</sup>	180%	40%	\$ 532,286	16,845
Sandy Taylor	180%	40%	\$ 508,320	16,087
Philip Hoare <sup>(5)</sup>	180%	40%	\$ 465,679	14,737

<sup>(1)</sup> For the purposes of determining the number of RSUs granted, each RSU is attributed a notional value equivalent to the average closing price of Common Shares for the five (5) business days immediately preceding the date of grant. For all NEOs except for Mr. Bell, the average share price was \$31.60 on the date of grant (March 9, 2020).

<sup>(2)</sup> Effective January 1, 2021, Mr. Edwards' LTI target was decreased from 350% to 300% of base salary.

<sup>(3)</sup> Mr. Bell's RSU award was granted on May 18, 2020 at the price of \$20.35 following his appointment to the role of EVP and CFO on April 14, 2020.

<sup>(4)</sup> Mr. Muir's RSU award valued at AED 1,427,040 has been converted to CAD using the spot currency exchange rate, on the date of grant (March 9, 2020), of 1 AED = 0.3730 CAD.

<sup>(5)</sup> Mr. Hoare's RSU award valued at GBP 259,200 has been converted to CAD using the spot currency exchange rate, on the date of grant (March 9, 2020), of 1 GBP = 1.7966 CAD.

### Additional RSU Grant to Mr. Bell

In addition to the grants indicated in the “2020 RSU Grants” subsection of this CD&A, Mr. Bell received a grant of 17,691 RSUs on May 18, 2020, representing a grant value of \$360,000, as an incentive to join the Company. These RSUs will become fully vested after two (2) years.

### E-DSUP

#### E-DSUP Design

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

Similar to the RSUP, the E-DSUP aligns the interests of participants with those of shareholders and rewards the creation of shareholder value by tying payout of units to the value of our Common Shares. It additionally promotes executive retention through time-based vesting. E-DSUs generally vest 20% at the end of each calendar year for a five-year period and are paid out in cash one (1) year following termination of employment. The rules of the E-DSUP were modified in 2019 to allow Board discretion to determine alternative vesting schedules for ad hoc grants.

Senior Officers and other EVPs not reporting to President and CEO subject to share ownership requirements have the option to annually elect to convert their bonus under the AIP, in whole or in part, into E-DSUs. This conversion option is offered to facilitate achievement of share ownership requirements within the prescribed time limits. E-DSUs received by NEOs pursuant to their election to convert their bonus under the AIP into E-DSUs, whether in whole or in part, are fully vested at the time of grant, are not forfeitable and there are no Company-matching grants related to them. Mr. Edwards elected to make the conversion in 2020 for the 2020 performance year. Mr. Bell, Mr. Taylor and Mr. Hoare could have elected to convert their 2020 AIP payout into E-DSUs. None of them has elected to make such election. Mr. Girard’s 2020 AIP was prorated for the period of employment in 2020 and paid as a lump sum following his departure on August 31, 2020 consistent with the terms of his Employment Agreement. Mr. Muir was not given the opportunity to convert his AIP payout for the 2020 performance year into E-DSUs since he was leaving the Company.

As stated in the relevant subsection of this CD&A, Mr. Edwards and Mr. Girard did not have the opportunity to take advantage of the conversion of their AIP payouts for the 2019 performance year into E-DSUs in compliance with securities regulations because they were restricted from trading pursuant to the Company’s Disclosure and Insider Trading policy. Mr. Muir elected in 2019 to make the conversion of 25% of his bonus under the 2019 AIP into E-DSUs. He received his elected E-DSUs in March 2020. Mr. Taylor and Mr. Hoare did not elect to make such conversion in 2019.

In accordance with his Employment Agreement when appointed to the position of Interim President and CEO, Mr. Edwards was awarded a one-time E-DSU grant of \$1.8M. This award vests in three (3) equal tranches over a three-year period from the date of grant. The E-DSU award could not be granted in 2019, due to trading restrictions pursuant to the Company’s Disclosure and Insider Trading policy and was

therefore granted in March 2020, after trading restrictions had ended.

### Stock Option Plan

Effective 2014, annual recurring grants under our stock option plan have been discontinued and no stock options were granted in 2020. All options granted under our 2013 Stock Option Plan expired before or on May 13, 2019. For details on our 2013 Stock Option Plan, see Schedule C of this Circular.

## OTHER COMPONENTS OF COMPENSATION

### ESOP

The ESOP is a voluntary share purchase plan that encourages the equity participation of our employees, emphasizing the Company’s belief that share ownership by employees contributes to the Company’s success. This plan is available to the vast majority of Canadian employees as well as to employees in a number of business units outside of Canada. It provides for a matching contribution by the Company of 35% on employee contributions of up to 10% of base salary in a given year (paid in two (2) instalments over the subsequent two-year period), provided that during this time the participant remains an employee of the Company and does not sell the underlying Common Shares.

In order to encourage and facilitate the purchase of Common Shares through an automatic plan, the ESOP also allows Senior Officers and other EVPs not reporting directly to the President and CEO subject to share ownership requirements to contribute up to 20% of their base salary in the ESOP. However, contributions in excess of 10% of base salary do not attract the Company-matching contribution.

Approximately 4,920 employees participated in the ESOP and through this plan held Common Shares representing approximately 2% of all Common Shares outstanding as at December 31, 2020.

### Benefits and Perquisites

To provide an attractive total rewards package, the Company provides executives with select benefits and perquisites. These benefits and perquisites are designed to be competitive with those offered to executives at comparable organizations. Perquisites are reviewed periodically to ensure they are market aligned. Our executive benefits program includes elements such as life, medical, dental and disability insurance. Perquisites are provided to our executives, including the NEOs, in the form of a taxable cash allowance.

### Pension

Our NEOs located in Canada (all NEOs with the exception of Messrs. Muir and Hoare) participate in the DCP, which is available to the vast majority of our Canadian employees. Annually, the Company contributes a percentage of the participating NEO’s annual base salary to the DCP, subject to the maximum amounts allowed under the *Income Tax Act* (Canada) for registered plans. The DCP offers target-date funds in line with the expected retirement date of the participant, each of which has three (3) different risk profiles (conservative, moderate, aggressive), as well as à-la-carte investment funds. Each NEO chooses the funds in which the contributions will be invested.



To provide an attractive and competitive compensation plan and to supplement income after retirement, our Senior Officers located in Canada participate in our SERP. Contributions representing 20% of the annual base salary in excess of the maximum allowed under the *Income Tax Act* (Canada) for registered plans are credited to a notional account under this plan (which is guaranteed through a letter of credit with a major financial institution). Mr. Edwards, Mr. Girard and Mr. Taylor participate in the notional plan. The contributions attributed to the notional account accrue interest as if they were invested in long-term Government of Canada bonds or the moderate target-date fund offered to participants of the DCP with a maturity date closest to the average age of the active members with notional accounts (but not exceeding age 65), whichever would have provided a higher rate of return during the year. The notional account is payable upon retirement or termination of employment, either in a lump sum or in monthly instalments paid over a period of five (5) or ten (10) years, at the participant's discretion.

Since 2015, new participants, including Mr. Bell, participate in a non-registered SERP where 20% of the annual base salary in excess of the maximum allowed under the *Income Tax Act* is paid, net of income taxes, to a non-registered plan offering target-date and à-la-carte funds similar to the DCP.

Mr. Hoare participates in the defined contribution section of the Atkins Pension Plan. This trust-based plan is available to the majority of U.K. employees offering a 1:2 employer contribution match up to a max of 5%:10% of salary. Members select their investment strategy, either lifecycle or self-select, from a limited number of funds chosen by the Trustee of the Plan.

Mr. Muir does not participate in any retirement savings plan and does not receive any equivalent cash allowance. However, in line with the regulations in the UAE, Mr. Muir will be eligible to an end of service gratuity upon termination of employment.

The pension component is reviewed periodically to ensure it is appropriate.

## PRESIDENT AND CEO COMPENSATION AND REVIEW

As per the terms of his Employment Agreement as President and CEO effective October 31, 2019, Mr. Edwards is entitled to the following annual compensation package:

- A base salary of \$1,090,000;
- A target AIP of 125% of base salary; and
- A target LTIP of 350% of base salary (PSUs and RSUs).

The Board has approved changes in Mr. Edwards' compensation package effective as of January 1, 2021, following the review of the results of the compensation benchmarking exercise conducted by its compensation consultant for his role. Mr. Edwards' base salary was increased to \$1,400,000 while his AIP and LTI targets were adjusted downwards to 100% and 300% of base salary respectively.

## Performance Overview

The President and CEO's individual achievements for 2020 were reviewed by the HR Committee and the Board. They are as follows:

- Successfully leading the organization through the COVID-19 pandemic by safeguarding employees and our working environments, managing liquidity, preserving talent, and engaging in community support while continuing to deliver work to our clients
- Strengthened the financial structure of the Company and achieved consistent earnings and cashflow through engineering services
- Managing the LSTK projects and run off successfully
- Driving the organizational restructure and cost-out transformation exercise
- Building a new culture with a focus on ED&I, collaboration and the attraction and development of early career professionals

## AIP Payout

In light of his performance during 2020 and the fact that he exceeded expectations against his individual performance objectives, and taking into account the reset of the AIP financial objectives, the President and CEO was entitled to a bonus under the 2020 AIP of \$1,070,789 which represents 79% of target. He elected to convert 100% of such bonus into E-DSUs.

## 2020 LTIP Grants

Mr. Edwards' annual LTIP grant was 350% of base salary (i.e. \$3,815,000), 60% of which was granted in the form of PSUs and 40% of which was granted in the form of RSUs. In addition to his regular 2020 LTIP grant, in accordance with his Employment Agreement when appointed to the position of Interim President and CEO, Mr. Edwards was awarded a one-time E-DSU grant of \$1.8M. That award vests in three (3) equal tranches over a three-year period from the date of grant. The E-DSU award could not be granted in 2019, due to restrictions pursuant to the Company's Disclosure and Insider Trading policy and was therefore granted in March 2020, after trading restrictions had ended.

## Summary of President and CEO Compensation

Compensation Component	Target Compensation (effective January 1, 2021)	Target Pay Mix
<b>Base Salary</b>	<b>\$1,400,000</b>	<p>24% RSUs</p> <p>20% Base Salary</p> <p>20% AIP</p> <p>36% PSUs</p>
<b>AIP</b> (100% of base salary)		
Financial Component (70%)	\$ 980,000	
Non-Financial Component (30%)	\$ 420,000	
<b>Total</b>	<b>\$1,400,000</b>	
<b>LTI</b> (300% of base salary)		
PSUs (60%)	\$ 2,520,000	
RSUs (40%)	\$ 1,680,000	
<b>Total</b>	<b>\$4,200,000</b>	
<b>Annual TDC</b>	<b>\$7,000,000</b>	

### President and CEO Realized and Realizable Compensation: 2018-2020

The following table compares the value of target TDC (i.e. recurring compensation excluding special awards) awarded to the President and CEO with the value of realized and realizable TDC (i.e. what was actually received or "realized" plus the market value of outstanding awards, or what was "realizable") as at December 31, 2020.

Specifically, target TDC includes base salary, target AIP, and grant date fair value of annual recurring long-term incentives. Realized compensation includes base salary, the actual paid bonus under the AIP as well as the value at vesting of annual recurring share-based awards. Realizable compensation includes the market value of share-based awards that are still outstanding.

Mr. Edwards' compensation prior to his appointment to the role of President and CEO is included.

Year	Target Total Direct Compensation Awarded (\$000s)	Realized/Realizable Total Direct Compensation as at Dec. 31, 2020 (\$000s)	Period	Value of \$100 invested annually in compensation and in shares	
				CEO <sup>(1)(2)</sup>	Shareholders <sup>(3)</sup>
2018	2,649	1,200	Jan. 1, 2018 – Dec. 31, 2020	\$45	\$39
2019 <sup>(4)</sup>	3,928	1,947	Jan. 1, 2019 – Dec. 31, 2020	\$50	\$48
2020	6,199	3,150	Jan. 1, 2020 – Dec. 31, 2020	\$51	\$73
Aggregate	12,776	6,297	Jan. 1, 2018 – Dec. 31, 2020	\$49	\$39

<sup>(1)</sup> Represents the actual aggregate value earned or outstanding for each \$100 awarded to the President and CEO in target TDC during the fiscal year indicated.

<sup>(2)</sup> Outstanding units under the LTIP are valued using the closing share price of \$21.73 as at December 31, 2020. A performance payout multiplier of 0% is assumed for PSUs granted in 2019 and 2020, based on their estimated value as at December 31, 2020. PSUs granted in 2018 are valued with a performance payout multiplier of 25% and with a share price of \$21.97 (five-day average closing price of Common Shares immediately preceding the vesting date of December 31, 2020).

<sup>(3)</sup> Represents the cumulative value of a \$100 investment in shares made on the first trading day of the period indicated, assuming reinvestment of dividends.

<sup>(4)</sup> Mr. Edwards' base salary of \$822,000 and target bonus of 75% for his role as COO are prorated from January 1, 2019 to June 10, 2019, combined with his base salary of \$1,050,000 and target bonus of 125% for his role as Interim President and CEO, and then President and CEO, prorated from June 11, 2019 to December 31, 2019.

## OTHER NEO COMPENSATION AND REVIEW

### Individual AIP Objectives and Achievements

The following table provides an overview of the individual achievements of each of the other NEOs during 2020:

NEO	Achievements During 2020
Jeff Bell	<ul style="list-style-type: none"> <li>Improved operating cash flow by \$477M to \$121M, and managed net debt position within required covenant ratios</li> <li>Managed financial liquidity and flexibility to ensure sufficient financial resources under multiple COVID-19 pandemic scenarios</li> <li>Developed initial phase of finance transformation that will reduce costs and headcount by 10% year on year, and standardize processes</li> <li>Led update of capital allocation framework in support of strategy</li> <li>Supported the President and CEO and CTO in transformation agenda, including Resources services transformation</li> <li>Delivered financial risk assessment and key messages related to legacy litigations and claims assessment in the fourth quarter</li> </ul>
Craig Muir	<ul style="list-style-type: none"> <li>Significantly reduced the Resources sector's selling, general and administrative expenses ("SG&amp;A") to under \$79M for 2021, with a significant reduction of executive management and operational / functional personnel</li> <li>Reshaped the leadership structure in the Resources sector to reduce operating costs, streamline the geographies and set up a specific team to manage the completion of the engineering, procurement and construction (EPC) portfolio</li> <li>Maintained a work to win order book in excess of \$1.5B through the COVID-19 pandemic window – balanced wins across the global operations</li> <li>Repositioned the Oil &amp; Gas and Mining &amp; Metallurgy services lines to improve business delivery, common project services and reduction of SG&amp;A – significantly increasing the gross margin percentage on existing contracts</li> <li>Commenced the exit of the SNC-Lavalin operations from non-core countries</li> <li>Successfully targeted higher value service offerings and key clients – winning strategic term frame agreements and lower risk service contracts – e.g. BP and Exxon</li> <li>Provided a foundation for Resources services offering to deliver into 2021 and beyond with a clear visible financial turnaround in the services business performance</li> </ul>
Sandy Taylor	<ul style="list-style-type: none"> <li>Was successfully awarded major contracts including a 5-year contract extension to Isotek, a fully owned SNC-Lavalin company, from the U.S. Department of Energy's Oakridge site for ongoing processing of Nuclear waste and recovery of medical isotopes; a 4-year extension to a SNC-Lavalin lead joint venture for management and operations of Canadian Nuclear Laboratories; to joint ventures, of which SNC-Lavalin is a major partner, for the U.S. Department of Energy's Hanford Site's Central Plateau, a Completion Contract (10 year+) and the extension of the Hanford sites Tank Operating Contract</li> <li>Successfully completed the refurbishment of OPG Darlington's Unit 2 refurbishment, as part of a major refurbishment of Ontario's Nuclear facilities, which contributes to Ontario's Carbon Net Zero objectives. Ongoing progress of refurbishment of first Unit at Bruce Power and second unit at Darlington</li> <li>Was awarded numerous contracts for tooling, engineering and project services for the global Candu fleet including the Ontario Bruce Power and Darlington refurbishment programs and Candu operating reactors in Canada, Argentina, China, Korea and Romania</li> <li>Significant progress made by Comprehensive Decommissioning International (a joint venture between Holtec and SNC-Lavalin which was recently formed in 2019) in its first full year of operations, in two (2) major decommissioning contracts for the Oyster Creek and Pilgrim Nuclear Power Plants</li> <li>Further integrated Atkins and SNC-Lavalin's Nuclear businesses into the Company's Nuclear sector, forming a global nuclear-focused sector with broad capabilities across the nuclear value chain from design and new build; operational reactor support; reactor decontamination and decommissioning; to waste management technologies and services</li> <li>Was awarded numerous engineering and technology contracts to support the U.K. nuclear new build at Hinkley Point, Sizewell C and Bradwell; U.K. Atomic Energy Agency; U.K. Nuclear Decommissioning Authority; and Rolls Royce's various nuclear programs</li> </ul>
Philip Hoare	<ul style="list-style-type: none"> <li>Successfully managed the impacts of the COVID-19 pandemic on the EDPM Sector, maintaining Segment Adjusted EBIT margin within the 8-10% target range</li> <li>Took swift operational decisions to minimise the impact of the COVID-19 pandemic in key markets and geographies to deliver strong performance for the second part of the year</li> <li>Continued to drive the integration of the engineering services business in Canada with the rest of the sector to drive stronger operational performance in 2021</li> <li>Improved design delivery performance and resolved commercial issues on key Canada projects including the Réseau Express Métropolitain, Eglinton LRT and Trillium</li> <li>Led the development and launch of the SNC-Lavalin digital strategy through programs on Design Transformation, Digital Twins and Program Management</li> <li>Secured \$4B of new revenue, representing a Book to Bill performance of 106% for the year, securing key wins across all regions</li> <li>Made key wins including Bay Area Rapid Transit in the U.S., the Commercial Delivery Partner for HS2 in the U.K. and design delivery roles for the Six Flags Theme Park in Saudi Arabia and Tung Chung line metro extension in Hong Kong</li> <li>Resolved a number of long-standing commercial issues across the business including successful outcomes on Purple Line in the U.S. and two (2) major roads projects in the U.K.</li> <li>Strengthened the sector leadership team with key appointments to drive digital growth and regional leadership in Canada</li> <li>Launched an <i>Engineering Net Zero</i> strategy to build on the businesses strong credentials in supporting a carbon net zero future</li> </ul>



## Aggregate NEO Realized and Realizable Compensation: 2018-2020

The following table compares the value of target TDC (i.e. recurring compensation excluding special awards) awarded to the other NEOs with the value of realized/realizable TDC (i.e. what was actually received or “realized” plus the market value of outstanding awards, or what was “realizable”) as at December 31, 2020.

The table includes Mr. Bell, Mr. Muir, Mr. Taylor and Mr. Hoare for 2020, Mr. Muir, Mr. Taylor and Mr. Hoare for 2019 and Mr. Taylor and Mr. Hoare for 2018. Mr. Hoare’s compensation in his prior role is included (see notes).

