

CREDIT AGREEMENT

Dated as of June 20, 2014

Among

SNC-LAVALIN GROUP INC.

(as *Borrower*)

- and -

BANK OF MONTREAL

(as *Administrative Agent*)

- and -

THE LENDERS PARTIES HERETO

(as *Lenders*)

\$2,750,000,000 CREDIT FACILITIES

BMO CAPITAL MARKETS AND RBC CAPITAL MARKETS

(as *Co-Lead Arrangers and Joint Bookrunners*)

- and -

ROYAL BANK OF CANADA

(as *Syndication Agent*)

MCCARTHY TÉTRAULT LLP

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CREDIT AGREEMENT

THIS AGREEMENT is made as of June 20, 2014 among SNC-LAVALIN GROUP INC., a corporation incorporated under the laws of Canada (the “**Borrower**”), BANK OF MONTREAL as administrative agent (in such capacity, the “**Agent**”), and each of the persons having executed this Agreement as a Lender.

RECITALS

- A. The Borrower has requested that the Lenders make available to the Borrower non-revolving credit facilities in an aggregate amount up to \$2,750,000,000 for the purposes of funding the Vancouver Acquisition and related indebtedness, fees and expenses.
- B. The Lenders are willing to make such facilities available to the Borrower and the Agent has agreed to act in such capacity on the terms and conditions set out in this Agreement.

THEREFORE, the parties agree as follows:

1 - INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires, the following terms have the respective meanings set out below (and all such terms that are defined in the singular have the corresponding meaning in the plural and *vice versa*):

“**ABTL Laws**” means any Applicable Laws relating to corruption, bribery, terrorism, money laundering, trading with the enemy and sanctions measures;

“**Acceptance**” means:

- (a) in respect of a Lender who is a bank that customarily accepts bankers' acceptances, at such Lender's discretion, either a depository bill subject to the *Depository Bills and Notes Act* (Canada) or a bill of exchange subject to the *Bills of Exchange Act* (Canada), in each case, drawn by the Borrower on and accepted by such Lender; and
- (b) in respect of any other Lender, a promissory note bearing no interest, made by the Borrower to the order of such Lender;

“**Acquisition**” with respect to any Person, means any transaction or series of transactions whereby such Person purchases, acquires or obtains:

- (a) the Control of another Person;
- (b) the whole or a substantial part of another Person's properties and assets; or
- (c) the whole or a substantial part of a business, line of business or division of another Person;

in each case either directly or through Subsidiaries provided that the formation, subscription for shares and capitalization of a Subsidiary will not be deemed to be an Acquisition;

“**Affiliate**” means, with respect to any Person, a Subsidiary or a Holding Company of such Person or any other Subsidiary of that Holding Company;

“**Agent**” means Bank of Montreal or any successor agent appointed pursuant to Section 17.12;

“**Agent’s Office**” means the administrative office of the Agent designated by the Agent from time to time as its administrative office for the purposes hereof, after notice to the Lenders;

“**Applicable Laws**” means, with respect to any Person, property, transaction or event, all present and future applicable laws, statutes, regulations, rules, orders, codes, treaties, judgments, awards, determinations and decrees of any legislative, governmental, regulatory, fiscal, administrative or monetary authority or of any competent court, in each case, of any applicable country or jurisdiction or supranational or international body or organization;

“**Applicable Margin (or Rate)**” means a margin (or rate) determined in accordance with Schedule A;

“**Availability Period**” means the Certain Funds Period, plus 30 days but only to the extent that the Certain Funds Period ends on the date specified in clause (ii) of the definition of Certain Funds Period and that the whole or part of the consideration payable under the Scheme has been funded by a Borrower hereunder.

