

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and address of the company

SNC-Lavalin Group Inc. (**SNC-Lavalin** or the **Corporation**)
455 René-Lévesque Blvd. West
Montréal, Québec H2Z 1Z3

2. Date of material change

March 26, 2012

3. News release

Two news releases were issued by the Corporation, both in French and English, on March 26, 2012 announcing the developments reported in this Material Change Report.

4. Summary of material change

On March 26, 2012 at approximately 6:00 a.m. (EST), SNC-Lavalin announced the results of the independent review of the facts and circumstances surrounding certain payments and contracts (the **Independent Review**) voluntarily initiated by the Board of Directors of the Corporation and announced on February 28, 2012.

The Independent Review was carried out by external independent counsel under the direction and oversight of the Audit Committee.

The Board of Directors of the Corporation has adopted all of the recommendations of the Audit Committee, and has directed management to develop a detailed plan and timetable for their implementation.

Also on March 26, 2012, the Corporation issued a second news release at approximately 6:00 a.m. (EST) announcing, among other things, that Pierre Duhaime has stepped down from his position as chief executive officer and as a director and will retire from the Corporation. At the request of the other members of the Board of Directors of the Corporation, Ian A. Bourne has agreed to assume the function of Vice-Chairman and Interim Chief Executive Officer of the Corporation.

5. Full description of material change

On March 26, 2012 at approximately 6:00 a.m. (EST), SNC-Lavalin announced the results of the Independent Review voluntarily initiated by the Board of Directors of the Corporation and announced on February 28, 2012.

The Independent Review was carried out by external independent counsel under the direction and oversight of the Audit Committee. The executive summary of the results of the Independent Review and the related findings and recommendations of the Audit Committee is reproduced below.

The Board of Directors of the Corporation has adopted all of the recommendations of the Audit Committee, and has directed management to develop a detailed plan and timetable for their implementation. Such recommendations are directed primarily at reinforcing standards of

conduct, strengthening and improving internal controls and processes, and reviewing the compliance environment.

The Corporation intends to separately report these matters to the appropriate authorities and to cooperate fully with such authorities with respect to these or any other matters. Based on the findings of the Independent Review, the Corporation does not believe that these payments are related to Libya.

Also on March 26, 2012, the Corporation issued a second news release announcing, among other things, that Pierre Duhaime has stepped down from his position as chief executive officer and as a director and will retire from the Corporation.

At the request of the other members of the Board of Directors of the Corporation, Ian A. Bourne has agreed to assume the function of Vice-Chairman and Interim Chief Executive Officer of the Corporation. Mr. Bourne has served as a senior officer of a number of Canadian public companies and has served as a director and member of the Audit Committee and Health, Safety and Environment Committee of the Corporation since 2009.

A search for a new chief executive officer will begin immediately under the direction of the Chairman of the Board.

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EXECUTIVE SUMMARY OF INDEPENDENT REVIEW, FINDINGS AND RECOMMENDATIONS DELIVERED ON MARCH 23, 2012

BACKGROUND OF THE INDEPENDENT REVIEW

During December 2011 and January 2012, information was received as part of an accounting review and numerous internal meetings, held amongst certain members of senior management, with respect to two agency agreements documented to construction projects to which they did not appear to relate. The Chairman of the Board of Directors was briefed on January 19, 2012, requested additional information, and was further briefed on February 3, 2012, at which time Stikeman Elliott LLP was mandated as independent counsel. The investigation commenced of payments aggregating US\$33.5 million made by the Company in the fourth quarter of 2011 under presumed agency agreements (the "**A Agreements**") documented in respect of Project [Intentionally omitted]¹ ("**Project 1**") and Project [Intentionally omitted] ("**Project 2**"), but believed in fact to relate to Project [Intentionally omitted] ("**Project A**"). Independent counsel retained investigative advisors to provide business intelligence and related services.

In February 2012, documents were received by the Company's Chief Financial Officer (the "**CFO**"),² and related information was detected as part of year-end accounting processes, with respect to two other contracts. On February 16, 2012, the Chairman of the Board of Directors and the Chairman of the Audit Committee were briefed and the scope of the investigation was widened to include: (a) payments aggregating approximately US\$22.5 million made by the Company in 2010 and 2011 under a presumed agency agreement (the "**B Agreement**" and together with the A Agreements, the "**Agreements**") documented in respect of Project [Intentionally omitted] ("**Project 3**"), but believed in fact to relate to Project [Intentionally omitted] ("**Project B**"); and (b) a presumed collection agreement (the "**Collection Agreement**") and related 2009 invoice (the "**Invoice**") purporting to relate to the settlement of a dispute relating to Project [Intentionally omitted] ("**Project 4**"), as to which there was no information at the time.