Year	Target Total Direct Compensation Awarded (\$000s)	Realized/Realizable Total Direct Compensation as at Dec. 31, 2020 (\$000s)	Period	Value of \$100 invested annually in compensation and in shares	
				Other NEOs <sup>(1)(2)</sup>	Shareholders <sup>(3)</sup>
2018 <sup>(5)</sup>	3,288	1,778	Jan. 1, 2018 – Dec. 31, 2020	\$54	\$39
2019 <sup>(4)(5)</sup>	5,445	3,066	Jan. 1, 2019 – Dec. 31, 2020	\$56	\$48
2020 <sup>(4)(5)</sup>	10,052	5,881	Jan. 1, 2020 – Dec. 31, 2020	\$59	\$73
Aggregate	18,785	10,725	Jan. 1, 2018 – Dec. 31, 2020	\$57	\$39

<sup>(1)</sup> Represents the actual aggregate value earned or outstanding for each \$100 awarded to NEOs in target TDC during the fiscal year indicated.

<sup>(2)</sup> Outstanding units under the LTIP are valued using the closing share price of \$21.73 as at December 31, 2020. A performance payout multiplier of 0% is assumed for PSUs granted in 2019 and 2020, based on their estimated value as at December 31, 2020. PSUs granted in 2018 are valued with a performance payout multiplier of 25% and with a share price of \$21.97 (five-day average closing price of Common Shares immediately preceding the vesting date of December 31, 2020).

<sup>(3)</sup> Represents the cumulative value of a \$100 investment in shares made on the first trading day of the period indicated, assuming reinvestment of dividends.

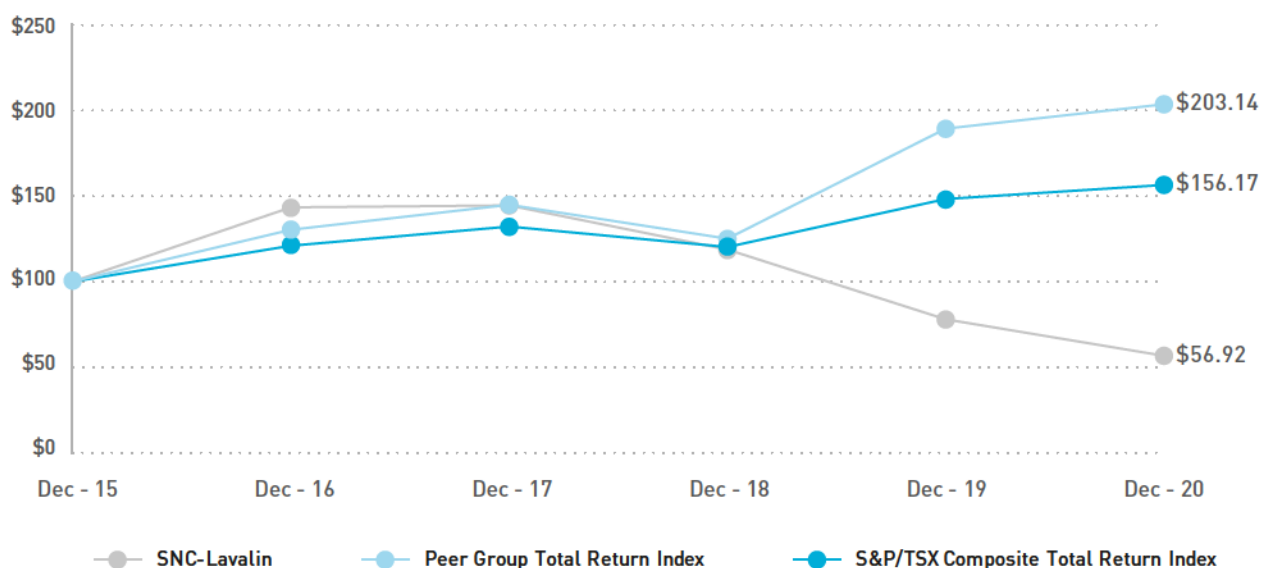
<sup>(4)</sup> Mr. Muir’s base salary and other cash compensation are paid in AED and converted to CAD using monthly average currency exchange rate of 1 AED = 0.3612 CAD in 2019 and 1 AED = 0.3647 CAD in 2020.

<sup>(5)</sup> Mr. Hoare’s base salary and other cash compensation are paid in GBP and converted to CAD using monthly average currency exchange rate of 1 GBP = 1.7292 CAD in 2018, GBP = 1.6940 CAD in 2019 and GBP = 1.7201 CAD in 2020. Mr. Hoare’s base salary of GBP 245,000, AIP target of 40% and LTI target of 75% were increased to \$320,000, 75% and 180% respectively upon his promotion from CEO, U.K. & Europe to the role of President, Atkins, EDPM on May 1, 2019.

## PERFORMANCE GRAPH

The graph depicts the cumulative return of a \$100 investment on December 31, 2015, in the Company’s Common Shares, in the S&P/TSX Composite Total Return Index, and in an index composed of a peer group of E&C companies, which includes AECOM, Balfour Beatty plc, Fluor Corporation, Jacobs Engineering Group Inc., John Wood Group plc and WorleyParsons Limited. The peer group is a subgroup of the Performance Comparator Group presented in the “PSUP Design” subsection of this CD&A. For calculation purposes, a weighted-average based on market capitalization of each company in the peer group was used.

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



### Value of \$100 invested on December 31, 2015 (assumes dividends are reinvested)

Financial Years	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20
SNC-Lavalin	100.00	143.32	144.38	118.74	78.17	56.92
Peer Group Total Return Index	100.00	130.33	144.56	125.21	188.80	203.14
S&P/TSX Composite Total Return Index	100.00	121.08	132.09	120.36	147.89	156.17

The Company believes in providing a significant portion of NEO compensation in the form of long-term incentives, which mirror the trend in share price movement and serve to align the interests of management with those of our shareholders. As illustrated in the “President and CEO Realized and Realizable Compensation: 2018-2020” and “Aggregate NEO Realized and Realizable Compensation: 2018-2020” subsections of this CD&A, the value of realized and realizable compensation for our NEOs is slightly above the equivalent shareholders’ returns over the three-year performance period (2018-2020) for Mr. Edwards and Mr. Taylor. Mr. Hoare’s realized compensation for the three-year period was closer to his target compensation due to the lower proportion of variable compensation in his compensation package prior to his appointment to the role of President, Atkins, EDPM sector in May 2019. Over the one-year and two-year performance periods (2020 and 2019-2020), the realizable compensation is based on assumptions for average share prices and performance factors, that may or may not reflect actual results when the PSUs and RSUs awarded in 2019 and 2020 vest.

### COST OF MANAGEMENT RATIO

The following table shows the total aggregate compensation awarded to the NEOs for the last three (3) years, expressed as a percentage of net income attributable to SNC-Lavalin shareholders. The total aggregate compensation is the sum of the annual total compensation values as reported in the Summary Compensation Table for the 2018, 2019 and 2020 years.

Year	Total NEO Compensation (\$ millions) <sup>(1)</sup>	Net Income (loss) Attributable to SNC-Lavalin Shareholders (\$ millions) <sup>(2)</sup>	Cost of Management Ratio
2020	23.7	(965.4)	N/A <sup>(3)</sup>
2019	21.0	328.2	6.40%
2018	14.7	(1,316.9)	N/A <sup>(3)</sup>

<sup>(1)</sup> NEO compensation is the sum of base salary, non-equity incentives, share-based awards plus the value of any pension benefit and other compensation, as reported in the respective Summary Compensation Tables. NEOs vary as follows from year to year:

- 2018 – Mr. Bruce, Mr. Girard, Mr. Brown, Mr. Taylor and Mr. Edwards;
- 2019 – Mr. Edwards, Mr. Bruce, Mr. Girard, Mr. Muir, Mr. Wilkinson and Mr. Taylor; and
- 2020 – Mr. Edwards, Mr. Bell, Mr. Girard, Mr. Muir, Mr. Taylor and Mr. Hoare.

<sup>(2)</sup> As published in the Company’s annual financial statements.

<sup>(3)</sup> Not applicable since there was a net loss attributable to SNC-Lavalin shareholders during the year.

## SUMMARY COMPENSATION TABLE

The following table sets forth, for the fiscal years ended December 31, 2020, December 31, 2019 and December 31, 2018, the compensation paid by the Company to the NEOs for services rendered in all capacities.

Name and principal position	Year	Salary (\$)	Share-based Awards <sup>(1)</sup> (\$)	Option-based Awards (\$)	Non-equity incentive plan compensation (\$)		Pension Value <sup>(3)</sup> (\$)	All Other Compensation <sup>(4)</sup> (\$)	Total Compensation (\$)
					Annual Incentive Plans <sup>(2)</sup>	Long-term incentive plans			
Ian Edwards President and CEO	2020	1,029,568	5,615,000	0	1,070,789	0	216,462	90,179	8,021,998
	2019	949,430	1,972,800	0	531,556	0	193,712	88,887	3,736,385
	2018	743,929	1,344,600	0	284,328	0	148,523	15,131	2,536,511
Jeff Bell EVP and CFO	2020	603,541	2,088,000	0	319,772	0	72,243	83,483	3,167,039
	2019	–	–	–	–	–	–	–	–
	2018	–	–	–	–	–	–	–	–
Sylvain Girard Former EVP and CFO	2020	433,301	1,598,400	0	333,666	0	93,060	2,404,951	4,863,378
	2019	645,140	1,555,200	0	196,660	0	133,754	76,934	2,607,688
	2018	603,692	1,047,600	0	0	0	119,857	18,655	1,789,804
Craig Muir <sup>(5)</sup> President, Resources sector	2020	683,412	1,330,715	0	438,538	0	0	161,211	2,613,876
	2019	511,324	1,804,343	0	461,534	0	0	111,351	2,888,552
	2018	–	–	–	–	–	–	–	–
Sandy Taylor President, Nuclear sector	2020	667,623	1,270,800	0	522,699	0	140,392	67,349	2,668,863
	2019	682,021	1,233,000	0	264,735	0	141,404	75,830	2,396,990
	2018	666,250	1,199,250	0	195,295	0	133,250	22,938	2,216,983
Philip Hoare <sup>(6)</sup> President, Atkins, EDPM sector	2020	592,809	1,164,197	0	479,227	0	62,247	62,439	2,360,919
	2019	505,446	331,394	0	441,079	0	44,982	65,993	1,388,894
	2018	423,654	329,888	0	220,158	0	39,191	39,561	1,052,452

<sup>(1)</sup> Share-based awards include RSUs, PSUs, and E-DSUs as described in detail under the "LTIP" subsection of this CD&A. The value of RSU and PSU awards is disclosed at the grant date, as described in the relevant subsections of this CD&A. It is calculated by multiplying the number of units by the average closing price of Common Shares for the five (5) business days immediately preceding the date of grant. A performance payout multiplier of 100% is assumed for the PSUs. For accounting purposes, the fair value of RSUs and PSUs is calculated by multiplying the number of units by the closing price of Common Shares on the date of grant.

Mr. Edwards was awarded a one-time E-DSU grant of \$1.8M in March 2020 as per his Employment Agreement, and as described in the "E-DSUP Design" subsection of this CD&A. The E-DSU award could not be granted in 2019, due to restrictions pursuant to the Company's Disclosure and Insider Trading policy and was therefore granted in March 2020, after trading restrictions had ended. Mr. Bell was awarded an additional RSU grant of \$360,000 following his appointment to the role of EVP and CFO, as described in the "LTIP" subsection of this CD&A.

<sup>(2)</sup> Bonus amounts earned in the respective year and paid in the subsequent year under the AIP. Only Mr. Edwards elected to convert 100% of his 2020 AIP payout into E-DSUs for the 2020 performance year. Mr. Bell, Mr. Taylor and Mr. Hoare did not elect to convert their 2020 AIP payout into E-DSUs. Mr. Girard and Mr. Muir have not been given the conversion option due to their departure, as explained in the "E-DSUP Design" subsection of this CD&A. Mr. Muir elected to convert 25% of his 2019 AIP payout into E-DSUs for the 2019 performance year. Mr. Edwards and Mr. Girard were prevented from making such election because they were restricted from trading pursuant to the Company's Disclosure and Insider Trading policy. Mr. Taylor and Mr. Hoare did not elect to convert their 2019 AIP payout into E-DSUs. Mr. Girard relinquished his 2018 AIP payout due to the financial results of the Company. Mr. Taylor and Mr. Edwards elected to convert 100% of their bonus under the AIP for the 2018 performance year into E-DSUs. Mr. Hoare was not subject to share ownership requirements in 2018 and he was not given the conversion option. Nevertheless, the AIP amount for the respective performance years is included in this column.

Mr. Muir received a cash signing bonus of USD 225,000 in 2019 and received an additional cash payment of USD 150,000 in 2020.

Mr. Hoare received a special retention bonus in the amount of GBP 122,500 in 2019. Such bonus was earned between December 1, 2018 and September 30, 2019. This payment relates to a previous retention bonus that was awarded when he was CEO, U.K. & Europe.

<sup>(3)</sup> Includes the Company's contributions to Mr. Edwards, Mr. Girard and Mr. Taylor's notional account under the SERP and contributions to their DCP account, as well as the Company's net contribution to Mr. Bell's non-registered account and contribution to his DCP account. Such contributions are described in detail under the "Pension" subsection of this CD&A. Contributions are made by reference to salaries paid within the given year. Mr. Muir does not participate in any retirement savings plan and does not receive any equivalent cash allowance.

Includes Company contributions into the U.K.-based Atkins Pension Plan for Mr. Hoare.

<sup>(4)</sup> In 2019 and 2020, the amount reported for Mr. Edwards, Mr. Bell, Mr. Girard and Mr. Taylor includes the estimated value of the premiums paid by the Company for the benefits program offered to NEOs, in excess of that generally available to salaried employees. It also includes perquisites in the form of taxable cash allowance (\$50,000 for Mr. Edwards and \$35,000 for Mr. Bell and Mr. Taylor, and \$35,000 prorated from January 1, 2020 and August 31, 2020 for Mr. Girard) and the value of parking provided to NEOs, when applicable. Mr. Muir receives annual housing and transportation allowances as per local practices in the UAE, where he is based. Mr. Hoare receives an annual car allowance of 13,200 GBP.

This column also includes employer contributions to the ESOP.

Mr. Bell received a \$39,554 reimbursement in 2020 related to his relocation to Canada. The reimbursement included the costs of shipment of household goods, air transportation and tax preparation services.



Mr. Hoare received a lump sum amount in lieu of perquisites in 2018 and 2019 and a gross up for tax to compensate for the cost of travel & subsistence in 2018, 2019 and 2020.

The aggregate amount paid, or payable, associated with the departure of Mr. Girard from the Company is included in this column, and is described in detail in the "Retirement and Termination Compensation" subsection of this CD&A. Mr. Girard also provided general consulting services to the Company after his termination on August 31, 2020. Fees for such services are included in this column.

<sup>(5)</sup> Mr. Muir's base salary and other cash compensation are paid in AED and converted to CAD using a monthly average exchange rate of 1 AED = 0.3647 CAD for the year 2020, and 1 AED = 0.3612 CAD for the year 2019. Mr. Muir's Share-based Awards were converted to CAD using the exchange rates on the date of grant of 1 AED = 0.3730 CAD (March 9, 2020), 1 AED = 0.3670 CAD (May 13, 2019) and 1 USD = 1.3478 CAD (May 13, 2019).

<sup>(6)</sup> Mr. Hoare's base salary and other cash compensation are paid in GBP and converted to CAD using a monthly average exchange rate of 1 GBP = 1.7201 CAD for the year 2020, 1 GBP = 1.6940 CAD for the year 2019 and 1 GBP = 1.7292 CAD for the year 2018. Mr. Hoare's Share-based Awards were converted to CAD using the exchange rates on the date of grant of 1 GBP = 1.7966 CAD (March 9, 2020), 1 GBP = 1.7534 CAD (March 4, 2019) and 1 GBP = 1.7953 CAD (March 5, 2018). Mr. Hoare's salary includes the taxable cash allowance of 2,636 GBP that he has elected to receive in exchange for Company pension contributions to the defined contribution section of the Atkins Pension Plan.

## RISK MANAGEMENT

The following section provides an overview on our policies and guidelines related to risk management.

### Clawback

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

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

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

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

### Anti-Hedging and Anti-Monetization

The Board has adopted a policy prohibiting hedging and trading in derivatives applicable to the Company's insiders, which include our NEOs and Directors. Hedging includes prepaid variable forward contracts, equity swaps, collars, or units of exchange funds designed to hedge or offset a decrease in the market value of equity securities.

### Executive Share Ownership Guidelines

For more than a decade, the Company has had share ownership requirements in place as we believe that share ownership by Senior Officers is fundamentally important and contributes to our success by aligning their goals of executives with those of our shareholders. To this end, the Company requires that Senior Officers and other EVPs not reporting directly to the President and CEO acquire within five (5) years of appointment, and hold for the duration of their employment, Common Shares having a minimum total value as shown in the table on the next page. In addition to maintaining his share ownership requirement during his employment, the President and CEO must continue to meet this requirement for one-year post employment with the Company. Compliance with these requirements is reviewed annually by the HR Committee.

Executive Share Ownership Guidelines can be met with the following shares or units:

- Common Shares privately held at the higher of the acquisition price or market price;
- Common Shares acquired through the ESOP at the higher of the acquisition or market price;
- Vested share units not redeemed under the E-DSUP on a pre-tax basis at the higher of the price when issued or market price;
- Unvested RSUs on a pre-tax basis, at the market price.

A minimum of 50% of their ownership requirement must be met through actual share ownership, and not solely with unvested share units.

In 2020, the Board approved the inclusion of unvested E-DSUs when assessing compliance with share ownership guidelines, as long as such E-DSUs are not subject to performance conditions, as they provide the same alignment to shareholder interests as actual shares.

PSUs do not count towards achievement of the share ownership guidelines.

Under the 2017 PSUP and 2019 PSUP, Senior Officers will be deemed to have elected to receive 100% of the PSU payout in the form of shares until they have achieved the required level of share ownership, if they have not met the requirements at the time of payout.

The following table shows the results of the NEOs' share ownership requirements under the revised rules:

Name	Required Ownership (multiple of base salary)	Ownership Requirement	Common Shares						Value as at Dec. 31, 2020 <sup>(1)</sup>	Actual Ownership/ Requirement	Compliance test <sup>(2)</sup>	Meets Requirements
			Common Shares		Deferred Share Units (E-DSUs)	Restricted Share Units (RSUs)	Unvested Shares, RSUs and E-DSUs					
			Privately held	ESOP								
Ian Edwards <sup>(3)</sup>	5x	\$ 5,450,000	0	14,306	78,666	79,374	172,346	\$ 5,043,876	0.93	39%	In process (deadline: October 31, 2024)	
Jeff Bell	3x	\$ 2,160,000	0	0	0	51,657	51,657	\$ 1,122,507	0.52	0%	In process (deadline: February 11, 2025)	
Craig Muir <sup>(4)</sup>	3x	AED 5,946,000	0	3,282	1,332	46,536	51,150	AED 3,262,881	0.55	6%	In process (deadline: April 8, 2024)	
Sandy Taylor <sup>(5)</sup>	3x	\$ 2,118,000	1,499	15,800	10,737	38,077	66,113	\$ 1,953,614	0.92	53%	Not met (deadline: March 1, 2019)	
Philip Hoare <sup>(6)</sup>	3x	GBP 1,080,000	0	0	0	24,678	24,678	GBP 307,802	0.29	0%	In process (deadline: May 1, 2024)	

<sup>(1)</sup> The value as at December 31, 2020 based on the rules described above. To evaluate the market value, the closing share price of \$21.73 as at December 31, 2020 was used.