“**Bidco**” means SNC-Lavalin (GB) Limited, a corporation incorporated under the laws of England & Wales with company number 9026118;

“**Borrower**” means SNC-Lavalin Group Inc.;

“**Borrowings**” means the Prime Rate Loans, the US Base Rate Loans, the Acceptances and the Libor Loans provided for under the Facilities;

“**Branch of Account**” means, a branch of the Agent where the Agent has established an account for the Facilities as may be designated by the Agent from time to time as the branch of account, after consultation with the Borrower;

“**Bridge Facility**” means the credit facility in an amount of up to \$2,550,000,000 provided in Section 2.1;

“**Bridge Facility Maturity Date**” means December 31, 2015;

“**Business Day**” means a day on which banks are open for business in Montréal, Toronto and New York City, excluding Saturday and Sunday; where such term is used in the context of a Libor Loan, such day must also be a day on which banks are open for business in London, England;

“Capital Lease”, with respect to any Person, means any lease or other arrangement relating to property or assets which, in accordance with GAAP, would be accounted for as a capital lease obligation on a statement of financial position of such Person, but excluding leases which are or would be classified as operating leases in accordance with GAAP as in effect on the date of this Agreement. The amount of any Capital Lease at any time will be the amount of the obligation in respect thereof which would be included at such time in such statement of financial position;

“Capital Stock” means the capital stock (whether common or preferred shares or other equivalent equity interests, howsoever designated, in the capital stock of a body corporate, equity preferred or common interests in a limited liability company, limited or general partnership interests in a partnership or any other equivalent ownership interest, or the interest of a beneficiary under a trust) of any Person and any rights, warrants or options exchangeable for or convertible into such Capital Stock, but excluding any debt security that is convertible into, or exchangeable for any such Capital Stock;

“Cash and Cash Equivalent Investments” means, on a consolidated basis, with respect to the Borrower, the sum of cash on hand and any Cash Equivalent Investments which, in each case, are free from consensual Liens (other than Liens referred to in clause (n) of the definition of Permitted Liens);

“Cash Equivalent Investments” means:

- (a) obligations of or unconditionally guaranteed by the government of Canada or the United States of America or any agency of either of them backed by the full faith and credit of the government of Canada or the United States of America, as the case may be, maturing within 364 days of acquisition;
- (b) marketable direct obligations of the government of one of the provinces of Canada, one of the states of the United States of America, or any agency thereof, or of any county, department, municipality or other political subdivision of Canada or the United States of America, the payment of which constitutes a full faith and credit obligation of such province, state, municipality or other political subdivision, maturing within 364 days of acquisition and which is accorded at the time of acquisition a bond rating classification of at least A by S&P or at least A-2 by Moody's or at least A by DBRS;
- (c) bonds, debentures, notes and other evidences of indebtedness maturing within 180 days of acquisition, which are freely tradable and are issued, guaranteed or insured by any Person residing in Canada or the United States of America and which is accorded at the time of acquisition a credit rating of at least A by S&P or at least A-2 by Moody's or at least A by DBRS;
- (d) commercial paper and bankers' acceptances maturing within 180 days from the date of issuance and issued by a Person residing in Canada or the United States of America which is accorded at the time of acquisition a short-term credit rating of at least A-1 by S&P or at least Prime-2 by Moody's or at least R-1 (low) by DBRS; and

- (e) certificates of deposit issued by a bank or a trust company maturing within 12 months of acquisition and other short term liquid investments that are readily convertible into a known amount of cash and which, in each case, are not subject to a significant change in value;

“**Cash Pooling Arrangement**” means one or more agreements whereby negative and positive cash balances of the bank accounts maintained by the Borrower or certain Wholly-Owned Subsidiaries of the Borrower with a bank are set off or netted on a regular basis;

“**CDOR Rate**” means, for any day, the arithmetic average of the Canadian Dollar bankers’ acceptances offered rates for the applicable period which appear on the applicable page of the Reuters Service at or about 10:00 a.m., or if such day is not a Business Day, then on the immediately preceding Business Day; provided however, that if such rates are not available, then the CDOR Rate for any day will be the bankers’ acceptance rate of the Agent for the applicable period as of 10:00 a.m. on such day, or if said day is not a Business Day, then on the immediately preceding Business Day;