¹ Because of the private or commercially sensitive nature of such information, neither the projects nor outside parties involved are named in this executive summary.

² See note 8 below.

On January 23, 2012 and on February 16, 2012, the Company informed its external auditor, Deloitte & Touche LLP ("**D&T**"), of the subject matters of the Independent Review, and has since regularly kept them informed as it has progressed.

Independent counsel has reported periodically to the Audit Committee or the outside members of the Board of Directors on the progress of the Independent Review. Outside Board members were invited to attend Audit Committee meetings. The Chairs of the Audit Committee and of the Board of Directors were briefed regularly to update them on the progress of the Independent Review, as well as to seek instructions on matters arising therefrom.

On February 27, 2012, based upon the analysis to date regarding the A Agreements, the Audit Committee was informed by management that they had concluded, with the concurrence of D&T in the context of their audit of the 2011 financial statements, that the payments thereunder would need to be recorded as period expenses (i.e. not generating any revenues).

On February 28, 2012, before the opening of markets, the Company publicly announced that its 2011 net income is expected to be approximately 18% (or approximately \$80 million) below its previously announced 2011 outlook, including because of period expenses of approximately \$35 million relating to certain payments referred to above made in the fourth quarter of 2011 that were documented to projects to which they did not relate and, consequently, had to be recorded as expenses in the quarter.

SCOPE OF THE INDEPENDENT REVIEW

The scope of the Independent Review and the processes undertaken were approved by the outside members of the Board of Directors or the Audit Committee, as the case may be. From the outset, the cooperation and support of current senior executive officers was sought and obtained in the Independent Review, including assistance in helping to coordinate requests and to obtain information.

At the direction of independent counsel, electronic and paper documents were collected from Company corporate headquarters in Montreal, Company servers and members of senior management and key employees. The electronic documents were searched using relevant keywords, and documents flagged as a result of the searches performed were reviewed. Independent counsel interviewed members of senior management and other employees identified as possibly having knowledge about the subject matter of the Independent Review or who were otherwise relevant to it, in some cases more than once. In addition, at the direction of independent counsel, background intelligence and other information was sought about various companies and individuals.

Background intelligence work was carried out in respect of the named counterparties to the Agreements and Collection Agreement and other entities where some form of connection was observed to such named counterparties. This consisted primarily of searches of publicly available information, such as company records in the relevant jurisdictions.

The Independent Review has been subject to certain practical limitations, including that: (a) Mr. Riadh Ben Aïssa (the "**Former EVP Construction**"), a former senior executive of the Company, is believed to have direct and significant knowledge about most of the investigated transactions, but has not been met despite a request to his counsel; (b) Mr. Stéphane Roy (the "**Former Controller Construction**"), a former executive of the Company who may have knowledge about some of the investigated transactions, was met prior to his dismissal on February 9, 2012, but has not been met since; (c) the information reviewed is limited to that within the Company's control and information that is publicly available; (d) the relevant counterparties to the Agreements and Collection Agreement are constituted in multiple jurisdictions and public records in certain of these contain limited information which may not be complete, current or accurate; (e) third parties have been unresponsive or reluctant to provide information regarding their operations or their clients' affairs; (f) some former employees have conducted Company affairs using non-corporate email addresses or had password protected devices to which the Company does not have access; (g) the conclusions drawn are limited to the information obtained to date; and (h) the

interpretation of improper documentation cannot be definitive, including because it is known to be inaccurate, at least in some respects, and the true arrangement and terms thereof will be inferred from contradicting or supplementing oral or circumstantial evidence.