<sup>(2)</sup> 50% of ownership requirement must be met through actual share ownership, and not solely with unvested share units.

<sup>(3)</sup> Following his appointment to the role of President, Infrastructure sector, Mr. Edwards' required ownership level increased from 2x base salary to 3x base salary. Mr. Edwards is still required to achieve a level of 2x base salary within the original five-year time frame which began on his hire date. The incremental 1x base salary ownership requirement must be achieved within five years from the date of his appointment to the role of President, Infrastructure sector. In addition, Mr. Edwards is required to achieve a level of 5x base salary within five years of his appointment to the role of President and CEO on October 31, 2019.

<sup>(4)</sup> Mr. Muir's ownership requirement is stated in AED. For the purposes of this disclosure, amounts were converted to CAD using the December 31, 2020 spot currency exchange rate of 1 AED = 0.3467 CAD.

<sup>(5)</sup> Mr. Taylor's ownership requirements were met as at December 31, 2019 but no longer as at December 31, 2020. As at December 31, 2020, he held 92% of his required ownership value, yet he complied with his requirement of holding 50% of the required ownership value in actual share units. Mr. Taylor could not acquire personal shares by the end of 2020 due to restrictions pursuant to the Company's Disclosure and Insider Trading policy. Therefore, and in accordance with the 2017 PSUP, Mr. Taylor is deemed to have elected to receive 100% of the PSU payout awarded in 2018 and that vested on December 31, 2020 in the form of shares (based on the performance payout multiplier of 25% and the estimated statutory withholdings of 53%). The number of shares resulting from this conversion is included in the above table under the "Common Shares—Privately held" caption. Following the award of his RSUs in March 2021 and due to the increase in the share price since December 31, 2020, his ownership requirements will be met on March 18, 2021.

<sup>(6)</sup> Mr. Hoare's ownership requirement is stated in GBP. For the purposes of this disclosure, amounts were converted to CAD using the December 31, 2020 spot currency exchange rate of 1 GBP = 1.7422 CAD.

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

The following table provides an overview of the President and CEO's accumulated holdings as at December 31, 2020:

	Common Shares		Share Units			
	Privately held	ESOP	PSUs not already vested <sup>(1)</sup>	RSUs not already vested	Vested Deferred Share Units (E-DSUs)	Total
Number	—	14,306	104,655	79,374	40,691	239,026
Value as at Dec. 31, 2020 <sup>(2)</sup>	—	\$310,874	\$2,274,153	\$1,724,797	\$884,215	\$5,194,039

<sup>(1)</sup> A performance payout multiplier of 100% is assumed.

<sup>(2)</sup> The value as at December 31, 2020 was based on a closing share price of \$21.73.

## INCENTIVE PLAN AWARDS

### Outstanding Option-Based and Share-Based Awards

The following table sets forth information with respect to the NEOs concerning PSUs, RSUs and E-DSUs held as at December 31, 2020:

Name	Date of Grant	Option-Based Awards				Share-Based Awards		
		Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$)	Number of PSUs, E-DSUs and RSUs That Have Not Vested	Market or Payout Value of Share-based Awards That Have Not Vested <sup>(1)</sup> (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed <sup>(1)</sup> (\$)
Ian Edwards	–	–	–	–	–	222,004	4,824,147	884,215
Jeff Bell	–	–	–	–	–	102,606	2,229,628	0
Sylvain Girard	–	–	–	–	–	84,951	1,845,985	182,423
Craig Muir	–	–	–	–	–	92,383	2,007,483	28,944
Sandy Taylor	–	–	–	–	–	82,344	1,789,335	233,315
Philip Hoare	–	–	–	–	–	49,790	1,081,937	0

<sup>(1)</sup> This amount is calculated based on the closing share price of \$21.73 on December 31, 2020.

### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information with respect to the NEOs regarding the value of incentive plan awards vested or earned during the year ended December 31, 2020:

Name	Option-Based Awards – Value Vested During the Year (\$)	Share-Based Awards – Value Vested During the Year <sup>(1)</sup> (\$)	Non-Equity Incentive Plan Compensation – Value Vested During the Year <sup>(2)</sup> (\$)
Ian Edwards	–	748,721	1,070,789
Jeff Bell	–	–	319,772
Sylvain Girard	–	261,630	333,666
Craig Muir <sup>(3)</sup>	–	386,046	237,403
Sandy Taylor	–	305,754	522,699
Philip Hoare <sup>(4)</sup>	–	10,787	479,227

<sup>(1)</sup> Based on a share price of \$26.69 for RSUs attributed to all NEOs that vested on March 13, 2020 (average closing price); based on a share price of \$23.69 for RSUs attributed to Mr. Muir that vested on September 1, 2020 (average closing price); based on a share price of \$21.97 combined with a 25% performance payout multiplier for PSUs attributed to all NEOs that vested on December 31, 2020; based on a share price of \$31.60 for elected or deemed elected E-DSUs received on March 9, 2020 (average closing price) for Mr. Muir who converted his AIP to E-DSUs; and based on a share price of \$21.73 for E-DSUs that vested on December 31, 2020 (closing price) for Mr. Edwards.

<sup>(2)</sup> Bonus earned in the year under the AIP.

<sup>(3)</sup> Mr. Muir's AIP Payout of 650,954 is paid in AED and converted to CAD for the purposes of this disclosure using a monthly average exchange rate of 1 AED = 0.3647 CAD.

<sup>(4)</sup> Mr. Hoare's AIP Payout of 278,604 is paid in GBP and converted to CAD for the purposes of this disclosure using a monthly average exchange rate of 1 GBP = 1.7201 CAD.

### Options Exercised During the Year Ended December 31, 2020

No options were exercised by NEOs during the year ended December 31, 2020. All options granted under our 2013 Stock Option Plan expired before or on May 13, 2019.



## PENSION PLAN BENEFITS

### DCPP and SERP

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

Name	Accumulated Value at Start of Year (\$)	Compensatory Change <sup>(1)</sup> (\$)	Accumulated Value at Year End (\$)
(a)	(b)	(c)	(d)
Ian Edwards	874,944	216,462	1,174,152
Jeff Bell	–	72,243	81,966
Sylvain Girard <sup>(2)</sup>	646,993	93,060	776,085
Craig Muir <sup>(3)</sup>	–	–	–
Sandy Taylor	924,578	140,392	1,149,325
Philip Hoare <sup>(4)</sup>	907,456	62,247	1,076,665

<sup>(1)</sup> Includes the Company's contributions to Mr. Edwards, Mr. Girard and Mr. Taylor's notional account under the SERP and contributions to their DCP account, and the Company's contribution to Mr. Bell's DCP account and net contribution to his non-registered account under the SERP. Contributions are made by reference to salaries paid within the given year.

<sup>(2)</sup> In accordance with his separation agreement, Mr. Girard's benefits under the DCP and SERP accrued prior to his separation date was settled following his departure. The accumulated value of \$776,085 is as of his date of termination of employment.

<sup>(3)</sup> Mr. Muir does not participate in any retirement savings plan and does not receive any equivalent cash allowance. However, in line with the regulations in the UAE, he is eligible to an end of service gratuity upon termination of employment.

<sup>(4)</sup> Includes the Company contributions into the U.K.-based Atkins Pension Plan for Mr. Hoare. The Company contribution of 36,188 GBP is converted to CAD using a monthly average exchange rate of 1 GBP = 1.7201 CAD. From December 2020, Mr. Hoare has elected to receive the Company pension contributions in the form of a taxable cash allowance of 2,636 GBP. Such cash allowance is included in Mr. Hoare's salary in the "Summary Compensation Table" subsection of this CD&A.

The accumulated values at the start and end of year for Mr. Hoare are held in GBP and converted to CAD using the exchange rates of 1 GBP = 1.7226 CAD (December 31, 2019) and 1 GBP = 1.7422 CAD (December 31, 2020).

## EMPLOYMENT AGREEMENTS

The Company has entered into Employment Agreements with all of the NEOs effective on the dates noted below:

Executive	Commentary
• Mr. Edwards – October 31, 2019	<i>Agreement lastly amended upon promotion to the role of President and CEO on October 31, 2019</i>
• Mr. Bell – February 11, 2020	<i>New agreement on hire; the terms of his Executive Employment Agreement were not changed when he was confirmed in his role of EVP and CFO on April 14, 2020</i>
• Mr. Girard – April 4, 2016	<i>New agreement following his appointment to the role of EVP and CFO</i>
• Mr. Muir – April 8, 2019	<i>New agreement on appointment</i>
• Mr. Taylor – February 5, 2014	<i>New agreement on appointment</i>
• Mr. Hoare – May 1, 2019	<i>New agreement on promotion to the role of President, EDPM</i>

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

## RETIREMENT AND TERMINATION COMPENSATION

Termination of employment provisions are in place for each of the NEOs under their respective Employment Agreements. No incremental amounts would be provided to NEOs in the event of termination for cause or a resignation if the NEO does not meet the definition of retirement under the relevant plans. In the case of a resignation, any vested E-DSUs at the time of the termination shall be paid in accordance with the E-DSUP.

## Termination Not For Cause

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

Type of Allowance		Ian Edwards	Jeff Bell	Craig Muir	Sandy Taylor	Philip Hoare <sup>(1)</sup>
Severance	• Twice the sum of the annual base salary plus the annual target bonus under the AIP.	✓			✓	
	• One and a half times the sum of the annual base salary plus the annual target bonus under the AIP.		✓			
	• Half the sum of the annual base salary plus the annual target bonus under the AIP.			✓		✓
Benefits and Perquisites	• Lump sum payment equivalent to pension benefits that would have continued to accrue for two (2) years.	✓			✓	
	• Lump sum payment equivalent to pension benefits that would have continued to accrue for 18 months.		✓			
	• Lump sum payment equivalent to pension benefits that would have continued to accrue for 6 months.					✓
	• Lump sum payment representing the value of perquisites for a two-year period.	✓			✓	
	• Lump sum payment representing the value of perquisites for a 18-month period.		✓			
	• Lump sum payment representing the value of perquisites for a 6-month period.					✓
	• Lump sum payment representing the value of housing and transportation allowances for a 6-month period.			✓		
End of service gratuity	• Lump sum payable under the UAE Labour Law.			✓		
AIP	• AIP for the year of termination prorated for the portion of the year worked.	✓	✓	✓	✓	✓
Awards granted including any unvested share-based or option-based awards	• Will continue to vest, become exercisable, be paid or settled (as applicable) as if the individual had remained in employment for 24 months following termination.	✓			✓	
	• Will continue to vest, become exercisable, be paid or settled (as applicable) as if the individual had remained in employment for 18 months following termination.		✓			
	• Will vest on a prorated basis at the date of termination and be paid or settled (as applicable) following termination.			✓		✓

<sup>(1)</sup> Mr. Hoare is entitled to six (6) months' prior written notice of termination by the Company without serious reason or cause. However, the Company reserves the right to terminate Mr. Hoare's employment with immediate effect by making a payment to Mr. Hoare in lieu of notice.

The following table sets out the incremental amounts which would have been payable had a not-for-cause termination occurred on December 31, 2020:

Involuntary Termination	Ian Edwards	Jeff Bell	Craig Muir <sup>(1)</sup>	Sandy Taylor	Philip Hoare <sup>(2)</sup>
Severance	\$ 4,905,000	\$ 1,890,000	\$ 601,264	\$ 2,471,000	\$ 548,793
Benefits and Perquisites	\$ 536,000	\$ 268,500	\$ 72,807	\$ 352,400	\$ 42,858
End of Service Gratuity <sup>(3)</sup>	\$ 0	\$ 0	\$ 39,535	\$ 0	\$ 0
AIP <sup>(4)</sup>	\$ 1,362,500	\$ 540,000	\$ 515,370	\$ 529,500	\$ 470,394
ESOP	\$ 57,252	\$ 0	\$ 24,934	\$ 38,709	\$ 0
Value of RSUs not already vested <sup>(5)</sup>	\$ 1,659,650	\$ 905,467	\$ 502,354	\$ 805,705	\$ 246,896
Value of PSUs not already vested <sup>(5)(6)</sup>	\$ 2,274,153	\$ 921,265	\$ 481,645	\$ 961,922	\$ 204,001
Value of E-DSUs not already vested <sup>(5)</sup>	\$ 825,197	—	—	—	—
<b>Total</b>	<b>\$ 11,619,752</b>	<b>\$ 4,525,232</b>	<b>\$ 2,237,909</b>	<b>\$ 5,159,236</b>	<b>\$ 1,512,942</b>

<sup>(1)</sup> Mr. Muir's severance and AIP would be paid in AED. For the purposes of this disclosure, amounts were converted to CAD using the December 31, 2020 spot rate of 1 AED = 0.3467 CAD.

<sup>(2)</sup> Mr. Hoare's severance and AIP would be paid in GBP. For the purposes of this disclosure, amounts were converted to CAD using the December 31, 2020 spot rate of 1 GBP = 1.7422 CAD.

<sup>(3)</sup> As Mr. Muir has more than one (1) year of service with the Company, he would have been entitled to the end of service gratuity if he had been terminated on December 31, 2020.

<sup>(4)</sup> Mr. Edwards elected to receive his 2020 AIP payout in the form of E-DSUs. If he had been terminated not-for-cause as at December 31, 2020, he would have received his AIP payout in cash. It is therefore included.

<sup>(5)</sup> Amounts are calculated based on the closing share price of \$21.73 on December 31, 2020.

<sup>(6)</sup> Assuming that the PSUs would vest at 100% (i.e. at target).

## Change in Control

The Company has double-trigger change in control agreements for the NEOs. A change of control, as approved at the November 6, 2014 Board meeting, occurs when:

- A person or a number of persons acting jointly or in concert holds or exercises control over, directly or indirectly, 50% or more of the shares of a class of voting shares of the Company;
- A person or a number of persons acting jointly or in concert successfully completes a take-over bid or an

exchange bid for 50% or more of the shares of a class of voting shares of the Company;

- The Company undergoes a liquidation or dissolution or sells all or substantially all of its assets; or
- Those persons acting as Directors of the Company cease at any time to constitute the majority of the Directors of the Company, except where such situation arises following an uncontested election of directors.

In the event of involuntary termination of employment or resignation for good reason<sup>(1)</sup> following a change in control, the following conditions will apply:

<b>Severance</b>	• Two (2) times the sum of the annual base salary plus the annual target bonus under the AIP
<b>Benefits and Perquisites</b>	<ul style="list-style-type: none"> <li>• Two (2) times the annual contribution under DCP and SERP plus two (2) times the annual allowance for perquisites for NEOs located in Canada</li> <li>• Two (2) times the annual contribution under the Atkins pension plan plus two (2) times the annual car allowance for NEOs located in the U.K.</li> <li>• End of service gratuity plus two (2) times the housing and transportation allowances for Mr. Muir, who is located in the UAE</li> </ul>
<b>AIP</b>	• The annual bonus for the year will be paid at target as a lump sum, prorated for the period of employment in that year
<b>ESOP</b>	• Future contributions required to be made under the terms of the Plan, but not yet made, are accelerated in order for all outstanding matching contributions to be paid by the Company
<b>RSUP, PSUP and E-DSUP</b>	• All granted RSUs, PSUs and E-DSUs fully vest and are redeemable for cash within thirty days of the termination of employment. For the purposes of the PSUP, the maximum performance payout multiplier (200%) is used

<sup>(1)</sup> Resignation for good reason is defined as a resignation prompted by a significant change in employment conditions as a result of:

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

The following table sets out the incremental amounts which would have been payable had a not-for-cause termination or resignation for good reason (as defined above), following a change in control, occurred on December 31, 2020:

Change in Control	Ian Edwards	Jeff Bell	Craig Muir <sup>(1)</sup>	Sandy Taylor	Philip Hoare <sup>(2)</sup>
Severance	\$ 4,905,000	\$ 2,520,000	\$ 2,405,058	\$ 2,471,000	\$ 2,195,172
Benefits and Perquisites	\$ 536,000	\$ 358,000	\$ 291,228	\$ 352,400	\$ 171,432
End of service gratuity <sup>(3)</sup>	–	–	\$ 39,535	–	–
AIP <sup>(4)</sup>	\$ 1,362,500	\$ 540,000	\$ 515,370	\$ 529,500	\$ 470,394
ESOP	\$ 57,252	\$ 0	\$ 24,934	\$ 38,709	\$ 0
Value of RSUs not already vested <sup>(5)</sup>	\$ 1,724,797	\$ 1,122,507	\$ 1,011,227	\$ 827,413	\$ 536,253
Value of PSUs not already vested <sup>(5)</sup>	\$ 4,548,306	\$ 2,214,244	\$ 1,992,511	\$ 1,923,844	\$ 1,091,368
Value of E-DSUs not already vested <sup>(5)</sup>	\$ 825,197	–	–	–	–
<b>Total<sup>(6)</sup></b>	<b>\$ 13,959,052</b>	<b>\$ 6,754,751</b>	<b>\$ 6,279,863</b>	<b>\$ 6,142,866</b>	<b>\$ 4,464,619</b>

<sup>(1)</sup> Mr. Muir's severance and AIP would be paid in AED. For the purposes of this disclosure, amounts were converted to CAD using the December 31, 2020 spot rate of 1 AED = 0.3467 CAD.



<sup>[2]</sup> Mr. Hoare's severance and AIP would be paid in GBP. For the purposes of this disclosure, amounts were converted to CAD using the December 31, 2020 spot rate of 1 GBP = 1.7422 CAD.

<sup>[3]</sup> As Mr. Muir has more than one (1) year of service with the Company, he would have been entitled to the end of service gratuity if he had been terminated on December 31, 2020.

<sup>[4]</sup> Mr. Edwards elected to receive his 2020 AIP payout in the form of E-DSUs. If he had been terminated following a change in control as at December 31, 2020, he would have received his AIP payout in cash. It is therefore included.

<sup>[5]</sup> Amounts are calculated based on the closing share price of \$21.73 on December 31, 2020.

<sup>[6]</sup> Mr. Edwards and Mr. Taylor would be entitled to an outplacement counselling services reimbursement up to a maximum of \$50,000 in the case of termination following a change in control. This amount is excluded from the total.

## Retirement

In the event of retirement (as defined in the Company's policies), all unvested granted E-DSUs fully vest. All granted RSUs vest on a prorated basis and are redeemable for cash in accordance with the provisions of the plans. All granted PSUs vest on a prorated basis and are subject to the performance conditions until the end of the calendar year of retirement. The following table sets out the incremental amounts which would have been payable under the plans had retirement occurred on December 31, 2020.

Name	Value of Non-vested PSUs <sup>(1)(2)</sup>	Value of Non-vested E-DSUs <sup>(2)</sup>	Value of Non-vested RSUs <sup>(2)</sup>	Total Incremental Payment
Ian Edwards	\$ 992,605	\$ 825,197	\$ 765,635	\$ 2,583,437
Jeff Bell	\$ 369,714	\$ 0	\$ 272,581	\$ 642,295
Craig Muir	\$ 481,645	\$ 0	\$ 502,354	\$ 983,999
Sandy Taylor	\$ 466,978	\$ 0	\$ 447,899	\$ 914,877
Philip Hoare	\$ 204,001	\$ 0	\$ 246,896	\$ 450,897

<sup>(1)</sup> Assuming that the PSUs would vest with a Performance Payout Multiplier of 100%.