“**Certain Funds Period**” means the period commencing on the date of this Agreement and ending on the earliest of (i) January 15, 2015, (ii) the date on which the consideration payable under the Scheme is paid to the shareholders of Vancouver, (iii) 15 days after the Scheme Effective Date, and (iv) the date on which the Scheme lapses, is withdrawn or cancelled or is rejected by the court to which the Scheme is submitted;

“**Clean-Up Date**” means the date falling 90 days after the Scheme Effective Date;

“**Commitment**” means, with respect to each Lender, its proportion (expressed as a percentage or as an amount, as the case may be) of the aggregate amount of the Facilities or, as applicable, of a Facility, as specified in Schedule B and also opposite its name on the signature pages of this Agreement, subject however to any change thereto made pursuant to this Agreement;

“**Compliance Certificate**” means, a certificate of a senior financial officer of the Borrower (as provided in Section 14.2(b)) in the form of Schedule C;

“**Consolidated Net Income**” means, with reference to any period, the net income (or loss) of the Borrower on a consolidated basis for such period, the whole in accordance with GAAP;

“**Control, Controls and Controlled**” when used with respect to any Person means the power of a Person (the “**Controlling Person**”) and its Affiliates to appoint the majority of the members of the board of directors of such Person, directly or indirectly, whether through ownership of Capital Stock, by contract or otherwise, it being understood, however, that where the power to manage such Person has been, entirely or substantially, removed from its board of directors through a unanimous shareholders' agreement or otherwise or when such Person does not have a board of directors, then it means the power of the Controlling Person and its Affiliates (which power can be exercised without the need to obtain the consent of any other Person) to direct the management and policies of such Person in a manner similar as a board of directors would do, directly or indirectly, by contract or otherwise;

“**Corporate Chart**” means the corporate structure chart of the Borrower and its Subsidiaries together with the other information contemplated by Section 14.1(c), as set out in the chart to be delivered to the Lenders pursuant to Section 8.1(i) and as may be updated pursuant to Section 14.1(c);

“**Credit Documents**” means this Agreement, all outstanding Subsidiary Guarantees and the Intercompany Subordination Agreement as well as any other agreement delivered pursuant to any of the foregoing, in each case, as may be amended, supplemented or restated from time to time;

“**Credit Parties**” means the Borrower and each of the Guaranteeing Subsidiaries;

“**Credit Rating**” means a credit rating attributed by any one of the Rating Agencies to the Borrower’s senior unsecured debt;

“**Default**” means an Event of Default or an event which, with the giving of notice or passage of time, or both, would constitute an Event of Default;

“**Discounted Proceeds**” means, with respect to any issue of Acceptances, an amount (rounded to the nearest whole cent and with one-half of one cent being rounded up) calculated by multiplying:

- (a) the aggregate face amount of such Acceptances; by
- (b) the price, where the price is determined by dividing one by the sum of one plus the product of:
 - (i) the Discount Rate applicable to such Acceptances (expressed as a decimal); and
 - (ii) a fraction, the numerator of which is the number of days in the period of such Acceptances and the denominator of which is 365;

with the price as so determined being rounded up or down to the fifth decimal place and .000005 being rounded up;

“**Discount Rate**” means, in respect of any Acceptance, the CDOR Rate for the applicable period;

“**Disposition**” means, with respect to any asset of any Person, any sale, lease (where such Person is the lessor), assignment, transfer, exchange, conveyance, release or gift of such asset or other similar transaction pursuant to which such asset becomes the property of any other Person; and **Dispose** and **Disposed** have meanings correlative thereto;

“**Distribution**” means, with respect to a Person, (i) any declaration or payment of cash dividend, (ii) the purchase, redemption or retirement for value of its Capital Stock, (iii) the cash return of capital to the holders of its Capital Stock or (iv) the making of any other cash payment or distribution in respect of its Capital Stock;