RESULTS OF THE INDEPENDENT REVIEW

Preliminary matters

The Agreements are based upon the form of representative agreement contemplated in the Company's Policy on Commercial Agents/Representatives (the "**Agents Policy**"). The Agents Policy sets out the rules governing the hiring and remuneration of commercial agents or representatives by the Company in various markets around the world. One key feature of the Agents Policy is that all of the hiring and remuneration of agents is the responsibility of SNC-Lavalin International Inc. ("**SLII**"), a subsidiary of the Company. There are different authorized signatories depending on whether the contract with the agent respects certain limits, but no provision in the Agents Policy allows any person to override the Agents Policy.³

Findings derived from information obtained

Based upon the information obtained as part of the Independent Review, and although there is no documentary evidence linking the Agreements to Project A or Project B: (a) a presumed agent, representative or consultant⁴ appears to have been retained for each of Project A and Project B; (b) the Agreements were respectively documented in respect of Projects 1 and 2 (instead of Project A) and Project 3 (instead of Project B); (c) all or part of the US\$33.5 million paid in 2011 under the A Agreements is more likely than not to relate to Project A; and (d) all or part of the approximately US\$22.5 million paid in 2010 and 2011 under the B Agreement is more likely than not to relate to Project B. No agency agreement other than the Agreements came to light in the context of the Independent Review as being improperly documented in respect of a project to which it did not effectively relate.

The following table summarizes these findings:

	<u>A Agreements</u>	<u>B Agreement</u>
Presumed agents hired	In 2011, the Former EVP Construction said that he had hired an agent to help secure work in respect of Project A. The Independent Review has found no direct and conclusive evidence establishing the nature of the services or actions undertaken by, or the true identity of, any presumed agent. The counterparties named in the A Agreements appear to be without substance, and any individual named on the public registers in relation to the corporate counterparties does not appear to be a true principal. ⁵	In 2009, the Former EVP Construction said that he had hired an agent to help secure work in respect of Project B. The Independent Review has found no direct and conclusive evidence establishing the nature of the services or actions undertaken by, or the true identity of, any presumed agent. The counterparty named in the B Agreement appears to be without substance, and any individual named on the public registers in relation to the corporate counterparties does not appear to be a true principal.

³ The Agents Policy also provides among others for the existence of a written agreement with any agent, the use of an approved master agreement, a progressive payment schedule for commercial fees, percentage or ratio limits on commercial fees, a procedure for approval and signature of agreements and payments thereunder, standard distribution of the agreements once signed, diligence and certification requirements, and an approval process in case an agreement departs from the specified limits.

⁴ Given it is not known precisely what services were rendered, reference is made, for convenience purposes, to a presumed agency or agent throughout this executive summary.

⁵ In correlating this information to similar information obtained, certain relationships have been established through co-directorships or otherwise with other counterparties to other agency agreements.

Decisions to attribute to other projects	At the same time, a decision was made not to charge the presumed agents' fees to Project A, and not to otherwise associate the presumed agents with Project A.	At the same time, a decision was made not to charge the presumed agent's fees to Project B, and not to otherwise associate the presumed agent with Project B.
Execution of improper documents	The Former EVP Construction co-signed and instructed a senior officer of SLII to co-sign the A Agreements on behalf of SLII. The A Agreements were improperly documented in respect of Projects 1 and 2.	The Former EVP Construction instructed a senior officer of SLII to sign the B Agreement on behalf of SLII. The B Agreement was improperly documented in respect of Project 3.
Agents Policy	The Agents Policy was not complied with in various respects in connection with the A Agreements, including the authorized signatories and the aggregate corporate limits on fees attributable to the attributed projects.	The Agents Policy was not complied with in various respects in connection with the B Agreement, including the authorized signatories and the aggregate corporate limits on fees attributable to the attributed project.
Payments	The A Agreements contemplated fees of US\$33.5 million in the aggregate. In December 2011, payments of US\$33.5 million under the A Agreements were requested of SLII by the Former EVP Construction. The required signatories (the Chairman of SLII and the CFO) refused to approve the payments. The requests were brought to the Company's Chief Executive Officer (the " CEO "), who authorized or permitted the Former EVP Construction to make the payments through his division.	The B Agreement contemplated fees of \$30 million. Payments aggregating approximately US\$22.5 million ⁶ were made in 2010 and 2011 through SLII (Tunisia), but were improperly approved on its behalf by the Former EVP Construction and someone within his division.
Use of payments, etc.	The Independent Review has found no direct and conclusive evidence establishing the exact use, purpose or beneficiaries of payments made under the A Agreements. However, as noted above, the decision to hire presumed agents was based on the understanding at the time that it would help secure work in respect of Project A.	The Independent Review has found no direct and conclusive evidence establishing the exact use, purpose or beneficiaries of payments made under the B Agreement. However, as noted above, the decision to hire a presumed agent was based on the understanding at the time it would help secure work in respect of Project B.