<sup>(2)</sup> Amounts are calculated based on the closing share price of \$21.73 on December 31, 2020.

## Sylvain Girard's Departure Arrangements

On August 31, 2020, the Company and Mr. Girard came to an agreement on the terms and conditions of his exit as EVP and CFO. Such terms and conditions were the result of a mutual agreement to the benefit of both parties, the details of which are provided below.

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

Compensation Element	Actual Paid or payable in accordance with the Mutual Agreement
Cash Allowance <sup>(1)</sup>	\$2,000,550
Bonus at target for 2020 <sup>(2)</sup>	\$ 333,666
Value of RSUs not already vested <sup>(3)(4)</sup>	\$ 818,699
Value of PSUs not already vested <sup>(3)(5)</sup>	\$1,027,286
Value of PSUs already vested <sup>(6)</sup>	\$ 61,643
Value of E-DSUs not already vested <sup>(3)</sup>	\$ 182,423
Total	\$4,424,267

<sup>(1)</sup> Includes one and a half times the sum of the annual base salary, the annual target bonus under the AIP, the perquisites and the annual contribution under the DCP and the SERP. The cash severance amount excludes any consultant fees incurred after the termination date.

<sup>(2)</sup> Paid at target and prorated from January 1, 2020 and August 31, 2020.

<sup>(3)</sup> Based on the closing share price of \$21.73 on December 31, 2020.

<sup>(4)</sup> For greater clarity and as per the mutual agreement, RSUs not already vested were prorated as if Mr. Girard had remained in employment for one (1) and a half years after his termination date.

<sup>(5)</sup> For greater clarity and as per the mutual agreement, PSUs not already vested were prorated as if Mr. Girard had remained in employment for one (1) and a half years after his termination date.

<sup>(6)</sup> This amount is calculated based on an average share price of \$21.97 (five-day average closing price of Common shares immediately preceding the vesting date of December 31, 2020) combined with a 25% performance payout multiplier for PSUs that vested on December 31, 2020.

Mr. Girard's arrangement also includes certain continuing obligations beginning August 31, 2020, such as:

- Non-competition with the Company for a period of 12 months;
- Non-solicitation of clients, investors or business partners of the Company for a period of 12 months;
- Non-solicitation of the Company's employees for a period of 24 months;
- Confidentiality (no term limitations); and
- Non-Disparagement (no term limitations).

## **SUCCESSION PLANNING**

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

During the year, the HR Committee reviewed the outcomes of the 2020 succession and talent review. This process is used to identify talent within the Company and put in place a succession pipeline, including succession plans for the

President and CEO's direct reports, the Operational Leadership Group, (OLG), and other key executives. The HR Committee also reviewed the development programs available for executives and management. The HR Committee recommends the President and CEO succession plan to the Board on an annual basis and reports to the Board at least once a year on succession plans for other Senior Officers.

## **APPROVAL OF THE REPORT ON EXECUTIVE COMPENSATION**

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

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

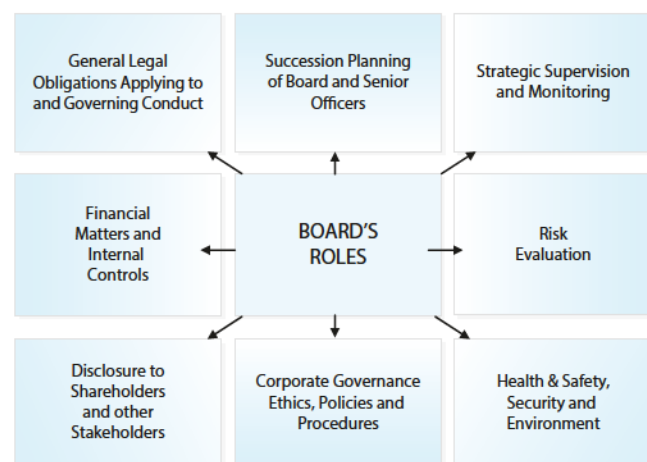
# Statement of Corporate Governance Practices

BOARD ROLE AND MANDATE 63 / BOARD AND COMMITTEE STRUCTURE, ORGANIZATION AND COMPOSITION 64 / INDEPENDENCE 65 / IN CAMERA SESSIONS 66 / POSITION DESCRIPTIONS 66 / DIRECTOR ATTENDANCE 67 / DIRECTOR AVAILABILITY 69 / INTERLOCKING OUTSIDE BOARDS 70 / BOARD ANNUAL REVIEW AND SUCCESSION PROCESS 70 / BOARD ASSESSMENT 73 / DIRECTORS' ON-BOARDING PROGRAM 73 / ONGOING DIRECTOR EDUCATION 74 / CONFLICT OF INTEREST 74 / ETHICAL BUSINESS CONDUCT 75 / SHAREHOLDER ENGAGEMENT 76 / EQUALITY, DIVERSITY AND INCLUSION (ED&I) 77 / ENVIRONMENTAL AND SOCIAL STEWARDSHIP 80

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

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

## BOARD ROLE AND MANDATE



The Board is responsible for supervising the management of the Company's business and affairs.

In addition to the strategic supervision and monitoring and risk evaluation responsibilities described below, the Board's mandate lists the principal areas of responsibility of the Board relevant to its supervisory role. The Board's mandate is found in Schedule "B" to this Circular and is also posted on the Company's website ([www.snc-lavalin.com](http://www.snc-lavalin.com)), under "About Us"/"Leadership & Governance"/"Governance".

## Strategic Supervision and Monitoring

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

### Quarterly:

At each regularly scheduled Board meeting, an important component of the meeting is dedicated to the review by the Board of management's progress against the strategic objectives and discussion of key strategic issues.

### Strategic Planning Session:

A two-day meeting is scheduled in December of each year where management meets with the Board to discuss, review and approve the strategic plan and budget for all sectors, business units, corporate functions, and the Company as a whole.

## Risk Evaluation

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



## Board Risk Evaluation Oversight

### *Reviewing the Company's Risk Philosophy*

This is done through active discussion between management and the Board at the Company's annual strategic planning session where a mutual understanding of the Company's overall risk assessment is reviewed and discussed.

### *Overseeing the Design and Implementation of an Effective Enterprise Risk Management ("ERM") Process*

This oversight is a full Board responsibility and is completed by obtaining management's reports on existing and developing risk management processes and on the effectiveness of these systems in identifying, assessing and managing the Company's most significant risk exposures.

### *Reviewing the Company's Major Risks*

The Board's understanding of the risk exposure faced by the Company in both its present operations and strategic planning initiatives is integral to its risk oversight role. This understanding is partly acquired through the Board's participation in the annual strategic planning session. This risk review allows management and the Board to, among others, focus on whether developments in the business environment have resulted in changes in the material assumptions and inherent risks underlying the Company's strategy and the effects such changes have on the Company's strategic plan.

### *Keeping Informed of the Most Significant Risks Faced by the Company and Management's Response to these Risks*

As risks are constantly evolving, the Board obtains ongoing updates by management on risks affecting the Company. This is done formally by integrating information on ongoing risks into the Board and Committees meeting agendas.

While the Company considers that ERM, like oversight of the Company's strategy, is a responsibility of the full Board, each of the Committees is tasked with addressing risk oversight in those areas of responsibility provided for in their respective mandate. This system allows the Board to gain valuable support and more focused attention on risks inherent in the scope of each Committee and an overall view of the Company's enterprise risk profile. In 2021, the SWPR Committee undertook a review of the ERM framework of the Company with the assistance of a third-party expert in order to benchmark the ERM framework against best practices. The objectives of this third-party review include a maturity assessment of the Company's ERM and the development of recommendations which align with the Company's overall strategy and objectives.

## BOARD AND COMMITTEE STRUCTURE, ORGANIZATION AND COMPOSITION

### Structure

Under its mandate, the Board may establish and seek the advice of and delegate responsibilities to Committees of the Board. As of December 31, 2020, the following four (4) standing Committees were in place:

- Audit Committee

- G&E Committee
- HR Committee
- SWPR Committee

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

Committee mandates are posted on the Company's website ([www.sncclavalin.com](http://www.sncclavalin.com)), under "About Us"/"Leadership & Governance"/"Governance".

Furthermore, in 2020, the Board established two (2) non-standing Board Committees, namely the Selection Committee and the Special Risk Review Committee.

The Selection Committee was created in June 2020 in the context of the selection of a new Chair of the Board to replace Kevin G. Lynch who had served as Chair of the Board since 2017. The Selection Committee was disbanded following the appointment of William L. Young as Chair of the Board, effective September 9, 2020.

The Special Risk Review Committee was created in October 2020 in connection with the Board's oversight over management's review of the Company's risks related to certain legacy litigation and other related risks.

### Organization

- Five (5) regularly scheduled Board meetings are held each year including a two-day strategic planning session in December to consider and approve the Company's budget and strategic plan;
- Each standing Committee has at least four (4) regularly scheduled meetings per year;
- Special meetings of the Board and standing Committees are held when deemed necessary; and
- Non-standing Board Committees are also created from time to time to provide a more in-depth review of issues of particular strategic importance.

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

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

The Chair of the Board sets Board agendas with the President and CEO and works together with the Corporate Secretary to make sure that the information communicated

to the Board and the Committees is accurate, timely and clear. In addition, Directors are provided with Board and Committee materials electronically in advance of each meeting through a secured Internet site ("Board Portal"). Electronic versions of all corporate governance documentation such as Board and Committee mandates are also available through this Board Portal.

### Composition

As of March 15, 2021, the Board of Directors is composed of eleven (11) members, ten (10) of whom will be standing for election at the Meeting.

The Board has set the number of Directors at ten (10) for election at the Meeting. As for Committee membership, it is set at no less than three (3) and no more than seven (7) Directors.

The G&E Committee is responsible for making annual recommendations to the Board with respect to the size and composition of the Board and its Committees. The G&E Committee engages in a regular review of the Director Selection Criteria to identify the ideal size and skillsets that should be represented on a board of directors of a major global engineering services organization such as the Company and to maintain and, if necessary, add critical competencies that may be required. For details regarding the Director Selection Criteria, see the "Board Annual Review and Succession Process" subsection of this Circular.

To the extent possible, taking into account regulatory and internal requirements with respect to the personal expertise of the members of specific Committees (e.g. the financial literacy required of Audit Committee members and the human resources and executive compensation experience and knowledge required of the HR Committee members) and other considerations such as a Board requirement that one (1) member of the Audit Committee also be a member of the HR Committee (and vice versa), there is a system of regular rotation of Directors on Committees. This provides Directors exposure to different management issues and the opportunity to serve in several areas and allows the Committees to benefit from the expertise of a variety of Board members.

### INDEPENDENCE

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

As a Canadian corporation listed on the TSX, SNC-Lavalin is subject to various guidelines, requirements and disclosure

rules governing the independence of the members of its Board and Committees, including the governance guidelines and audit committee rules adopted by the CSA.

The Board has adopted independence criteria for its members and that of its Committees which mirror the independence criteria of subsection 1.2(1) of Regulation 58-101 – Disclosure of Corporate Governance Practices ("Regulation 58-101") and sections 1.4 and 1.5 of Regulation 52-110.

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

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

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

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

Further to the last review performed by the G&E Committee, it was determined that all of our current and nominee Directors are independent, including William L. Young, our Chair of the Board, whose role is separate from that of our President and CEO. The only non-independent Director is Ian Edwards, our President and CEO, as he is a member of the management team.



Name	Director		Status of Director Nominees		Reason For Non-Independent Status
	Current	Nominee	Independent	Not Independent	
G.C. Baughman	•	•	•		
M.-A. Bell	•	•	•		
C.J.B. Clark	•	•	•		
I. Courville	•	•	•		
I.L. Edwards	•	•		•	President and CEO
S.L. Newman	•	•	•		
M.B. Pedersen	•	•	•		
J. Raby	•		•		
Z. Smati	•	•	•		
B.M. Warmbold	•	•	•		
W.L. Young	•	•	•		

It is important to note that:

- The Company has adopted “Independent Director Term and Retirement Guidelines” under which a Director is no longer eligible for re-election at the annual general meeting of shareholders following the 15<sup>th</sup> anniversary of his/her initial election to the Board (for details, see the “Board Annual Review and Succession Process / Director Tenure, Term and Retirement” subsection of this Circular);
- As of March 15, 2021, the average tenure of our nominee Directors is 2.6 years (for details, see the “Board Annual Review and Succession Process / Director Tenure, Term and Retirement” subsection of this Circular);
- The Company has adopted a guideline that no more than two (2) of its Directors may serve on the same outside board together. Ms. Mary-Ann Bell and Ms. Isabelle Courville currently sit together on the board of directors of the Institute for Governance of Private and Public Organizations (IGOPP) (for details, see the “Interlocking Outside Boards” subsection of this Circular); and
- The Company does not have a controlling shareholder (for details, see the “Voting Information” section of this Circular).

## IN CAMERA SESSIONS

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

In 2020, a total of 41 Board and standing Committee meetings were held. An *in camera* session was held at each Board and standing Committee meeting, except four (4) special Board meetings. For a summary of Board and Committee meetings held in 2020, see the “Director Attendance” subsection below.

## POSITION DESCRIPTIONS

Our Board has adopted a description of the role of our Chair of the Board and that of our President and CEO. It has also

adopted general terms with respect to the responsibilities of the Chairs of each of the standing Committees, which are set out in the mandate of each Committee. The position descriptions of the Chair of the Board and of the President and CEO as well as the mandates of the Committees are posted on the Company’s website ([www.sncclavalin.com](http://www.sncclavalin.com)), under “About Us”/“Leadership & Governance”/“Governance”.

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

### Chair of the Board

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

### Committee Chairs

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

### President and CEO

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



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

## DIRECTOR ATTENDANCE

### Summary of Board and standing Committee Meetings Held in 2020

	Regular	Special	Total
Board	5	11	16
Audit Committee	4	0	4
G&E Committee	4	4	8
HR Committee	5	3	8
SWPR Committee	4	1	5
<b>TOTAL</b>	<b>22</b>	<b>19</b>	<b>41</b>

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

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

The table below provides the record of attendance for each Director at regular and special meetings of the Board and standing Committees during the 12 months ended December 31, 2020.

RECORD OF ATTENDANCE BY DIRECTORS AT REGULAR AND SPECIAL BOARD AND COMMITTEE MEETINGS FOR THE 12 MONTHS ENDED DECEMBER 31, 2020										
Directors	Regular Board & Committee Meetings Attended		Total Regular Meetings		Special Board & Committee Meetings Attended		Total Special Meetings		Overall Attendance	
	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)
G.C. Baughman <sup>(1)</sup>	4 of 4 Board 2 of 2 HR 2 of 2 SWPR	100 100 100	13 of 13	100	5 of 5 Board 1 of 1 HR 1 of 1 SWPR	100 100 100	7 of 7	100	20 of 20	100
M.-A. Bell <sup>(2)</sup>	4 of 4 Board 2 of 2 Audit	100 100	6 of 6	100	5 of 5 Board	100	5 of 5	100	11 of 11	100
J. Bougie <sup>(3)</sup>	2 of 2 Board 2 of 2 G&E 2 of 2 HR	100 100 100	6 of 6	100	6 of 6 Board 3 of 3 G&E 1 of 1 HR	100 100 100	10 of 10	100	16 of 16	100
C.J.B. Clark <sup>(4)</sup>	4 of 4 Board 2 of 2 Audit 1 of 1 HR	100 100 100	7 of 7	100	5 of 5 Board 1 of 1 HR	100 100	6 of 6	100	13 of 13	100
I. Courville <sup>(5)</sup>	5 of 5 Board 4 of 4 G&E 5 of 5 HR	100 100 100	14 of 14	100	11 of 11 Board 4 of 4 G&E 3 of 3 HR	100 100 100	18 of 18	100	32 of 32	100
I. L. Edwards <sup>(6)</sup>	5 of 5 Board	100	5 of 5	100	11 of 11 Board	100	11 of 11	100	16 of 16	100
C. J. Hughes <sup>(7)</sup>	2 of 2 Board 2 of 2 Audit 2 of 2 SWPR	100 100 100	6 of 6	100	6 of 6 Board	100	6 of 6	100	12 of 12	100
K.G. Lynch <sup>(8)</sup>	3 of 3 Board	100	3 of 3	100	11 of 11 Board	100	11 of 11	100	14 of 14	100
S.L. Newman <sup>(9)</sup>	5 of 5 Board 2 of 2 Audit 4 of 4 G&E 2 of 2 HR 4 of 4 SWPR	100 100 100 100 100	17 of 17	100	11 of 11 Board 4 of 4 G&E 1 of 1 HR 1 of 1 SWPR	100 100 100 100	17 of 17	100	34 of 34	100
M.B. Pedersen <sup>(10)</sup>	4 of 4 Board 3 of 3 HR	100 100	7 of 7	100	5 of 5 Board 2 of 2 HR 1 of 1 SWPR	100 100 100	8 of 8	100	15 of 15	100
J. Raby <sup>(11)</sup>	5 of 5 Board 4 of 4 Audit 4 of 4 SWPR	100 100 100	13 of 13	100	10 of 11 Board 1 of 1 SWPR	91 100	11 of 12	92	24 of 25	96
A. Rhéaume <sup>(12)</sup>	2 of 2 Board 2 of 2 Audit	100 100	4 of 4	100	6 of 6 Board	100	6 of 6	100	10 of 10	100
E. D. Siegel <sup>(13)</sup>	2 of 2 Board 2 of 2 Audit 2 of 2 HR	100 100 100	6 of 6	100	6 of 6 Board 1 of 1 HR	100 100	7 of 7	100	13 of 13	100
Z. Smati <sup>(14)</sup>	5 of 5 Board 4 of 4 G&E 4 of 4 SWPR	100 100 100	13 of 13	100	11 of 11 Board 4 of 4 G&E 1 of 1 SWPR	100 100 100	16 of 16	100	29 of 29	100
B.M. Warmbold <sup>(15)</sup>	5 of 5 Board 4 of 4 Audit 5 of 5 HR	100 100 100	14 of 14	100	11 of 11 Board 3 of 3 HR	100 100	14 of 14	100	28 of 28	100
W.L. Young <sup>(16)</sup>	2 of 2 Board	100	2 of 2	100					2 of 2	100
Total	59 of 59 Board 20 of 20 Audit 14 of 14 G&E 22 of 22 HR 16 of 16 SWPR	100 100 100 100 100	131 of 131	100	120 of 121 Board 15 of 15 G&E 13 of 13 HR 5 of 5 SWPR	99 100 100 100	153 of 154	100	284 of 285	99.7

<sup>(1)</sup> Mr. Baughman was elected to the Board on May 7, 2020 and became a member of the SWPR Committee on May 7, 2020 and a member of the HR Committee on October 30, 2020. In addition to his Committee memberships, Mr. Baughman attended one (1) regular Audit Committee meeting, one (1) special G&E Committee meeting and two (2) regular HR Committee meetings as a non-voting participant.