“**Dollar**” or the symbol “\$” means lawful money of Canada;

“Due Diligence and Board Reports” means collectively:

- (a) Borrower’s internal due diligence report dated June 19, 2014 on 10 material areas;
- (b) the diligence report dated June 18, 2014 by Deloitte;
- (c) the legal diligence report dated June 17, 2014 by Norton Rose Fulbright;
- (d) the Pohlman & Co report dated June 20, 2014; and
- (e) the presentation by the management of the Borrower to the board of directors of the Borrower dated June 19, 2014;

“EBITDA” means, with respect to the Borrower, its Consolidated Net Income (calculated excluding Non-Recourse Subsidiaries and Project Vehicles) for the period of twelve months ending at the end of its relevant fiscal quarter or fiscal year, as the case may be;

- (a) increased by the sum of the following items, in each case to the extent deducted in such calculation of the Consolidated Net Income of the Borrower, but without duplication:
 - (i) Interest Charges for such period;
 - (ii) the aggregate of all Taxes (including deferred Taxes) based on income for such period;
 - (iii) the aggregate of all depreciation, amortization and other like deductions from income for such period;
 - (iv) unrealized foreign exchange losses;
 - (v) losses incurred in connection with non-recurring items;
 - (vi) losses incurred in connection with Dispositions (including of any Non-Recourse Subsidiary or Project Vehicle to the extent any such losses have been taken into account in the above calculation); and
 - (vii) other non-recurring items including amounts paid or payable as a result of actions, suits, proceedings or investigations not resulting from the business activities of the Borrower such as, without limitation, the actions or investigations described in Schedule D;
- (b) decreased by the sum of, without duplication;
 - (i) unrealized foreign exchange gains;
 - (ii) gains incurred in connection with Dispositions (including of any Non-Recourse Subsidiary or Project Vehicle to the extent any such gains have been taken into account in the above calculation); and
 - (iii) gains incurred in connection with non-recurring items,

in each case determined in accordance with GAAP and taking into account on a *proforma* basis any Acquisition and any Disposition of a business (as provided in Section 1.3(c)) made during such period, provided however that:

- (c) any cash Distributions made by a Non-Recourse Subsidiary or Project Vehicle (other than from a Permitted Monetization) to the Borrower or any Subsidiary of the Borrower (other than a Non-Recourse Subsidiary) will be included in calculating the Consolidated Net Income (to the extent not already so included) for the purposes of the calculation of EBITDA, but in each case taking into account on a *proforma* basis any Acquisition or Disposition of business (as provided in Section 1.3(c)) and also net of investments made during the relevant period in the Person having made such Distributions, except that such netting will not apply to Distributions made by a Non-Recourse Subsidiary or a Project Vehicle whose Project has reached substantial completion prior to said Distributions; and
- (d) the calculation of EBITDA for any period which includes any quarter of the 2013 fiscal year of the Borrower will be subject to the adjustments described in Schedule E.

“Environmental Laws” means all Applicable Laws for the protection of the environment or human health;

“Euro” or the symbol **“€”** means the lawful currency of the member States of the European Union which have adopted a common currency;

“Event of Default” means any of the events set out in Section 15.1;

“Facilities” means the Bridge Facility and the Term Facility;

“Financial Covenant” means the financial ratio to be maintained pursuant to Article 13;

“Financial Letter of Credit” means any Letter of Credit other than a Non-Financial Letter of Credit or a documentary Letter of Credit;

“GAAP” means those generally accepted accounting principles in force from time to time in Canada, consistently applied, including the applicable International Financial Reporting Standards;

“GBP” or the symbol **“£”** means the lawful currency of the United Kingdom;

“Governmental Authority” means the government of Canada or any other country or of any political subdivision thereof (whether provincial, territorial, state or local), or any international or supranational body or organization, and any agency, authority, regulatory body, court, central bank or other entity thereof exercising executive, legislative, judicial, fiscal, monetary, regulatory or administrative powers or functions;