⁶ It is assumed that this corresponds to a renegotiated fee arrangement resulting from a change in the project cost, but there is no evidence of this amendment.

Accounting	Payments were to be accounted for in respect of Projects 1 and 2 in accordance with the improper documentation. Accounting entries were not made or were made and reversed in short order in relation to Projects 1 and 2.	Payments were accounted for in respect of Project 3 in accordance with the improper documentation. Accounting entries were made in relation to Project 3 in 2010 and 2011. The entries were subsequently detected in February 2012 as an anomaly and reported to the Senior Vice-President and Controller of the Company.
Disclosure	<p>The agencies on Project A were neither properly disclosed within the Company, nor were they disclosed to its internal or external auditors until shortly before the Independent Review began.⁷</p> <p>In late 2011, the CFO was told at a meeting with the CEO and the Former EVP Construction that agents had been hired on Project A. The CFO objected to any involvement.</p>	<p>The agency on Project B was neither properly disclosed within the Company, nor to its internal or external auditors until shortly before the Independent Review began.</p> <p>In 2010, the CFO was told at a meeting with the CEO and the Former EVP Construction that an agent had been hired on Project B and that its fees would be charged to other projects. The CFO objected to this at the meeting.</p>

Collection Agreement

The Collection Agreement and the Invoice were received together. The Collection Agreement purports to relate to a dispute over an amount owing to the Company under Project 4 and to give rise to a payable of US\$8.25 million. The Invoice appears to have been received by the Company in 2011 only, but payment was refused on the basis that there were no records or other information available about such an arrangement. On March 21, 2012, a demand letter was received from legal counsel to the counterparty demanding payment of Euros (*sic*) 8.25 million. To date, other than these documents, there is no oral, documentary or circumstantial evidence linking the documents to Project 4 or any other project. In addition, there does not appear to be any payment of any amount to the payee thereof since January 2010. Accordingly, no conclusion can be drawn other than that these documents are unlikely to relate to Project 4, including because there is already a collection arrangement in respect of the presumed dispute and there is no obvious reason why there would need to be a second collection agreement on the project. The Independent Review has found no direct and conclusive evidence establishing the nature of the services or actions undertaken by, or the true identity of, the presumed agent. From the business intelligence gathered, the named counterparty appears to be without substance, and the true principal involved in the transaction does not appear to be an individual named on the public registers relating to the counterparty.

Potential Sanctions

In the absence of direct and conclusive evidence, the use and purpose of the payments or nature of the services rendered or actions taken under the Agreements cannot be determined with certainty. However, the absence of conclusive findings does not exclude the possibility that, if additional facts that were adverse to the Company became known, sanctions could be brought against it in connection with possible violations of law or contracts.

⁷ In 2011, a senior officer was told that a presumed agent had been hired for Project A. He did not, however, see the A Agreements.

Code of Ethics and Business Conduct and Related Matters

Introduction:

Code. The Company's Code of Ethics and Business Conduct (the "**Code**") was considered in light of the findings of the Independent Review. The general policy underlying the Code is expressed as follows:

"Our policy is to maintain ethical standards in the conduct of our business and in our relations with whomever we associate – our colleagues, directors, shareholders, customers, associates and suppliers, as well as governments, the public and the media. Our integrity and reputation for ethical practices are among our most valued assets and are essential aspects of our sustained profitability."

The Code applies to "all members of the Boards of Directors and to all officers and employees of SNC-Lavalin in Canada and abroad." It imposes personal obligations on all directors, officers and employees "[a]s a condition of membership and of employment", and each must acknowledge having read the Code, understanding its contents, and being bound by its provisions.

Each person who authorizes or participates in a breach of the Code breaches the Code ("each one of us is accountable for his or her actions"). However, while it is open to any individual who is aware of a suspected breach of the Code by others to report it, there is no duty to report such a suspected breach, such that a person who has knowledge of a breach of the Code and who does not report it is not himself or herself in breach.