- <sup>[2]</sup> Ms. Bell was elected to the Board on May 7, 2020 and became a member of the Audit Committee on May 7, 2020 and a member of the G&E Committee on October 30, 2020. In addition to her Committee memberships, Ms. Bell attended two (2) regular and one (1) special SWPR Committee meetings, (1) regular and one (1) special G&E Committee meetings as well as one (1) regular HR Committee meeting as a non-voting participant.
- <sup>[3]</sup> Mr. Bougie ceased to be a Director and a member of the G&E and HR Committees on May 7, 2020.
- <sup>[4]</sup> Mr. Clark was elected to the Board on May 7, 2020 and became a member of the Audit Committee on May 7, 2020 and a member of the HR Committee on October 30, 2020. In addition to his Committee memberships Mr. Clark attended one (1) special G&E Committee meeting and one (1) regular HR Committee meeting as a non-voting participant.
- <sup>[5]</sup> In addition to her Committee memberships, Ms. Courville attended one (1) regular Audit Committee meeting as a non-voting participant.
- <sup>[6]</sup> Mr. Edwards, as President and CEO, is not a member of any Committee but attends Committee meetings at the invitation of the Committees. In 2020, he attended all Committee meetings as a non-voting participant.
- <sup>[7]</sup> Ms. Hughes ceased to be a Director and a member of the Audit and SWPR Committees on May 7, 2020. In addition to her Committee memberships, Ms. Hughes attended two (2) special G&E Committee meetings and one (1) special HR Committee meeting as a non-voting participant.
- <sup>[8]</sup> Mr. Lynch ceased to be a Director and Chair of the Board on September 9, 2020. In 2020, he attended all Committee meetings except one (1) special HR Committee meeting, as a non-voting participant.
- <sup>[9]</sup> Mr. Newman stepped down as a member of the HR Committee and became a member of the Audit Committee on May 7, 2020. In addition to his Committee memberships, Mr. Newman attended one (1) regular Audit Committee meeting as a non-voting participant.
- <sup>[10]</sup> Mr. Pedersen was elected to the Board on May 7, 2020 and became a member of the HR Committee on May 7, 2020 and a member of the SWPR Committee on October 30, 2020. In addition to his Committee memberships, Mr. Pedersen attended one (1) SWPR Committee meeting as a non-voting participant.
- <sup>[11]</sup> In addition to his Committee memberships, Mr. Raby attended three (3) special G&E Committee meetings and one special (1) HR Committee meeting as a non-voting participant.
- <sup>[12]</sup> Mr. Rhéaume ceased to be a Director and a member of the Audit Committee on May 7, 2020. In addition to his Committee memberships, Mr. Rhéaume attended two (2) special G&E Committee meetings and one (1) special HR Committee meeting as a non-voting participant.
- <sup>[13]</sup> Mr. Siegel ceased to be a Director and a member of the Audit and HR Committees on May 7, 2020. In addition to his Committee memberships, Mr. Siegel attended one (1) regular and two (2) special G&E Committee meetings as a non-voting participant.
- <sup>[14]</sup> In addition to his Committee memberships, Mr. Smati attended one (1) regular Audit Committee meeting and one (1) special HR Committee meeting as a non-voting participant.
- <sup>[15]</sup> In addition to her Committee memberships, Ms. Warmbold attended three (3) special G&E Committee meetings as a non-voting participant.
- <sup>[16]</sup> Mr. Young was appointed to the Board and became its Chair on September 9, 2020. In 2020, he attended all Committee meetings as a non-voting participant.

## DIRECTOR AVAILABILITY

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

### Director Availability Guidelines

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



The G&E Committee carried out its customary review for 2020 and was satisfied that our current and nominee Directors were able to commit the requisite time for the proper performance of their duties. As of March 15, 2021, all of our current and nominee Directors complied with the above Director availability guidelines.

Name of Director	Other reporting issuers of which our Director is also a director	Type of company	Stock symbol: Exchange
<b>G.C. Baughman</b>	—	—	—
<b>M.-A. Bell</b>	Cogeco Inc. NAV Canada	Telecommunications Services Civil Air Navigation Service	CGO:TSX N/A
<b>C.J.B. Clark</b>	Air Canada Choice Properties Real Estate Investment Trust Loblaw Companies Limited	Airline REIT Grocery Stores	AC:TSX CHP-UN:TSX L:TSX
<b>I. Courville</b>	Veolia Environnement S.A. Canadian Pacific Railway Limited	Waste Management Railroads	VIE:EPA CP:TSX CP:NYSE
<b>I.L. Edwards</b>	—	—	—
<b>S.L. Newman</b>	Dril-Quip, Inc.	Oil & Gas Equipment & Services	DRQ:NYSE
<b>M.B. Pedersen</b>	CGI Inc.	Information Technology Services	GIB-A:TSX GIB:NYSE
<b>J. Raby</b>	Fiera Capital Corporation	Asset Management	FSZ:TSX
<b>Z. Smati</b>	—	—	—
<b>B.M. Warmbold</b>	The Bank of Nova Scotia Methanex Corporation	Banking Services Chemicals	BNS:TSX BNS:NYSE MX:TSX MEOH:NASDAQ
<b>W.L. Young</b>	Intact Financial Corporation Magna International Inc.	Insurance Auto Parts	IFC:TSX MG:TSX MGA:NYSE

## INTERLOCKING OUTSIDE BOARDS

The Company has established an additional guideline that no more than two (2) of its Directors may serve on the same outside board together. The only Board interlock is between Mary-Ann Bell and Isabelle Courville, who are both directors of the Institute for Governance of Private and Public Organizations (IGOPP). This Board interlock occurred following Ms. Bell's election to the Board of Directors on May 7, 2020.

## BOARD ANNUAL REVIEW AND SUCCESSION PROCESS

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

### Annual Process for Directors Currently in Office

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

### Determination of Qualifications of Incumbent Directors as Nominees

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

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

### Board Succession Planning Process

The Board succession planning process, more fully described below, takes into account the challenges and opportunities facing the Company and aims to maintain an appropriate balance of qualifications on the Board. It also assists the Board with a smooth transition when a Director leaves the Board or when new qualifications need to be added. Succession planning also assists with a reasonable level of turnover of Directors and keeps the Board at an appropriate size – i.e. large enough to allow Directors to fulfill their mandate on each Committee while remaining at a size that allows for open, informal and responsible discussion and debate.

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

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

In identifying and evaluating individual candidates, a general profile is applied. Personal attributes, education and experience, independence, sound business judgement, high performance standards, including successful record of achievement in his or her chosen field, and an understanding of the Company's industry are all important factors which are taken into consideration. As reflected in the G&E Committee mandate, in its efforts to select new Directors, the G&E Committee will abide by the provisions of the Company's "Diversity and Inclusion on the Board of Directors and in Senior Leadership Positions policy" (the "**Diversity Policy**"), which requires considering women, Aboriginal peoples, persons with disabilities and members of visible minorities as Board nominees.

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

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

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

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

Note that the Caisse has the right to recommend to SNC-Lavalin one (1) nominee for election or appointment as a Director, and that SNC-Lavalin has agreed that it will consult with the Caisse prior to the appointment of any new Chair of the Board. For details, see the "Voting Information" section of this Circular.

### Process for Selecting a New Chair of the Board in 2020

When the Board was made aware of Kevin G. Lynch's intention to retire as Director and Chair of the Board in September 2020, it established, following a recommendation from the G&E Committee, the Selection Committee, a non-standing Board Committee, to conduct the process for identifying a new Chair of the Board and to make a recommendation thereon to the G&E Committee and the Board. Zin Smati was appointed Chair of the Selection Committee which included seven (7) other independent Directors.

The Selection Committee retained the services of an external search consultant to assist it with the selection of potential internal and external candidates. Pursuant to the Investor's Rights Agreement between the Company and the Caisse, among other things, the Investor's Rights Agreement provides that the Company will consult with the Caisse prior to the appointment of any new Chair of the Board. The Chair of the Selection Committee duly consulted with the Caisse throughout the selection process.

A comparative analysis of the external and internal candidates was performed by the Selection Committee with the assistance of the external search consultant which included the following five categories: governance experience, leadership style and values, strategic business management, stakeholder engagement, and language and residency.

After a thorough analysis of top candidacies, the Selection Committee reached its decision and recommended to the G&E Committee and the Board that William L. Young be appointed as the new Chair of the Board and as a Director, effective September 9, 2020.

The Selection Committee was then disbanded following the appointment of Mr. Young as Chair of the Board on September 9, 2020.

## Director Selection Criteria

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

### DIRECTOR SELECTION CRITERIA

	GENDER		AGE		REGION		LANGUAGE		TENURE			LEVEL OF EXPERIENCE BY SKILL/COMPETENCY 1: Low 2: Medium 3: High													
	MALE	FEMALE	UNDER AGE 65	AGE 65 AND OLDER	QUEBEC	ONTARIO	U.S.	ENGLISH	FRENCH	0 TO 5	6 TO 10	11+	ENGINEERING INDUSTRY KNOWLEDGE	STRATEGIC PLANNING	RISK MANAGEMENT <sup>(1)</sup>	PROJECT MANAGEMENT	OPERATIONS	EXTENSIVE KNOWLEDGE/ EXPERIENCE U.S. AND U.K. MARKETS	GOVERNMENT/ REGULATORY AFFAIRS <sup>(2)</sup>	ACCOUNTING/FINANCE	HR/COMPENSATION <sup>(3)</sup>	TECHNOLOGY/IT <sup>(4)</sup>	CAPITAL MARKETS	MERGERS & ACQUISITIONS, DIVESTITURES, RESTRUCTURING, ETC.	PUBLIC COMPANY LEADERSHIP
G.C. BAUGHMAN	•		•				•	•		•			3	3	3	2	3	2	2	3	2	2	3	2	
M.-A. BELL		•	•		•			•	•	•			2	3	3	2	3	1	2	2	3	3	2	2	3
C.J.B. CLARK	•			•		•		•		•			1	3	3	2	1	1	2	3	3	2	3	3	3
I. COURVILLE		•	•		•			•	•	•			2	2	1	3	3	1	2	1	3	2	1	1	2
I.L. EDWARDS	•		•		•			•		•			3	3	3	3	3	2	1	1	2	2	1	1	2
S.L. NEWMAN	•		•				•	•		•			2	3	2	2	3	2	1	2	3	1	2	3	3
M.B. PEDERSEN	•		•			•		•		•			1	3	3	2	2	3	3	2	3	2	2	3	3
Z. SMATI	•		•				•	•	•	•			3	3	3	2	3	3	1	2	2	2	1	3	2
B.M. WARMBOLD		•	•			•		•		•			1	2	3	2	3	2	1	3	2	2	3	3	2
W.L. YOUNG	•			•			•	•		•			2	3	2	2	2	3	2	3	2	2	3	3	3

<sup>(1)</sup> The disclosure related to gender is derived from information provided by Directors. In accordance with privacy legislation, such information was collected on a voluntary basis. SNC-Lavalin did not make assumptions or otherwise assign data to Directors.

<sup>(2)</sup> Understanding of internal controls, risk assessments and reporting.

<sup>(3)</sup> Understanding of government and public policy at various levels (Federal, Provincial/State, Local, etc.).

<sup>(4)</sup> Understanding of executive compensation, talent management/retention, people development and succession planning.

<sup>(5)</sup> Knowledge of relevant emerging technologies, including artificial intelligence, applicable to the engineering industry.



- Integrity, honesty and the ability to generate public confidence and maintain the goodwill and confidence of the Company's shareholders;
- Sound business judgement;
- Independence of mind;
- Relevant education and experience;
- High performance standards, including successful record of achievement in his or her chosen field;
- Understanding of our industry;
- Capability and willingness to travel, to attend and contribute to Board functions on a regular basis; and
- Any other eligibility criteria deemed applicable by the G&E Committee in relation to independence, affiliation and conflict of interest.

### Director Tenure, Term and Retirement

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

#### Independent Director Term and Retirement Guidelines

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

Unless the Board agrees at its discretion to an extension of the Director's term of service, he/she is no longer eligible for re-election at the annual general meeting of shareholders following the 15<sup>th</sup> anniversary of his/her initial election to the Board.

The above guidelines do not apply to the President and CEO of the Company, who shall leave the Board upon his/her ceasing to be President and CEO. In the case where an incoming President and CEO has been recruited from outside the Company, the Board may consider keeping the former President and CEO as a Director during a transition period to be determined at the Board's discretion.

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

As at March 15, 2021, the average tenure of our nominee Directors on our Board is 2.4 years.

### Majority Voting Policy

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

## BOARD ASSESSMENT

To enhance the effectiveness of its Board evaluation process, upon the recommendation of the G&E Committee, the Board retained the services of an independent consulting firm to partner with the Board in designing and conducting the process for the 2020 Director performance assessment.

### Evaluation Tools

With the assistance of the independent consultant, the Board adopted an interview-based evaluation approach with the addition of electronic surveys and benchmarking against peers or best-in-class companies to gather feedback for the Board, Committees and individual Directors. The interview-based evaluation approach and electronic surveys covered, among others, Board and management alignment on purpose, Company strategy and key risks, Board and Committee structure and operations, Board composition and succession planning and investor and corporate governance matters. An individual Director peer assessment was also conducted by the independent consultant via Director interviews.

### Feedback and Action Planning

An independent consultant met with the Chair of the Board and the Chair of the G&E Committee to discuss the results of the report and the final report was subsequently shared with the G&E Committee and the full Board. As for the individual Director peer assessment, anonymous, actionable feedback was shared with each Director personally.

The Chair of the Board and the Chair of the G&E Committee then developed an action plan to address areas of opportunity identified in the Board and Committee evaluation report. This action plan was presented to the G&E Committee and the full Board.

## DIRECTORS' ON-BOARDING PROGRAM

### Process

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

## On-Boarding Program

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

Orientation sessions take place over the course of the first year a Director joins the Board and begin with new Directors being invited to attend all Committee meetings preceding the Board meeting during which he/she will be appointed as a Director. This is followed by orientation sessions with management, the Chair of the Board and Committee Chairs either preceding or following the quarterly Board meetings. Once these sessions are completed, a second session with management takes place around nine (9) months after they have joined the Board to explore any areas not covered in the initial orientation and to go more in depth on issues that draw on their specific expertise. All Directors are also invited to attend these orientation sessions.

## ONGOING DIRECTOR EDUCATION

### Process

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

As part of the Board performance assessment and in order to help determine the needs of our Directors in terms of ongoing education, each of our Director is invited to provide the Company with his/her interests and views on ongoing education.

### Development and Education Opportunities

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

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

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

Our Directors are also encouraged to participate in outside professional development and training activities and are

provided with a corporate membership for the Institute of Corporate Directors ("ICD") and the National Association of Corporate Directors ("NACD") which offers a continuing education program for directors.

### Site Visits

Site visits of the Company's facilities and operations are also viewed as educational opportunities for Directors. Site visits provide Directors with direct access to offices and construction site personnel, both employees and independent contractors, and assist them in grasping the nature and complexity of the Company's business and operations. Directors are invited to participate in full Board site visits which are organized on a yearly basis. They are also encouraged to do individual or small group site visits where the Company carries on its operations.

In 2020, given the COVID-19 pandemic, a virtual site visit of the Eglinton LRT project was held. All of our Directors attended this visit, except one. No site visits were held in person.

### Procedures

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

### Summary Table of Ongoing Director Education

The following table provides details on specific ongoing education initiatives provided to our Directors in 2020:

Topic	Presented by:	Attended by:
Risk and Complexity of LSTK Projects (three separate two-hour sessions)	Management	All Directors, except one (1) Director.
ED&I	Management	All Directors
Digital Perspectives	Management and McKinsey & Company	All Directors
Business Strategy	Management	All Directors

## CONFLICT OF INTEREST

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



## ETHICAL BUSINESS CONDUCT

SNC-Lavalin is committed to ethics excellence and continuously, meaningfully reinforces this commitment. The Company has instituted a number of measures aimed at verifying standards of conduct from certified training to strengthening internal controls and processes, and continues to review its integrity environment as part of its promise to stakeholders to be a Company that operates with the highest ethical standards.

### Code of Conduct

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

Our Code is available in nine (9) languages on our website ([www.snclavalin.com](http://www.snclavalin.com)) under "About Us"/"Integrity"/"Code of Conduct" and on SEDAR ([www.sedar.com](http://www.sedar.com)) under the name of SNC-Lavalin Group Inc.

The Code is under the responsibility of the CIO. The Company oversees compliance with the Code through its Ethics and Compliance Committee ("**ECC**"), a management committee chaired by the CIO. The specific monitoring of compliance with the Code by the ECC is reflected in the charter of the ECC.

Additionally, the Board oversees compliance with the Code through its G&E Committee, which is mandated to review overall compliance with the Code and report to the Board any issues relating thereto. The Audit Committee and the HR Committee are mandated to report to the Board any committee-specific element which falls under their responsibility. The CIO is required to provide quarterly reports to the G&E Committee on the ECC's overall activities and to the Audit Committee on accounting, internal accounting controls, auditing or fraud matters, while the EVP, HR provides quarterly reports to the HR Committee on HR-related compliance matters.

In 2020, no material change reports were required or filed in relation to any departure from the Code.

### Supplier Code of Conduct

In September 2017, the Company introduced its first Supplier Code of Conduct ("**Supplier Code**") which was updated in 2020 and is applicable to all of its suppliers, subcontractors and consultants (collectively, "**Suppliers**"), including any entity over which the Supplier has direct or indirect control. The Supplier Code summarizes the Company's expectations and governing principles as they apply to Suppliers – whether they work with SNC-Lavalin or on its behalf.

Our Supplier Code is available in six (6) languages and on our website ([www.snclavalin.com](http://www.snclavalin.com)) under "About Us"/"Integrity"/"Supplier Code of Conduct".

### Reporting Mechanism

Individuals with an issue or complaint regarding any known or suspected violation of our Code and its underlying policies, as well as any violation of applicable laws, rules or regulations or any observed instances of misconduct or pressure to compromise our ethical standards may report the matter via multiple lines of reporting as established by the Code. Issues, violations or complaints may be reported directly through managers, integrity officers, Human Resources representatives, relevant function representatives (e.g., Global Health, Safety & Environment, Legal, Global Security, Finance or Internal Audit), or via the reporting line which is a secure system operated by ClearView Connects, an independent third-party service provider which operates a toll-free telephone number and reporting website. The reporting line allows for anonymous reporting should the reporter wish to protect his or her identity. For details, see the Company's website ([www.snclavalin.com](http://www.snclavalin.com)) under "About Us"/"Integrity"/"Reporting Line".

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

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

### Protection of Reports and Confidentiality

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

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

### Integrity Organization and Program

A global integrity organization has been in place at the Company since March 2013. This organization is comprised of a corporate integrity and regulatory compliance function, dedicated sector, regional and functional integrity officers,

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



and a compliance remediation and monitoring group. It is responsible for developing, implementing and maintaining a comprehensive integrity program at the Company. All integrity officers ultimately report to the CIO, thus ensuring true independence of the integrity function. The CIO reports directly to the G&E Committee of the Board of Directors and, operationally, to the EVP and General Counsel of the Company.