“Guarantee” of a Person, means, without duplication, any obligation (however called) of such Person to pay, purchase, provide funds (whether by the advance of money, the purchase of or subscription for shares or other securities, the purchase of assets or services, the

indemnification in respect of Letters of Credit issued, or otherwise) for the payment of, or to indemnify against the consequences of default in the payment of, or otherwise to be responsible for, any indebtedness or obligations of any other Person, and “**Guarantor**” and the verb “**Guarantee**” will be construed accordingly;

“**Guaranteeing Subsidiaries**” means any Subsidiary of the Borrower who has provided a Subsidiary Guarantee which is still outstanding;

“**Hazardous Material**” means any contaminant, pollutant or substance that causes harm or degradation to the surrounding environment or injury to human health and, without restricting the generality of the foregoing, includes any pollutant, contaminant, waste, hazardous waste, deleterious substance or dangerous good present in such quantity or state that it contravenes any Environmental Laws or gives rise to any liability or obligation under any Environmental Law;

“**Hedging Agreement**” means any foreign exchange contract, any interest rate hedging contract and any other financial or derivative contract or instrument capable of protecting the Borrower or its Subsidiaries against fluctuations in currencies, interest rates or commodity prices;

“**Holding Company**” means, in relation to a Person, an entity of which that Person is a Subsidiary;

“**Indebtedness for Borrowed Money**” of a Person means (without duplication)

- (a) any indebtedness shown in the consolidated statement of financial position of such Person as long-term debt or as short-term debt of such Person, including, whether or not so classified, indebtedness for the deferred purchase price of property (other than goods purchased in the ordinary course of business), obligations under Capital Leases or under or arising from any bond, promissory note or like instrument or any acceptance or note purchase facility or like arrangement, and reimbursement obligations of such Person with respect to bankers’ acceptances and Financial Letters of Credit as well as the negative mark-to-market value of Hedging Agreements; and
- (b) any obligation of another Person of the type listed in clause (a) which is Guaranteed by such first Person or secured by a Lien on any asset of such first Person, (whether or not such obligation is assumed by such first Person), provided that the Guarantees given by the Borrower with respect to the Ambatovy Nickel Project as described in Note 4C) of the unaudited financial statements of the Borrower for the quarter ended June 30, 2013 will not constitute Indebtedness for Borrowed Money unless and until the Borrower’s liability thereunder is recorded as a liability in the consolidated statement of financial position of the Borrower in accordance with GAAP;

“**Intercompany Subordination Agreement**” means an agreement substantially in the same form as the form of Schedule F to the 2013 Credit Agreement;

“**Interest Charges**” means, with respect to any period, the sum (without duplication) of the following:

- (a) all interest paid or payable in cash in respect of Indebtedness for Borrowed Money as well as Letter of Credit fees and other related charges of the Borrower and its Subsidiaries (other than Non-Recourse Subsidiaries and Project Vehicles), on a consolidated basis (including imputed interest on Capital Leases) and deducted in determining Consolidated Net Income for such period;
- (b) all interest capitalized or deferred during such period and not deducted in determining Consolidated Net Income for such period; and
- (c) all dividends (other than stock dividends) paid or payable by the Borrower in respect of preferred shares during such period;

the whole in accordance with GAAP;

“Investment Grade Rating Status” means, with respect to the Borrower, a Credit Rating of BBB- or higher by S&P, Baa3 or higher by Moody’s or BBB (Low) or higher by DBRS;

“Lender” means each of the Persons having executed this Agreement as Lender and any other Person who becomes a Lender pursuant to this Agreement;

“Letter of Credit” means any letter of credit (including any standby letter of credit and any documentary letter of credit) or any letter of guarantee;

“Lien” means any mortgage, pledge, lien (including any statutory or non-consensual lien), hypothec, charge, security interest or other encumbrance or other arrangement that in substance secures payment or performance of an obligation and includes the interest of a vendor or lessor under any installment sale agreement, Capital Lease or other title retention agreement, but excludes an operating lease;