Whistleblower Policy. The Procedures for Complaints and Concerns Regarding Accounting, Internal Accounting Controls, Auditing and Other Matters (the "**Whistleblower Policy**") sets out the procedures governing complaints, including matters such as protecting the confidentiality of any whistleblower and ensuring that there be no retaliation against a whistleblower. The Whistleblower Policy does not, however, impose an obligation to report an issue.

Agents Policy. The Code provides that "[a]ll transactions are conducted at the level of authority required by SNC-Lavalin policies and procedures", such that a breach of the Agents Policy is a breach of the Code.

Records Rule

In the present circumstances, the relevant provisions of the Code include compliance with sound accounting practices and record maintenance (the "**Records Rule**"):

Compliance with Sound Accounting Practices and Record Maintenance **"Accurately reflecting our business transactions"**

We all have a responsibility to ensure that SNC-Lavalin's books and records accurately and punctually reflect the Company's transactions, assets and liabilities. We adhere to a proper application of accepted accounting standards and practices, rules, regulations and controls. These commitments include the following:

- Business records, expense reports, invoices, vouchers, payrolls, employee records and other reports are prepared with care and honesty and in a timely fashion.
- All transactions are conducted at the level of authority required by SNC-Lavalin policies and procedures and in compliance with applicable rules and regulations.
- No transaction, asset, liability or other financial information is concealed from management or from SNC-Lavalin's internal and external auditors. ...
- All documents signed are, to the best of our knowledge, accurate and truthful.
- False or misleading entries and unrecorded bank accounts, for any purpose, whether regarding sales, purchases or other Company activity, are strictly prohibited. ...

The above list is by no means exhaustive. Suspected breaches of our accounting practices and record maintenance and internal controls that appear to be in violation will be investigated." [Emphasis added.]

The Records Rule does not refer to or incorporate materiality thresholds explicitly or implicitly, except where it refers to accounting practices. Accordingly, a finding that the Records Rule has been breached does not require or imply misconduct resulting in a material event on a consolidated basis.

Findings

In the present circumstances, the Records Rule was not complied with as a result of any one of the following findings: (a) the improper documentation of agency arrangements in respect of projects to which they did not relate, and concealment thereof; (b) incorrect entries relating to payments in the books and records of the Company, and concealment thereof; and (c) non-compliance with the Agents Policy.

Transactions not disclosed. The Code provides that no transaction or other financial information is concealed from management or from internal and external auditors. In December 2009 and in July 2011, presumed agents in respect of Projects A and B respectively were hired by the Former EVP Construction, without complying with the Agents Policy. The agencies on Projects A and B were neither properly disclosed within the Company, nor were they disclosed to its internal or external auditors until shortly before the Independent Review began. The CEO and Former EVP Construction authorized or permitted this course of action until 2012, which did not comply with the Code.

Accuracy of documents and records. The Code provides that the Company's books and records accurately reflect the Company's transactions and that all documents signed are, to the best of one's knowledge, accurate and truthful. The Agreements signed by the Former EVP Construction are neither accurate nor truthful, and thus in breach of the Code. The books and records relating to Project 3 inaccurately reflect fees unrelated to it. The CEO knew that agents were being hired by the Former EVP Construction on Projects A and B in unusual circumstances, and that the Former EVP Construction would cause their fees not to be charged to Projects A and B but rather to other projects.⁸ The CEO did not see the Agreements or accounting entries in the Company's books and records, but should have known that contractual documents would refer to projects other than Projects A and B and that incorrect entries would be made, which did not comply with the Code.

Proper levels of authority. The Code provides that all transactions are conducted at the level of authority required by Company policies, and the Agents Policy provides that all payments of agent fees must be made by SLII. In December 2011, the Former EVP Construction requested SLII to make the payments under the Agreements. The Chairman of SLII and the CFO refused to authorize the payments. The matter was brought to the CEO, who authorized or permitted the Former EVP Construction to make the payments through his division. While the CEO thought he had the authority to do so, he should have confirmed his authority but did not. The CEO's authorization of these payments did not comply with the Agents Policy and therefore was in breach of the Code.

SUMMARY OF ACTIONS RECOMMENDED

The Audit Committee has found that the hiring of presumed agents in respect of Projects A and B and the improper documentation results primarily from the following:

- management override, flawed design or ineffective enforcement of controls in connection with the presumed agencies, including the controls contained in the Agents Policy;
- non-compliance with the Code and the Agents Policy; and

⁸ No finding is expressed regarding the Former Controller Construction. However, some awareness on his part of the Agreements can be inferred from the fact he handed copies and/or originals thereof to the CFO upon his departure in February 2012.