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

In addition to our dedicated professionals, the integrity ambassador program aims to expand the integrity footprint from an awareness and communication perspective, foster a business environment that is committed to ethical practices and provide additional, local support to employees. Ambassadors act as points of contact for the integrity function, assist with on-location and in-person follow-ups for integrity matters where necessary, and participate in management meetings in order to communicate news and developments as they relate to integrity. In addition, they provide feedback for continuous improvement of the program to ensure we are committed to applying best practices.

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

Our integrity program is mandatory in all entities, sectors, business units and functional units across the organization, and is comprised of three action elements: prevent, detect and respond. This comprehensive and integrated approach maintains our ethical health, supports our long-term success, and preserves and promotes our values. Our integrity program components adhere to ethics and compliance principles from international bodies such as Transparency International, the Organization for Economic Cooperation and Development ("OECD"), the United Nations Global Compact, the World Bank, the African Development Bank, and follow the United States Department of Justice FCPA Guidance.

In order to maintain a culture centered on our value of integrity throughout the Company, in 2020, the Board of Directors provided oversight and/or approval of initiatives such as:

- The launch of an updated version of the Code as well as the conduct of the annual Code certification process;
- The introduction of a new Integrity KPI measure on communication by managers on Code topics;
- The continuous improvement and expansion of the integrity ambassador program across the Company's regions with the establishment of a dedicated knowledge sharing platform;
- The launch of a range of new and refresher training modules on integrity and finance topics;

- The launch of an updated version of our modern slavery and human trafficking statement;
- The launch of an updated version of our Supplier Code;
- The holding of our annual integrity awards, with winners selected among employees by a committee of peers under the leadership of the CIO;
- The conduct of a Company-wide integrity culture survey to measure the effectiveness of our integrity-related training and communications;
- The launch of the third global integrity week across the Company which focused on the themes of modern slavery and human trafficking, data compliance, and further elements of ED&I. Certain aspects of our integrity program, such as the ambassadors' program and the integrity communication tools (videos and presentations) were also highlighted;
- The sponsorship of the 5th edition of the Ted Rogers Ethical Leadership Case Competition, organized by Ryerson University in Toronto (Canada), where teams from universities across Canada were presented with a real-life case and evaluated on their approaches to the challenges of ethical leadership; and
- The participation in outreach events to inform our customers, business partners and other stakeholders about our initiatives to strengthen compliance in our industry that benefits all stakeholders.

In January 2021, for the second time, we were awarded with the prestigious "Compliance Leader Verification" from the Ethisphere Institute, an independent center for research, best practices and thought leadership. Ethisphere benchmarked our integrity program against the "2020 World's Most Ethical Companies" data set, providing insight into the programs and practices of leading companies around the world. Effective from 2021 to 2022, this recognition is conferred exclusively to companies with the best industry ethics and compliance program.

## SHAREHOLDER ENGAGEMENT

### Initiatives

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

- Corporate and investor relations websites;
- Annual meeting of shareholders. This year again, as a precautionary measure to proactively address the public health impact of COVID-19, to mitigate health and safety risks to our shareholders, employees and other stakeholders, and in line with governmental guidelines, the Company will hold the Meeting in a virtual format, which will be conducted via live webcast;
- Presentations, webcasts and audio recordings of past annual shareholders' meetings are available on the Company's website ([www.snc-lavalin.com](http://www.snc-lavalin.com)), under "Investors"/"Investor's Briefcase";

- Quarterly earnings conference calls held with financial analysts and institutional investors to present quarterly results;
- Presentations, webcasts, audio recordings and transcripts of past quarterly earnings conference calls are available on the Company's website ([www.snclavalin.com](http://www.snclavalin.com)), under "Investors"/"Investor's Briefcase";
- News releases announced throughout the year to disclose selected news and events;
- Ongoing investor relations' initiatives, such as meetings with investors and attendance at industry-related conferences; and
- Investors' e-mail address to encourage investors to address any specific questions or concerns they might have. Investors may send comments or questions via [investors@snclavalin.com](mailto:investors@snclavalin.com).

The Board also believes it is important to communicate with shareholders on matters that are important to them. Shareholders may submit individual queries, comments or suggestions to our Chair of the Board and other Directors by email at [chairoftheboard@snclavalin.com](mailto:chairoftheboard@snclavalin.com). Shareholders may also send their questions in writing to the Associate General Counsel and Corporate Secretary at:

Associate General Counsel and Corporate Secretary  
455 René-Lévesque Blvd. West  
Montreal, Quebec (Canada)  
H2Z 1Z3

In 2020, our Chair of the Board communicated periodically with a number of our largest shareholders and investors through various channels, including meetings, the annual report and the Letter from the Chair of the Board included in the Circular.

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

## EQUALITY, DIVERSITY & INCLUSION (ED&I)

### Diversity and Inclusion Policy

SNC-Lavalin is committed to ED&I. The Diversity Policy has been in place at the Company since 2016, which reflects the Company's commitment to this important issue. The Diversity Policy, which focused primarily on gender diversity, was amended in February 2020 in order to refer to diversity within "designated groups" and include individuals from the following four (4) categories as outlined in the *Canada Business Corporations Act* and defined in the *Employment Equity Act* (Canada):

1. Women,

2. Aboriginal peoples (defined as First Nations, Inuit or Metis)<sup>(1)</sup>,
3. Persons with disabilities (defined as persons who have a long-term or recurring physical, mental, sensory, psychiatric or learning impairment and who (i) consider themselves to be disadvantaged in employment by reason of that impairment, or (ii) believe that an employer or potential employer is likely to consider them to be disadvantaged in employment by reason of that impairment), and
4. Members of visible minorities (defined as persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour).

(the above-mentioned four (4) categories are hereinafter referred to as the "**Designated Groups**").

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

The G&E Committee for Directors and the HR Committee for executive officers and senior leaders are responsible for annually monitoring the implementation of the Diversity Policy and reviewing its content as well as assessing the effectiveness of the Director nomination and the hiring, promotion, retention and succession planning for executive officers and senior leaders processes against the progress made towards achieving the Company's diversity objectives outlined in the Diversity Policy and reporting to the Board thereon.

### Board Appointments

The G&E Committee is responsible for recommending qualified persons for Board nominations. As mentioned in the Diversity Policy, the G&E Committee has developed a set of criteria for Board membership that strives to attain a diversity of backgrounds and skills for the Board and, through its Board member search practices, seeks out qualified Board candidates, including individuals from the Designated Groups. The G&E Committee mandate expressly provides for the G&E Committee to abide by the provisions of the Diversity Policy to select new Directors. For details on our process for nominating new Directors, see the "Board Succession Planning Process" subsection of this Circular.

As mentioned in the Diversity Policy, in fulfilling their role, the HR Committee and the Board of Directors, when appointing the President and CEO and executive officers, and the various senior leaders, consider candidates that are highly qualified based on their experience, education, expertise and personal qualities. They review potential candidates from the Designated Groups and with diverse perspectives, with the Company's diversity objectives in mind, and consider the level of representation of candidates from the Designated

<sup>(1)</sup> Please note that for the purposes of the Company-wide initiatives and the disclosure in this Circular, the term "Indigenous" includes the term "Aboriginal".



Groups in executive officer and senior leader positions before making such appointments. As reflected in its mandate, the HR Committee monitors the effectiveness of programs, targets and initiatives put in place by management to meet the goals and objectives of the Diversity Policy.

The Company is of the view that it is preferable to identify and develop its internal talent pipeline, thereby enabling candidates from the Designated Groups within the Company to be identified and promoted for executive officer and senior leader positions appointments. The Company considers the level of representation of individuals from the Designated Groups and other components of diversity within its ranks and considers both as important factors in its search process for new candidates. Talent review sessions are held at least once a year to assess the succession plans for all key executive officers and senior leader positions and to adjust the strategy so as to ensure that talent is properly developed. The Company requires that succession plans for all executive officer and senior leader positions should include successors from the Designated Groups. The Company also measures, year over year, the representation of individuals from the Designated Groups in its talent pool.

## ED&I Targets

### Women

In August 2016, SNC-Lavalin established a 20% target of women on its Board, in executive officer positions and in senior leader positions.

When the target was set in 2016, 18% of our Directors were women. We achieved and surpassed the 20% target in 2018 when this percentage reached 27%. As at March 15, 2021, three (3) out of eleven (11) Directors (i.e. 27%) were women. Our new target of 30% applicable to Directors will be met after the Meeting, following Mr. Raby's departure. We intend to maintain this percentage for the Board, while achieving our other revised diversity targets for 2025, as described below.

With respect to executive officer positions, 18% of our executive officers were women when the 20% target was set in 2016. As at March 15, 2021, two (2) out of fourteen (14) members of our Executive Committee (i.e. 14%) were women. Following Mr. Muir's departure at the end of March 2021, two (2) out of thirteen (13) members of our Executive Committee (i.e. 15%) will be women.

As for senior leader positions, a total of twenty-one (21) women occupied senior leader positions at SNC-Lavalin as at March 15, 2021, which represents 17 % of the Company's total senior leader population (i.e. 124 individuals).

The Company aims to increase the proportion of women in professional roles and in all levels of management and has put in place the following measures to achieve this goal:

- Set revised diversity targets to be met by the end of 2025;
- Track the roles of women in its organization and make appropriate changes;
- Raise awareness of the benefits of diversity and inclusion through training and communication with a focus on unconscious bias;
- Ensure its policies and programs support diversity and inclusion principles and objectives; and
- Communicate its diversity and inclusion progress both externally and internally to attract more women.

The **revised diversity targets for 2025** are as follows:

- Female representation among executives<sup>(1)</sup> – **25% by 2025**
- Female representation in managers and senior professionals – **25% by 2025**
- Female representation in all regular staff – **33% by 2025**

### Aboriginal Peoples, Persons with Disabilities and Members of Visible Minorities

SNC-Lavalin has not set specific targets regarding the representation of Aboriginal peoples, persons with disabilities and members of visible minorities on its Board, in executive officer positions and in senior leader positions for the time being. The Company will evaluate the possibility of establishing targets for the representation of Aboriginal peoples, persons with disabilities and members of visible minorities on its Board, in executive officer positions and in senior leader positions. SNC-Lavalin recognizes, however, the important role Aboriginal peoples, persons with disabilities and members of visible minorities, with appropriate and relevant skills and experience, can play in contributing to different views and perspectives within the Board and management.

As at March 15, 2021, no (0%) Aboriginal peoples, persons with disabilities nor members of visible minorities were represented on the Board.

With respect to our executive officers, no (0%) Aboriginal peoples, persons with disabilities nor members of visible minorities held executive officer positions as at March 15, 2021.

As for senior leader positions, no (0%) Aboriginal peoples, one (1) (i.e. 1%) person with disabilities and nine (9) (i.e. 7%) members of visible minorities occupied senior leader positions as at March 15, 2021<sup>(2)</sup>.

<sup>(1)</sup> This comprises the Executive Committee and senior leader positions.

<sup>(2)</sup> The foregoing disclosure is derived from information provided by Directors, executive officers and senior leaders. In accordance with privacy legislation, such information was collected on a voluntary basis, and where a particular individual chose not to respond, SNC-Lavalin did not make assumptions or otherwise assign data to that individual.



## ED&I Program

In 2016, SNC-Lavalin launched its Diversity & Inclusion ("D&I") Program, mainly designed to promote the importance of women in professional and leadership roles and inspire women Company-wide to reach their career objectives. In 2018 and 2019, the D&I Program was revised, and a regional approach was adopted through the creation of six (6) regional D&I networks. A member of the executive team sponsors each regional network to ensure alignment between local efforts and overall D&I objectives, thereby offering leadership support towards the Company's D&I targets. Each region also benefits from the support of the local HR and Communications leadership team. Networks also count on proactive employee engagement and promote D&I through various initiatives, training and awareness campaigns.

In 2020, the D&I Program became the ED&I Program to include the concept of "Equality" as one of its core values in order to create a Company-wide culture of ED&I. In October 2020, we launched the new ED&I network for the Middle-East

and Africa region, which constitutes the 7<sup>th</sup> regional ED&I network established by the Company.

Our commitment to ED&I starts at the top and is cascaded through the Company, by encouraging role-modelling and holding accountable managers who make talent decisions. Employees can contribute to advancing the ED&I cause by treating their colleagues, clients, providers or other business partners with respect, consideration, curiosity and an open mind.

In 2016, SNC-Lavalin joined the 30% Club Canada, an organization that encourages and supports companies, through a voluntary approach, to appoint more women at board level as well at senior management levels. We believe that this reflects our commitment to hire, train and ensure women have equal opportunity to achieve their professional goals and access key-decision roles.

We published our commitment towards ED&I in 2018 and updated it in 2020:

### Our commitment towards ED&I

*"We believe that greater diversity will further strengthen our talent pool, enabling us to better serve clients and achieve our business objectives. This way, we will continue to work towards increasing the number of women in professional and in management positions while offering employees more choices and empowering them to reach their career goals. We are convinced that the different viewpoints and experiences of a diverse workforce offer best value to our clients and our employees. We are a multi-local company: we assemble teams that cross geographical and cultural boundaries and recruit from around the world. We want SNC-Lavalin to be an organization where everyone feels included, where everyone is in an environment where they can thrive, where everyone can be their 'true self', and where everyone can reach their full potential.*

*We are dedicated to:*

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

*Though the above defines what we are doing, how we do it matters more. As the saying goes, a goal without a plan is just a wish – and we're not in the business of wishful thinking. We make things happen.*

*Our plan for progress is defined at a global level, aligned with our wider business strategy and values. Built on 3 pillars, it acts as a guiding principle for all our people across varying business functions and countries."*

SNC-Lavalin is a member and supporter of Catalyst, a global not-for-profit organization that works with companies around the world to accelerate women into leadership roles. We also support professional organizations such as the Conference of Minority Transportation Officials ("COMTO"), the National Organization of Minority Architects, and the

Women's Transportation Seminar ("WTS"). This support has extended to the provision of major scholarship programs for organizations such as the National Society of Black Engineers, the Society for Women Engineers, COMTO, and WTS.

## 2020 ED&I Initiatives

Here are some examples of actions taken in 2020 to promote ED&I throughout SNC-Lavalin:

- In honour of International Women's Day on March 8, we celebrated the contribution of women all around the world in different ways. Articles were published on the Company's Intranet portal, career blog posts were made on the Company's career page, activities were organized in offices, and content was produced for social media channels;
- In the spring of 2020 in Montreal, Quebec, 20 women participated in L'Effet A, a 100-day initiative aimed at female professionals wishing to optimize their talents and drive their careers forward;
- In June, we marked Pride Month, a 30-day celebration of the impact the LGBTQ2+ community has had around the world;
- In October, we celebrated SNC-Lavalin's very first ED&I month. This initiative was launched to celebrate diversity in the backgrounds and experiences of the people who make up the SNC-Lavalin family, as well as to give us an opportunity to reflect on what we can all do – individually and collectively- to make each and every employee feel as comfortable and included as possible in the workplace. Throughout the month, our teams organized and facilitated over 100 activities around the world. The variety of activities reflected the diversity of our Company, such as book clubs, panel discussions, TED Talks, movie screenings, webinars, unconscious bias training modules for our managers, and ED&I ambassadors nominated and trained in each region to promote ED&I month within their geography, among others;
- In October, we saw the launch of the 2020 Female Mentoring Program by our Asia Pacific ED&I network, an initiative with the key objective to support the professional development of women and the retention of their skills within our industry; and
- Our U.S. ED&I network hosted two "Women Inspiring Leadership" national webinars on the topics of "Women in Project Management" and "Inspiring Leadership during Challenging Times". We also continued to support our minority scholarship program, and in 2020, gave minority scholarships to students across the U.S.

## ENVIRONMENTAL AND SOCIAL STEWARDSHIP

In a society which is changing at a rapid pace, we are not alone in fundamentally transforming the way we operate to respond to climate change, population growth and other major risks and opportunities facing society. We have been helping our clients to address these challenges for many years. However, over the last year, SNC-Lavalin launched a major new initiative: *Engineering Net Zero*, in which we commit the organisation's capability, brightest minds, and passion to addressing the challenge of climate change. Our focus is on looking at the hard challenges that come with creating the net zero world that is needed to manage the risk of dangerous climate change. How to build the low carbon system of the future at the pace required? How to manage the interconnection between energy supply, distribution and demand to ensure low carbon energy reaches our

communities and powers our future growth? How to support clients to manage their existing assets – 70% of which will need to be part of a net zero 2050? SNC-Lavalin has framed the challenge through market-leading thought leadership. This started in the UK in November 2019 with our first *Engineering Net Zero* report which set out the pathway and no regrets actions that the UK Government would need to take to deliver on its legally-binding low carbon commitments. In March 2021, SNC-Lavalin produced the equivalent report for Canada, aimed at supporting the Government as it moves towards legally binding decarbonization targets for Canada.

In February 2021, SNC-Lavalin has entered into a binding agreement to sell its Resources Oil & Gas business, a significant step forward in the Company's strategy to reduce its risk profile and accelerate its ongoing transition to becoming a leading provider of professional engineering services and project management solutions. The transaction is also an important milestone in the Company's journey towards its sustainability business strategy, as highlighted in the Company's 2019 Sustainability Report.

### *Engineering Net Zero*

Yet, it is through the work we do in partnership with our clients that we make the most significant impact in tackling the climate change challenge. SNC-Lavalin has a long and proud history of supporting clients with low carbon solutions both through the generation of low carbon power, and the reduction of carbon in the design, build, operation and decommissioning of assets. Our *Engineering Net Zero* sets out the breadth of our offer to clients as we support them to meet their net zero goals. These services include:

- Strategic Carbon Advisory: A strategic carbon-planning service which supports clients with industry-leading route maps and planning. From concept through to implementation and management, we will clarify and direct the path to net zero carbon and deliver the pragmatic, cost-effective solutions required to deliver on our net zero commitments.
- Net Zero Energy Systems: SNC-Lavalin provides a whole-system approach to delivering end-to-end capability across the whole lifecycle of generation assets. We support our clients in decarbonising key areas of existing systems, designing new low carbon power assets, approaches to carbon capture, integrating clean-energy solutions, and developing solutions to enable the decarbonisation of the wider built environment.
- Buildings and Cities: From single buildings, to sustainable campuses, estates, and cities, SNC-Lavalin supports clients to deliver their net zero plans throughout the lifecycle of their assets and integrate new or existing buildings to create the net zero communities of the future. SNC-Lavalin applies industry-leading methods and practices to deliver high-performing buildings and developments, interconnected by smart and green systems and infrastructure, and take into account the wider context of competing commercial, economic, social and environmental priorities.
- Net Zero Transportation: SNC Lavalin supports clients to accelerate the shift to low- or zero-carbon modes. We



support plans to shift to lower carbon modes of local transport, the decarbonization of road traffic through a rapid transition to electric vehicles, the decarbonization of longer-distance passenger and freight movement, with greater use of electrified railways, and new technology for heavy goods vehicles, planes and shipping, across design, operation and maintenance.

- **Net Zero Industrial Solutions:** SNC-Lavalin draws on our cross-sector expertise to create complete pathways to net zero and also build climate resilience for new and existing assets. Our whole-of-system services range from advice on nature-based solutions, land use and strategies for building greener value chains, to repurposing and recycling existing assets, smart maintenance, green logistics and design and Modern Methods of Construction.
- **Greenhouse Gas Removals:** In any pathway to a net zero world a significant amount of carbon dioxide will need to be removed from the atmosphere. This is likely to happen through a combination of nature-based and mechanical solutions, such as direct air capture. SNC-Lavalin will support clients to identify, design and deliver the right solution to keep them on their net zero trajectory.