- ineffective enforcement or scope of, or controls over compliance with, the Code and the Agents Policy.

The Company is a multi-national organization that has changed organizational structure over the past several years. One legacy of this changing structure is distributed leadership, which has generally served the Company well. The Audit Committee notes that the model could usefully be reviewed over time and within a broader context.

Governing Principles

The Audit Committee considered what governing principles, based on the results of the Independent Review, should be considered to prevent recurrence of inappropriate conduct, and to improve the compliance and control environments. These principles were directed primarily at:

- reinforcing standards of conduct
- strengthening and improving internal controls and processes
- reviewing the compliance environment

Recommendations

The Audit Committee recommendations are discussed below, for consideration by the Board of Directors. If adopted, management should be directed, where applicable, to develop a detailed plan and timetable for their implementation, subject to the Board of Directors monitoring the implementation thereof by management.

Code and Related Matters

The Audit Committee recommends the following measures be taken in light of its findings:

- Non-compliance with the Code. The Board of Directors should consider what sanctions if any to apply in connection with non-compliance with the Code.⁹ Generally, in exercising its powers with a view to the best interests of the Company, the Board of Directors may consider in assessing breaches of the Code the following factors:
 - the individual's functions and responsibilities within the Company;
 - the nature and seriousness of the conduct, including the risk of harm to the Company, whether it was repeated, and whether it constituted a breach of law;
 - whether the individual devised or was a participant in the conduct, the length of participation, and the motivation in participating;
 - the timely and voluntary disclosure of the breach and the willingness to cooperate in the investigation;
 - any loss or risks to the Company resulting from the conduct, and whether there are any illicit gains to an individual;
 - whether the breach constitutes aberrant behavior in light of an individual's overall history with the Company and character; and
 - the multiple purposes of enforcing the Code, including sanctioning inappropriate conduct, and specific and general deterrence.

⁹ These could include disciplinary, compensation, training or other measures.

- Code and Whistleblower Policy. The Audit Committee also recommends that the ongoing review and update of the Code, as well as of the Whistleblower Policy, take its findings into account, including to provide for a duty to report violations or possible violations of policies or procedures.

Internal Controls and Processes, and Compliance

Internal controls foster sound monitoring of business operations and corporate assets, accurate financial reporting, and compliance with laws, and correspondingly reduce the risks of misuse, inaccuracies and non-compliance. Accordingly, the Audit Committee recommends the implementation of the following measures (the implementation of some of which has already been initiated):

- Management departures. The Company should clarify the procedure to be followed in cases of acceptable management departures from policies or procedures.
- Compliance review. The Board of Directors should hire an independent expert to provide advice on the structure of the organization, guidelines and controls, and communication and training.
- Agents Policy. The Agents Policy should continue to be reviewed from time to time as legislative changes and commercial practices evolve, including in accordance with the proposed changes presented to the Audit Committee in February 2012. However, the Agents Policy should be further reviewed in light of the findings of the Independent Review.
- Approval levels. Procedures and approvals should be reinforced regarding levels of authority, with clear reporting obligations on any deviations or proposed deviations therefrom.
- Divisional controllers. The reporting lines for divisional controllers should be reviewed.
- Internal audit function. The existing practice of having the head of the internal audit group report directly to the Audit Committee should now be formally documented.
- Technology. The Company should continue to move forward with the integration of its technology platforms to further facilitate the production of accurate financial information results, as well as the monitoring thereof in a timely and cost effective manner.

Recommended Adoption

After thorough consideration, the Audit Committee has recommended the adoption by the Board of Directors of each of the recommendations set out above.

CONCLUSION

The Audit Committee understands that with the delivery of this report, its Independent Review of the Agreements and Collection Agreement is terminated. The Audit Committee will continue to review the Agents Policy and compliance matters, including to assess whether amounts may directly or indirectly have improperly been paid to persons owing fiduciary duties to the Company. The Audit Committee will continue to consider, develop and implement additional remedial measures as appropriate. The Audit Committee would expect its next steps may include such other specific activities as it may deem advisable or the Board may instruct.

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Reference in this Material Change Report, and hereafter, to the “Corporation” or to “SNC-Lavalin” means, as the context may require, SNC-Lavalin Group Inc. and all or some of its subsidiaries or joint ventures, or SNC-Lavalin Group Inc. or one or more of its subsidiaries or joint ventures. Statements made in this Material Change Report that describe the Corporation’s or management’s budgets, estimates, expectations, forecasts, objectives, predictions or projections of the future may be “forward-looking

statements”, which can be identified by the use of the conditional or forward-looking terminology such as “anticipates”, “believes”, “estimates”, “expects”, “may”, “plans”, “projects”, “should”, “will”, or the negative thereof or other variations thereon.

The Corporation cautions that its actual actions and/or results could differ materially from those expressed or implied in forward-looking statements, or could affect the extent to which a particular projection materializes, as a result of risks and uncertainties relating to: (a) cost overruns from fixed-price contracts; (b) failure to meet scheduled dates or performance standards on a particular project; (c) attracting and retaining qualified personnel and any strike, partial work stoppage or other labour actions by the Corporation’s or its subcontractors’ unionized employees; (d) failure of the Corporation’s joint venture partners to perform their obligations; (e) failure by the Corporation’s subcontractors to deliver their portion of a particular project according to contractual terms; (f) the financial performance of the Corporation’s infrastructure concession investments during a particular concession period; (g) the Corporation obtaining new contract awards; (h) revenue backlog and whether such revenue backlog will ultimately result in earnings and when revenues and earnings from such backlog will be recognized; (i) foreign currency exchange and interest rates; (j) credit risk and the delay in collection from the Corporation’s clients; (k) information management including its integrity, reliability and security; (l) the inherent limitations of the Corporation’s control framework and the effectiveness of the measures implemented by the Corporation to strengthen its internal controls over financial reporting following the identification by the Corporation of material weaknesses relating to the design and operational effectiveness of its internal controls over financial reporting as of December 31, 2011; (m) uncertain economic and political conditions in the countries in which the Corporation does business; (n) any lack of strong safety practices by the Corporation or its subcontractors exposing the Corporation to lost time on projects, penalties, lawsuits and impact on future contract awards; (o) the Corporation’s inability to comply with environmental laws and regulations; (p) the Corporation’s reputation as a result of, among others, any quality or performance issues on its projects, a poor health and safety record, non-compliance with laws or regulations by the Corporation’s employees, agents, subcontractors, suppliers and/or partners, or creation of pollution and contamination; (q) the inability to adequately integrate an acquired business in a timely manner; (r) non-compliance with laws and regulations by an employee, agent, supplier, subcontractor and/or partner of the Corporation or any further regulatory developments; (s) failure by the Corporation’s employees, agents, suppliers, subcontractors and/or partners to comply with anti-bribery laws; (t) any litigation and/or legal matters to which the Corporation is a party; (u) any negative publicity associated with the Independent Review led by the Corporation’s Audit Committee of the facts and circumstances surrounding certain payments that were documented to construction projects to which they did not relate, and certain other contracts, as well as any sanctions that could be brought against the Corporation in connection with possible violations of law or contracts should additional facts adverse to the Corporation become known in connection with such Independent Review including as to matters beyond its scope; (v) the proposed class action lawsuit filed on March 1, 2012 against the Corporation with the Quebec Superior Court; and (w) the investigations of the Royal Canadian Mounted Police and the World Bank relating to the Corporation’s involvement in a past submission as the Owner’s Engineer for the Bangladesh government.

For more information on risks and uncertainties, and assumptions that would cause the Corporation’s actual results to differ from current expectations, please refer to the section “Risks and Uncertainties” and the section “How We Analyze and Report our Results”, respectively, in the Corporation’s 2011 Financial Report under “Management’s Discussion and Analysis”. The forward-looking statements herein reflect the Corporation’s expectations as at the date of this press release and are subject to change after this date. The Corporation does not undertake any obligation to update publicly or to revise any such forward-looking statements, unless required by applicable legislation or regulation.

6. Reliance on subsection 7.1(2) of the National Instrument

Not applicable.

7. Omitted Information

Not applicable.

8. Executive officer

For any additional information, please contact :

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9. Date of report

March 29, 2012

SNC-Lavalin Group Inc.

By: *(signed) Réjean Goulet*

Réjean Goulet, Senior Vice-President and General Counsel