Through *Engineering Net Zero* SNC-Lavalin will be intensifying its focus on putting sustainability at the heart of its business strategy and undertake business activities in a way that is beneficial to the environment, society, as well as both global and local economies. Our sustainable business strategy is aligned with the UN Sustainable Development Goals and recognizes the importance of advancing the triple bottom line of environmental, social and economic sustainability, placing our business model in line with a global imperative to “leave no one behind”. These goals are a concerted effort by the international community to address pressing issues such as climate change, unfettered energy consumption, inequality, health and well-being, and a lack of clean water and sanitation. We are also a member of the UN Global Compact, signifying our support to adopting universal sustainability principles for the good of all.

As we deliver our *Engineering Net Zero* program we will be intensifying our contribution to the three Sustainable Development Goals which we consider to be most material to our business strategy, our capability, and to our stakeholders.

### Contribution to the United Nations Sustainable Development Goals

#### Goal 7: Affordable and Clean Energy

The first UN goal we are prioritizing is Goal 7, Affordable and Clean Energy, which requires organizations to ensure access to affordable, reliable, sustainable and modern energy for all. With a need for the world to decrease our reliance upon hydrocarbons, we are looking at the future developments in clean energy markets such as hydro, nuclear, wind, solar and carbon capture to ensure our future strategic growth initiatives align to the establishment of affordable and clean energy systems, building on our existing market presence, skills and capabilities.

Within this, we recognize that our role is not simply one of following markets; we are very clear that as an industry leader, we have a responsibility in helping to shape the

energy markets of the future. This is encompassed through our approach of *Engineering Net Zero*, where some of our brightest minds have sought to highlight the future direction of travel and the decisions that Governments must take, coupled with the urgency with which they must act, if we are to meet the 2050 goal.

Alongside our prominent thought leadership on net zero carbon, we are also looking at how we engage and support the education of our teams on all aspects of net zero and ensure this becomes part of the everyday vernacular not just within our business, but within society as a whole. This includes our education and outreach programs to local schools, with the recent launch of our “Net Zero Superheroes” program for UK school children aged 10-14 as the latest example of this engagement.

A copy of our Goal 7, Affordable and Clean Energy Report, is available on our website ([www.snclavalin.com](http://www.snclavalin.com)) under “Sustainability”/“UN Sustainable Business Strategy”/“Goal 7 – Affordable and Clean Energy”. This report outlines some of the energy efficiency and low and zero carbon energy projects and initiatives we are currently working on which contribute to this goal.

#### Goal 11: Sustainable Cities and Communities

The second UN goal that we are prioritizing as a Company is Goal 11, Sustainable Cities and Communities, which requires organizations such as ours to make cities inclusive, safe, resilient and sustainable.

Creating sustainable cities and communities is about far more than reducing carbon, but it is an increasingly important focus for clients. Our *Engineering Net Zero* service offers are designed to support clients as they plan to decarbonize their assets whether at building, estate or whole city level, for both new and existing building stock. We support cities through our master planning services. Our transport teams around the world work with clients to design and build the mass transit solutions that will move people and goods efficiently. Our architecture teams design award winning public spaces for communities to enjoy, whilst more broadly we help clients to quantify and manage the carbon emissions of their existing assets as well as delivering new net zero buildings.

Our Digital Twin capability, a core part of our Digital Future program, provides an exciting opportunity to engage clients in new ways to support them as they design and operate their assets in new, lower carbon ways in the future.

A copy of our Goal 11, Sustainable Cities and Communities Report, is available on our website ([www.snclavalin.com](http://www.snclavalin.com)) under “Sustainability”/“UN Sustainable Business Strategy”/“Goal 11 – Sustainable Cities and Communities”. This report outlines some of the sustainable infrastructure projects and initiatives we are currently working on which contribute to this goal.

#### Goal 13: Climate Action

The third UN goal we are prioritizing is Goal 13, Climate Action, which requires organizations to take urgent action to combat climate change and its impacts.

Whilst our approach to net zero in terms of how energy is produced and energy is used is aimed at helping to mitigate



the worst effects of man-made climate change, we also recognize our responsibility in helping to create a society that is resilient to the effects of climate change that may already be 'locked in'. We need to do both.

Our work with the water sector around the world is a good illustration of how we do this. We work with clients and Government agencies to create actionable net zero plans which build in climate resilience as a core principle. We also have a deep capability in resilience services. For example, we work extensively for Federal agencies in the U.S. on disaster

relief operations that respond to episodic events often, though not exclusively, on water-related infrastructure. We also work on longer-term programs to improve the resilience of infrastructure to climate-related and other natural disasters.

A copy of our Goal 13, Climate Action Report, is available on our website ([www.snclavalin.com](http://www.snclavalin.com)) under "Sustainability"/"UN Sustainable Business Strategy"/"Goal 13 – Climate Action". This report outlines some of the climate mitigation, adaptation and resilience initiatives and projects we are currently working on which contribute to this goal.

### Our Net Zero Carbon 2030 Target and Commitment

Our approach to sustainability is encapsulated under our *Engineering Net Zero* strategy which sets out how, as a leader in the design and delivery of the built environment, SNC-Lavalin can support clients build a low carbon future.

However, we also recognize that we need to reduce our own emissions. We are committed to accomplishing this through our progressive net zero plan, which sets out how we will reach **our goal of achieving net zero carbon emissions for corporate activities by 2030.**

The plan focuses on:

- Driving down the carbon emissions arising from energy and consumables used within our offices;
- Driving down the carbon emissions from business travel; and
- Carbon offsetting solutions.

A copy of our 2019 Sustainability Report is available on our website ([www.snclavalin.com](http://www.snclavalin.com)) under "Sustainability"/"2019 Sustainability Report".

### Social Contributions

SNC-Lavalin's Donations and Sponsorships Program supports initiatives that have a positive impact on communities, learning and innovation, as well as those that stimulate progress. The amount of \$1 million in annual financial commitments are made to educational causes – the Program's focus – and initiatives that support the next generation of talent. The Company also contributes to charities that build caring communities, such as United Way Canada/Centraide, various health care organizations and those that support the development of arts and culture. In addition to monetary commitments, the Program encourages employees to be actively engaged in their communities by providing a matching fund allowance for donations made by employees, in time or in money, as well as paid leave to undertake volunteer work.

During 2020, SNC-Lavalin amplified its resiliency and agility in the face of the pandemic with continued support to the communities where it operates, including maintaining all its financial commitments with organizations and causes that it has long supported. These included the United Way Canada, Allô Prof (online tutorial forum for students), Robotics First (AI educations for students), Engineering and STEM Education programming, cancer and pediatric diseases research and arts and culture organizations.

### COVID-19 Support

The Company also implemented measures and initiatives that supported our various stakeholders in the context of the COVID-19 pandemic. We donated an amount equivalent to over \$1 million in KN95 masks to the provinces of Quebec and Ontario. In direct assistance to national COVID-19 response efforts, SNC-Lavalin also:

- Developed and implemented an overall strategy that included health services and social housing initiatives leveraging our existing EDAROTH capabilities.
- Provided a range of services in support of the Government of Canada's COVID-19 response effort, including the provision of design expertise to help deliver up to ten, 100-bed Mobile Health Units.
- Supported the NHS Nightingale temporary hospital to treat COVID-19 patients in Bristol, UK.
- Contributed to the construction of an alternative care site in the Miami Beach Convention Centre, Florida.
- Worked with a number of hospitals, health authorities and labs, on an ad hoc basis in the provision of services.
- Endorsed with pride the creativity of employees around the world who utilized their expertise, for example with advanced 3D printing, in the production of shields and other personal protective equipment.

## Indigenous Peoples

We have a long history of working and collaborating with Indigenous communities across Canada. In recent years, Indigenous commitments have increasingly become a procurement requirement for large projects, and an expectation of our clients as part of meeting sustainable development objectives.

In early 2019, we became a committed member of the Progressive Aboriginal Relations ("PAR"), an online management and reporting program that supports progressive improvement in Aboriginal relations, and a certification that confirms corporate performance. This program is overseen by the Canadian Council of Aboriginal

Business ("CCAB"). The PAR Certification will lead to improving our practices in four (4) key areas for Aboriginal inclusion, namely leadership actions, employment, business development and community relationships. By passing annual audits, we aim at becoming a PAR-Certified member in 2022. In September, the CCAB recognized SNC-Lavalin's successful completion of the requirements for the first year of the PAR program.

As part of the PAR program, in 2020, we published our commitment towards Indigenous Peoples to guide us in achieving and sustaining Indigenous inclusion, and in developing positive relations with Indigenous Peoples:

### Our commitment towards Indigenous Peoples

*"Aligned with SNC-Lavalin's corporate vision and values, we honour Indigenous rights and culture, and require respectful and fair dealing with Indigenous communities, businesses, entities and community members in all business activities conducted by our employees, legal entities, partnerships (including joint ventures) and operations within Canada.*

*SNC-Lavalin is committed to establishing and maintaining mutually respectful and meaningful relationships between Indigenous communities, our clients and our Company. Consistent with that approach, SNC-Lavalin is committed to increased collaboration with communities and partnering with Indigenous businesses for the benefit of all parties.*

*Guided by the Constitution of Canada, the United Nations Declaration on the Rights of Indigenous Peoples ("UNDRIP") and the recommendations of Canada's Truth and Reconciliation Commission as a framework, we are committed to taking ongoing positive and concrete steps towards reconciliation."*

In 2020, we also undertook the following:

- We observed National Indigenous Peoples Day, a day for all Canadians to recognize and celebrate the unique heritage, diverse cultures and outstanding contributions of First Nations, Inuit and Métis peoples. We hosted Tabatha Bull, President and CEO of CCAB for a dialogue session on actions we can each take to support and promote indigenous prosperity, and
- To further formalize our commitment towards Indigenous Peoples, and as another step forward in our involvement in the PAR program, we issued an Indigenous Relations and Inclusion Procedure, the purpose of which is to apply the Company's values, direction and know-how to our actions and decision-making as they relate to Indigenous inclusion and to the development of positive relationships with Indigenous Peoples.

# Other Information

## INDEBTEDNESS OF DIRECTORS AND OFFICERS

As of March 15, 2021, there was no indebtedness of current or former Directors, officers or employees of the Company or its subsidiaries, whether entered into in connection with the purchase of securities of the Company or otherwise.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Certain information related to the interest of informed persons in material transactions can be found under the headings "Interest of Management and Others in Material Transactions", on page 31, and "General Development of the Business", on pages 7 to 11, of the Company's AIF dated March 8, 2021, which disclosure is incorporated by reference herein. The AIF may be viewed on the Company's website ([www.snclavalin.com](http://www.snclavalin.com)) under "Investors"/"Investor's Briefcase" and on the SEDAR website ([www.sedar.com](http://www.sedar.com)) under the name of SNC-Lavalin Group Inc. A copy will be provided free of charge upon request by any securityholder of the Company.

Other than as elsewhere described herein and in the abovementioned sections of the AIF, management of the Company is not aware of any material interest, direct or indirect, of any informed person of the Company, any proposed Director or any associate or affiliate of any informed person or proposed Director in any transaction since the commencement of the Company's most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect the Company or any of its affiliates or subsidiaries.

## RELATED PARTY TRANSACTIONS

Under the Code, Directors must declare, among others, any direct or indirect material interest or relationship that he or she may have in a material contract or transaction. In addition, to comply with the independence criteria established by the CSA and assist in identifying and monitoring possible related party transactions, Directors are required to complete an annual questionnaire and quarterly certifications disclosing any related party transactions. The Audit Committee is responsible under its mandate for reviewing related party transactions in accordance with IFRS and applicable laws and regulations. To the extent that it is necessary to do so, the Audit Committee may retain outside advisors to assist it in reviewing related party transactions.

## SHAREHOLDER PROPOSALS

The last day for submission of proposals by shareholders to the Company, for inclusion in next year's circular in

connection with the 2022 annual meeting of shareholders, will be December 14, 2021.

## AVAILABILITY OF DOCUMENTS

Financial information is provided in the Company's annual and quarterly financial statements and annual and quarterly MD&A. The Company is a reporting issuer under the securities acts of all provinces of Canada and complies with the requirement to file annual and quarterly financial statements, annual and quarterly MD&A as well as its Circular and AIF with the various securities commissions in such provinces. The Company's most recent annual financial statements, annual MD&A, quarterly financial statements, quarterly MD&A, Circular, AIF and additional information relating to the Company may be viewed on the Company's website ([www.snclavalin.com](http://www.snclavalin.com)) under "Investors"/"Investor's Briefcase" and on the SEDAR website ([www.sedar.com](http://www.sedar.com)) under the name of SNC-Lavalin Group Inc.

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

## WEBSITE REFERENCES

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

## APPROVAL OF DIRECTORS

The contents and mailing of this Circular have been approved by the Board of Directors of the Company and were sent to each Director, each shareholder whose proxy is solicited and to the auditors.

Montreal, Quebec, March 15, 2021.

## ON BEHALF OF THE BOARD OF DIRECTORS

Andrée-Claude Bérubé *(signed)*

Associate General Counsel and Corporate Secretary



# Schedule A – Shareholder Proposals

The four (4) proposals below were submitted by the *Mouvement d'éducation et de défense des actionnaires* ("MÉDAC"), 82 Sherbrooke Street West, Montreal (Quebec) H2X 1X3, Canada, a holder of Common Shares of the Company, for consideration at the Meeting. The proposals were submitted in French by the MÉDAC and translated into English by the Company.

Following discussions with MÉDAC and in light of the Company's answers included below, it was mutually agreed not to hold a vote on these four (4) proposals at the Meeting.

## PROPOSAL NO. 1: PURPOSE AND COMMITMENT

### ➤ Not submitted to shareholder vote

#### MÉDAC's Proposal as Submitted (translation):

It is proposed that the Board of Directors and management specify SNC-Lavalin's purpose ("*raison d'être*") as an organization, and that one of the committees of the Board of Directors be mandated to monitor the deployment of policies, commitments and initiatives to deliver on this new strategic direction in terms of health, the environment, human resources and stakeholder relations, among others.

#### MÉDAC's Argumentation in Support of the Proposal as Submitted (translation):

In August 2019, the Business Roundtable, an association whose members include leaders from major American companies, published a statement that a company's purpose could not be limited to the sole pursuit of profit and must take into account all stakeholders that may be affected by its activities, including customers, employees, suppliers, communities and shareholders. Businesses lose their purpose when they don't have social value.

A company's purpose refers to how it intends to play a role in society beyond its economic activity alone. According to Jean-Dominique Senard, President of Renault, "Purpose connects the past with the present; it's the company's DNA. It has no economic significance but is rather a matter of vision and direction."<sup>1</sup> At its core, it's "the contribution the company wishes to make towards key social, societal, environmental and economic issues in its industry by involving its main stakeholders."

While many companies have launched several good initiatives in this direction over time, the various institutional reports don't show any purpose that would meet the aforementioned definition. In addition, there's no Board committee mandated with coordinating all actions to support bringing this purpose to life. More specifically, the purpose of this committee should be to:

- Prepare and inform the work of the Board with respect to deploying policies, commitments and initiatives implemented by SNC-Lavalin as part of its strategic directions, including in terms of health, environment and human resources.
- Talk with stakeholders about its progress towards these goals and report back to the Board during its meetings.
- Review the extra financial accountability and control systems, as well as the main results of the extra financial information published by SNC-Lavalin.
- Inform shareholders of the various issues raised during its work.

For this notion of purpose to become a practical reality, not just some marketing tagline, it must have a tangible expression in an institution's governance practices.

In closing, a growing portion of investors believe that organizations with no social value lose all purpose.

<sup>1</sup> Jean-Dominique Senard: "Le sens et le pourquoi nourrissent la motivation," [French only] *Les Échos*, June 8, 2018 <https://business.lesechos.fr/directions-generales/innovation/innovation-sociale/0301754783119-jean-dominique-senard-president-de-michelin-le-sens-et-le-pourquoi-nourrissent-la-motivation-321483.php>

## Board of Directors' Response

Our industry is driven by climate disruption, resource scarcity, rapid urbanization, demographic transformations, shifts in economic power and technological innovation.

As a leader in the design and delivery of the built environment, SNC-Lavalin has a unique role to play in influencing what gets built, and how new technologies and methods can be used to create and operate infrastructure assets, while minimizing the impacts they have on society.

Therefore, and in line with this role, we have decided to develop a corporate purpose statement. In addition, we are also updating our vision statement which already includes the notion of sustainability in everything we do.

We are in the process of consulting our employees on both the purpose and vision statement with the objective to officially present these statements at the AGM 2021. Following this, in the course of 2021, we will modify the Board of Directors' and G&E Committee mandates to refer to our corporate purpose.

The statements are in line with our approach to sustainability. Our Sustainability Policy Statement, announced in November 2019 in conjunction with our Sustainable Business Strategy, demonstrates the company's long-term commitment to sustainable development and to the 2030 United Nations Agenda for Sustainable Development. The Strategy outlines how SNC-Lavalin will embed sustainability principles in every business activity, at corporate, sector and project levels. The document is based on the UN Sustainable Development Goals and focuses on ten (10) measurement categories to guide implementation across all our operations.

For more information on our environmental and social stewardship, please refer to page 80 of this Circular and to our 2019 Sustainability Report available on our website ([www.snclavalin.com](http://www.snclavalin.com)) under "Sustainability"/"2019 Sustainability Report".

**As agreed with MÉDAC, this proposal is not being submitted to shareholder vote.**

\* \* \* \* \*

## PROPOSAL NO. 2: VIRTUAL MEETINGS AND SHAREHOLDER RIGHTS

### ➤ Not submitted to shareholder vote

#### MÉDAC's Proposal as Submitted (translation):

It is proposed that the Board of Directors adopt a policy setting out the terms and conditions for holding virtual annual meetings.

#### MÉDAC's Argumentation in Support of the Proposal as Submitted (translation):

Over the past year, banks and many other organizations have used new teleconferencing technologies to hold their annual general meetings in response to the pandemic. While well aware that these new technologies were often used by organizations for the first time, MÉDAC, like other individuals or organizations submitting shareholder proposals or wishing to make comments or suggestions at these virtual meetings, unfortunately experienced problematic situations that limited the scope of their participation. Specifically, our perception of the 2020 virtual annual meetings was as follows: "Unfortunately, we did not have a voice during these meetings. It was impossible for shareholders to have the floor during these virtual meetings. The only people who spoke at these meetings were the representatives [of the corporations], the chairperson [of the Board, and therefore meeting], the CEOs, etc.<sup>1</sup> For smaller shareholders, this reduced presence at annual meetings can have an impact on the success of their long-term proposals, as they cannot defend them in person and thus build additional support in the event that their proposals are subsequently tabled.

These threats are concerning for shareholder participation, which, following a breakdown of the dialogue with the issuer or for any other reason, goes the route of submitting shareholder proposals in proxy circulars and at annual meetings.

The experience from the past 20 years has shown the added value of shareholder participation and shareholder proposals on governance, such as the separation of the duties of the President and CEO and the Chair of the Board, the advisory vote on executive compensation, disclosure of compensation for auditors and compensation advisors, having women on boards and in senior management, access to proxies for appointment of directors, etc.

We recommend that the Board of Directors adopt a policy setting out the terms and conditions for shareholder participation in virtual annual meetings:

- Presentation of shareholder proposals by the people or organizations who filed them for a period that's at least equal to the time required to read said proposals.
- Ability to see both shareholders and the senior leadership virtually during their interactions.
- Opportunity to ask spontaneous questions following management presentations.
- Real-time interaction between shareholders and the meeting chair.
- In the event that issues raised by shareholders cannot be addressed at the annual meeting, posting management answers on the Company's website and in SEDAR within 10 days of the meeting.

<sup>1</sup> <https://medac.qc.ca/1798/>

#### Board of Directors' Response

We have always encouraged our shareholders to attend, participate and vote at the Meeting. Once again this year, given the COVID-19 pandemic and despite our hopes of holding a hybrid Meeting, we are forced to hold our Meeting virtually to mitigate health and safety risks to our shareholders, employees and other stakeholders and abide by public health restrictions. Despite the restrictions, we are striving to hold a virtual Meeting that will resemble in-person meetings as much as feasible considering the limitations, including technical ones.

When attending the Meeting, which will be conducted via live webcast, shareholders will have the opportunity to participate in real time and vote at the Meeting online, through a web-based platform, regardless of their geographic location. In order to participate, vote and ask questions at the Meeting online, shareholders will need to follow the instructions indicated in the "Voting Information" section of this Circular and in their form of proxy or voting instruction form, as applicable.

Furthermore, we have adopted "Rules of Conduct and Procedures for the Meeting" so that our shareholders can understand the process around participating, voting and asking questions at the Meeting. They can be found in the "Voting Instructions" section of this Circular. A shareholder who has submitted a shareholder proposal which is included in the Circular will be able to state his or her proposal during the Meeting by telephone.

At the Meeting, registered shareholders and duly appointed and registered proxyholders will have the opportunity to:

- Ask specific questions relating to matters to be voted on before a vote is held on each matter, if applicable; and
- Ask general questions during the question period to be held following the adjournment of the formal business of the Meeting.



They will be able to do so by online chat as technical limitations do not allow, at this time, for questions to be asked by telephone and answered in an efficient manner.

We believe that the holding of a virtual Meeting, to be conducted via live webcast, as well as the implementation of Rules of Conduct and Procedures for the Meeting will permit all shareholders to participate and communicate adequately during the Meeting as well as ensure the effective conduct of the Meeting. We therefore encourage all shareholders to attend, participate and vote at the Meeting.

**As agreed with MÉDAC, this proposal is not being submitted to shareholder vote.**

\* \* \* \* \*

## PROPOSAL NO. 3: INTEGRATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) CRITERIA INTO EXECUTIVE COMPENSATION

➤ Not submitted to shareholder vote

### MÉDAC’s Proposal as Submitted (translation):

It is proposed that the compensation committee table, in its annual report, a report on the importance it assigns to integrating environmental, social and governance criteria when assessing the performance of senior executives and in setting their incentive compensation.

### MÉDAC’s Argumentation in Support of the Proposal as Submitted (translation):

A similar proposal was tabled last year and obtained 6.04% of the shareholders who expressed their voting rights. In your response to our proposal, you stated, “However, the HR committee is aware of the growing importance of broader ESG measures and will continue to review them with respect to the RIA and global compensation for senior management.”

We therefore reiterate our proposal and request that the Board of Directors report to shareholders and stakeholders on the measures taken to position SNC-Lavalin in that direction.

### Board of Directors’ Response

The Board and senior management are committed to advancing ESG as key pillars of our sustainability strategy. This commitment is already outlined in our annual Sustainability Report and Policy Statement and our Sustainable Business Strategy.

Our Policy Statement, in conjunction with our Sustainable Business Strategy, demonstrates the Company’s long-term commitment to sustainable development and the 2030 United Nations Agenda for Sustainable Development. To align with our business strategy, we have focused on three United Nations sustainability development goals as priorities – “Affordable and Clean Energy”; “Sustainable Cities and Communities”; and “Climate Action”, these are the goals that we believe are most important to SNC-Lavalin and where we can have the most immediate impact.

In the Annual Incentive Plan (“AIP”) for senior management, the Company has already included two (2) important measures that relate to ESG criteria, firstly relating to health, safety and environment (“HSE”) criteria and secondly to integrity both of which are aligned with key components of our sustainability strategy. Following a review this year, for 2021 we will also be introducing a diversity and inclusion target into the AIP for all members of our Executive Committee and operational leadership group. The Board will also keep ESG criteria under review in 2021 when considering incentive measures for the following year.

For more information on the incentive plans put in place by the Company and the inclusion of measures relating to ESG criteria in the AIP for senior management, please refer to pages 33 and 34 of this Circular.

The Board believes that a combination of the strategic priority already being given to ESG, the information that the Company already discloses on these matters as described on pages 80 to 83 of this Circular, along with the measures in our AIP for senior management, represent a significant commitment to advancing our ESG agenda and therefore, the additional reporting requested by MÉDAC is not required at this time.

**As agreed with MÉDAC, this proposal is not being submitted to shareholder vote.**

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## PROPOSAL NO. 4: DISCRETIONARY POWER OF THE BOARD OF DIRECTORS AND THE COMPENSATION COMMITTEE

➤ Not submitted to shareholder vote

### MÉDAC's Proposal as Submitted (translation):

It is proposed that the Circular explicitly outline the guidelines used by either of these bodies to review the compensation and performance objectives of its senior leadership.

### MÉDAC's Argumentation in Support of the Proposal as Submitted (translation):

Over the past year, the health and economic crisis will surely have had an impact on the key performance indicators and related targets that senior leadership was expected to meet during 2020. Have the Board of Directors and the HR Committee adjusted the objectives, if necessary, or have they used a special power to review the compensation policy, considering that performance against pre-established targets does not fully reflect the overall quality of the performance exercise of these executives?

The purpose of this proposal is to request that the Company specifically disclose the adjustments that have been made to key performance indicators, targets and the associated compensation for all of its senior executives, if such is the case.

### Board of Directors' Response

Despite the challenges presented by the COVID-19 global pandemic, our philosophy for executive compensation has remained unchanged. We pay for performance and seek to ensure that executive compensation is directly linked to the achievement of our business objectives.

In the unprecedented context of the COVID-19 pandemic, it has been necessary for the HR Committee to keep under regular review, and in some circumstances, recommend to the Board of Directors to use its discretionary power to make necessary adaptations to ensure that our compensation framework for 2020 still incentivized and paid for performance. All such adjustments to our compensation framework made during the year, including implementing base pay reductions in the second quarter of the year, the cancellation of the financial element of the Annual Incentive Plan ("AIP") for the first half of the year and the setting of revised financial targets for second half of the year have been described in detail on pages 32, 33, 41 and 42 of this Circular.

During the year we have also made other forward-looking changes to elements of our executive compensation framework to ensure that it continues to be appropriately aligned to our Company's strategic objectives and focus going forward. These changes will be applied in 2021 and have also been disclosed in pages 33 and 46 of this Circular.

The Board believes that as information relating to adjustments made in 2020 and planned changes in 2021 have already been disclosed in detail, the additional reporting requested by MÉDAC is not required at this time.

**As agreed with MÉDAC, this proposal is not being submitted to shareholder vote.**

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# Schedule B – Mandate of the Board of Directors

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

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

Although Directors may be nominated by the Board and elected by shareholders to bring a special expertise, experience or point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interest of the Corporation must be paramount at all times, taking into account those interests, which in its judgment, the Board may consider appropriate to consider from time to time. The Board strives to include within its ranks a diverse group of individuals including, but not limited to, both gender and ethnic diversity.

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

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

**Committees.** The Board may establish, seek the recommendations of, and delegate responsibilities to Committees of the Board. Such delegation does not relieve the Board of its overall responsibilities. The Board reserves the right to supervise, review and approve Committee activity. Committees review specific aspects of the Corporation’s business and affairs as outlined in their mandates. They provide a smaller, more intimate forum than full Board meetings and are designed to be more conducive to deeper discussion on assigned subjects. Committees analyze policies and strategies which are developed by management.

They examine alternatives and where appropriate make recommendations to the full Board. Committees do not take action or make decisions on behalf of the Board unless specifically mandated to do so.

The Board has established the following standing Committees:

- Audit Committee;
- Governance and Ethics Committee;
- Human Resources Committee; and
- Safety, Workplace and Project Risk Committee.

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

## Principal Board Duties

The Board’s principal duties fall into the following eight (8) categories. Section 9 below addresses meeting organization and procedures and Section 10 deals with other matters.

### 1. Board and Senior Management

- (a) Subject to the Articles and By-Laws of the Corporation, the Board manages its own affairs, including planning its size and composition and that of its Committees, selecting its Chairman, who shall not be the CEO, nominating candidates for election to the Board, appointing the members of its Committees, establishing the responsibilities of its Committees, determining Board compensation, monitoring Board succession planning process and assessing, through the Governance and Ethics Committee, the performance of the Board, Committees, Chairman of the Board, Committee chairs and individual Directors.
- (b) The Board ensures that appropriate structures and procedures are in place so that the Board and its Committees can function independently of management.
- (c) The Board provides advice and counsel to the CEO, and takes action if and when performance falls short of its goals or other special circumstances warrant.
- (d) The Board chooses the CEO, upon the advice of the CEO approves the appointment and replacement of other members of the Executive Committee (hereinafter called “Senior Officers”), and monitors the succession planning process of the CEO and other Senior Officers.

<sup>(1)</sup> This is sometimes referred to as the Board’s oversight function.

- (e) The Board reviews the list of objectives of Senior Officers for the ensuing year, including that of the CEO, assesses their performance and approves their compensation.
- (f) The Board provides an orientation and induction program for new Directors and encourages and provides opportunities for all Directors to periodically update their skills as well as their knowledge of the Corporation, its business and affairs, and its senior management.

## 2. Strategic Supervision and Monitoring

- (a) The Board participates directly or through its Committees, in developing and approving the mission of the Corporation's business, its objectives and goals, and the strategy for their achievement. The Board, among other assessment processes, evaluates management's analysis of the strategies of the Corporation's competitors or of companies of a scale similar to that of the Corporation.
- (b) The Board reviews the Corporation's annual strategic plan and budget with Senior Officers prior to the commencement of each year and approves them. The plan shall take into account, among other things, the opportunities and risks of the Corporation's business.
- (c) The Board monitors the Corporation's progress towards its goals, and revises and alters its direction in light of changing circumstances. At every regularly scheduled meeting, the Board reviews recent developments, if any, that affect the Corporation's strategy. The Board shall, as part of its annual strategic planning process, conduct a review of human, technological and capital resources required to implement the Corporation's strategy and of the regulatory, cultural or governmental factors or constraints which are relevant to the Corporation's business.

## 3. Risk Evaluation

- (a) The Board ensures through reasonable measures that the principal risks of the Corporation's business and affairs are identified and that measures to mitigate and manage such risks are implemented. The Board also monitors progress on corrective and mitigation actions.
- (b) The Board ensures that an integrated enterprise risk management ("ERM") system is in place and reviews updates thereto on an annual basis.

## 4. Corporate Governance, Ethics, Policies and Procedures

- (a) The Board, with the assistance of the Governance and Ethics Committee, adopts, updates and monitors compliance with the corporate governance practices described in the Directors' Handbook as well as all significant policies and procedures it approves.
- (b) The Board, with the assistance of the Governance and Ethics Committee, adopts, updates and monitors compliance with the Corporation's Code of Ethics and Business Conduct (the "Code"), grants any waivers from compliance to Directors and officers and, if required, causes disclosure of any such waivers to be made in the Corporation's next quarterly report, including the circumstances and rationale for granting the waiver. The Board expects Directors as well as officers and employees

of the Corporation to act ethically at all times and to acknowledge their adherence to the Code.

- (c) The Board monitors through reasonable measures the Corporation's compliance with applicable legal and regulatory requirements.
- (d) The Board takes reasonable measures to satisfy itself as to the integrity of Senior Officers and that Senior Officers create a culture of integrity throughout the Corporation.

## 5. Disclosure to Shareholders and Others

- (a) The Board ensures through reasonable measures that the performance of the Corporation is adequately reported to its shareholders, its other security holders, the investment community, the relevant regulators and the public on a timely and regular basis in compliance with applicable laws.
- (b) The Board ensures through reasonable measures that timely disclosure is made by press release of any development that results in, or may reasonably be expected to result in, a significant change in the value or market price of the Corporation's listed securities in compliance with applicable laws.
- (c) The Board reviews and approves the Corporation's annual information form and management proxy circular as well as prospectuses and any other disclosure documents as required, to be disclosed or filed by the Corporation under applicable securities laws, before their public disclosure or filing with regulatory authorities.
- (d) In relation to communications with shareholders, the Board approves resolutions to call meetings of shareholders or renews any normal course issuer bid, and reviews and approves the general content of the disclosure documents disclosed or filed by the Corporation in relation to meetings of shareholders.
- (e) The Board reviews the Corporation's Disclosure and Insider Trading Policy governing the Corporation's communications with analysts, investors and the public.
- (f) The Board periodically considers and reviews engagement activities with shareholders and other stakeholders.
- (g) The Board reviews the Corporation's annual sustainability plan.

## 6. Financial Matters and Internal Controls

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

- (b) The Board monitors through reasonable measures the Corporation's internal control and management information systems.

#### 7. Health & Safety, Security and Environment

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

#### 8. General Legal Obligations Applying to and Governing Conduct

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

- (a) To supervise the management of the business and affairs of the Corporation;
- (b) To act honestly and in good faith with a view to the best interests of the Corporation;
- (c) To exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and
- (d) To consider as the full Board and not delegate to a Committee:
  - (i) Any submission to the shareholders of a question or matter requiring the approval of the shareholders;
  - (ii) The filling of a vacancy among the Directors or appointing additional Directors;
  - (iii) The manner and the terms of the issuance of securities;
  - (iv) The declaration of dividends;
  - (v) The purchase, redemption or any other form of acquisition of shares issued by the Corporation;
  - (vi) The approval of a management proxy circular;
  - (vii) The approval of any takeover bid circular or Directors' circular;
  - (viii) The approval of the annual financial statements of the Corporation; or
  - (ix) The adoption, amendment or repeal of By-Laws of the Corporation.

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

#### 9. Meeting Organization and Procedures

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

#### 10. Other Matters

- (a) To ensure ongoing director independence, each Director should inform the Board of any potential conflict of interest he or she may have in a timely manner and in accordance with corporate policies and applicable legislation. A Director who is in a situation of potential conflict of interest in a matter before the Board or a Committee should not attend any part of a meeting during which the matter is discussed or participate in a vote on the matter.
- (b) The Board shall perform such other functions as prescribed by law or as assigned to the Board in the Corporation's governing documents.

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# Schedule C – Summary of Legacy Long-Term Incentive Plans

## STOCK OPTION PLANS

All options granted under the 2013 Stock Option Plan expired before or on May 13, 2019. The 2011 Stock Options Plan ended in 2017 as all options granted under this plan expired before or on May 11, 2017.

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

	2016	2017	2018	2019	2020
Number of Stock Options Granted	0	0	0	0	0
Number of Employees who were Granted Stock Options	0	0	0	0	0
Number of Stock Options Outstanding as at Year-End	617,564	326,763	260,866	0	0
Average Weighted Exercise Price of Stock Options Outstanding	\$ 39.61	\$ 40.98	\$ 40.98	N/A	N/A
Number of Stock Options Granted as a % of Outstanding Shares ("burn rate")	0.00%	0.00%	0.00%	0.00%	0.00%
Number of Stock Options Exercised	585,428	251,402	65,897	0	0

### Summary of 2013 Stock Option Plan

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

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

such grant date or the last day of an extension of ten (10) business days from the end of a Blackout Period if the expiry date of an option falls within the Blackout Period or within ten (10) business days after the end of the Blackout Period (the "Blackout Extension Term") (and collectively, such period the "Option Period"). Options may be exercised during the Option Period to which they relate in accordance with the following schedule: (i) during the first year of the Option Period, an Optionee may exercise up to 33.33% of the options; (ii) during the second year of the Option Period, the Optionee may exercise an additional 33.33% of the options; and (iii) during the third year of the Option Period, the Optionee may exercise the balance (including all) of the options.

At the time of exercising options, (i) an Optionee who is an Executive Vice-President of the Company is required to own Common Shares having a value at least equal to twice his/her annual base salary, (ii) an Optionee who is president of business units/products, as determined by the Board of Directors, is required to own Common Shares having a value at least equal to three times his/her annual base salary, and (iii) an Optionee who is the President and CEO of the Company is required to own Common Shares having a value at least equal to five (5) times his/her annual base salary. Should an Executive Vice-President, a president of business unit/products or the President and CEO of the Company fail to comply with the shareholding requirements described above at the time of exercising his/her options, he/she will be required to hold (and is prohibited from selling) underlying Common Shares equivalent to at least 25% of the after-tax gain resulting from such exercise until the requirements are met.

The 2013 Plan includes the following quantitative restrictions: (i) the number of Common Shares issuable to insiders, at any time, under the 2013 Plan and other share compensation arrangements of the Company must be less than 5% of the issued Common Shares; (ii) the number of Common Shares issued under the 2013 Plan and other share

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

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

If an Optionee is granted authorized leave of absence for sickness or other reasons, before the expiration of the Option Period, the Optionee will be entitled to exercise his/her options during his/her leave of absence. If an Optionee dies before the expiration of the Option Period, his/her legal representatives will be entitled to exercise his/her vested options within a period of one (1) year following such death and all unvested options will expire as of the date of death.

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

to the date of the appointment or election; or (d) a person or a number of persons acting jointly or in concert acquires (or has acquired during the twelve-month period ending on the day of the most recent acquisition by such person or persons) assets representing 50% or more of the total gross fair market value of all assets directly involved in the engineering activities of the Company immediately prior to such acquisition or acquisitions.

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

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

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

On December 31, 2020, there were a maximum of 3,200,000 Common Shares issuable under the 2013 Plan, representing 1.8% of our 175,554,252 issued and outstanding Common Shares. As at December 31, 2020, there were no options outstanding under the 2013 Plan and 2,787,863 options remained available for grant, representing 1.6% of our Common Shares then issued and outstanding. The number of options that remain available for grant (2,787,863) is the number of authorized and unissued Common Shares available for options under the 2013 Plan (3,200,000) minus all options awarded under the 2013 Plan (1,246,800 granted in 2013) plus all options cancelled under the 2013 Plan (834,663).

The Board may, subject to receipt of TSX approval, if required, in its sole discretion, make all other amendments to the 2013 Plan or to awards of options that are not contemplated above, including, without limitation, the following: (a) amendments of a “housekeeping” or clerical nature as well as any amendment clarifying any provision of the 2013 Plan; (b) a change to the vesting provisions of an option; (c) a change to the termination provisions of an option which does not entail an extension beyond the original Option

Period, as extended by the Blackout Extension Term, if applicable; (d) any change to the value of the Common Shares which certain officers and/or employees are required to maintain in order to exercise their options, such minimum Common Share holding requirements being discussed above; (e) any Shares Adjustment; and (f) suspending or terminating the 2013 Plan.

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OF OUR MANAGEMENT PROXY CIRCULAR

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