“Libor” means, with respect to any Libor Loan, the annual rate of interest determined by the Agent as being the average rate for deposits in US Dollars, Euros or GBP (as applicable) in the London interbank market which is shown on the applicable page of the Reuters service (or, if not available, of a similar reputable service selected by the Agent) as of 11:00 a.m. (London, England time) on the second Business Day prior to the commencement of the applicable Libor Loan and for a comparable period, or if such rate is not available, the annual rate which the Agent is prepared to offer in the London interbank market for taking deposits in US Dollars, Euros or GBP (as applicable) at approximately 11:00 a.m. (London time) on the second Business Day prior to the commencement of the applicable Libor Loan and for a comparable period;

“Libor Loan” means a loan denominated in US Dollars, Euros or GBP (as applicable) made pursuant to this Agreement and bearing interest at Libor, plus the Applicable Margin;

“Major Default” means any of the Events of Default set out in the Sections of this Agreement listed below as well as any event which, with the giving of notice or the passage of time or both, would constitute such an Event of Default (excluding, however, any such Event of Default and any such event relating solely to a member of the Vancouver Group).

- (a) Section 15.1(a) [payment default] but only to the extent relating to the payment of principal, interest and fees;

- (b) Section 15.1(b) [breach of negative covenants] but only to the extent relating to breaches of Sections 12.2 (*Use of Proceeds*), 12.3 (*Liens*), 12.4 (*Reorganisation and Amalgamation*), 12.5 (*Disposition of Assets*), 12.6 (*Indebtedness of Subsidiaries*), 12.7 (*Distributions*) and 12.10 (*Consideration and Terms and Conditions of the Scheme*);
- (c) Section 15.1(e) [breach of affirmative covenants] but only to the extent relating to breaches of Section 11.1 (*Vancouver Acquisition*);
- (d) Section 15.1(f) [breach of representations] but only to the extent relating to breaches of the Major Representations;
- (e) Section 15.1(g) [insolvency event], except that, with respect to Section 15.1(g)(iii), the filing of a proceeding (as defined in Section 15.1(g)(ii)) against the Borrower or a Guaranteeing Subsidiary will not be a Major Default before the expiry of the 60-day period specified in such Section 15.1(g)(iii) if such proceeding is promptly contested, is not granted (even on an interim basis) during such period and could not be expected to have a Material Adverse Effect.
- (f) Section 15.1(j) [cessation of business]; and
- (g) Section 15.1(k) [termination of guarantees].

“**Major Representations**” means the representations and warranties set out in Section 10.1 (*existence and capacity*), Section 10.2 (*corporate action*), Section 10.3 (*validity of the Credit Documents*) and Section 10.4 (*Vancouver Acquisition*);

“**Majority Lenders**” means any group of Lenders whose Commitments amount in the aggregate to more than 50% of the aggregate amount of the Facilities;

“**Material Acquisition or Disposition**” means an Acquisition or Disposition of the Capital Stock of a Subsidiary or of assets of the Borrower or a Subsidiary (other than among the Borrower and its Subsidiaries) where the consideration paid or to be paid in connection with such Acquisition or Disposition is equal or greater than \$250,000,000;

“**Material Adverse Effect**” means (i) a material adverse effect on the business, operations, results of operations, assets, liabilities or financial condition of the Borrower and its Subsidiaries taken as a whole, (ii) a material adverse effect on the ability of the Credit Parties to perform their obligations under the Credit Documents, or (iii) a material adverse effect on the rights and remedies of the Agent and the Lenders (or any of them) under the Credit Documents;

“**Material Subsidiary**” means any Wholly-Owned Subsidiary of the Borrower (other than a Non-Recourse Subsidiary) who has unconsolidated Total Assets (calculated net of excluded intercompany assets) at the end of any fiscal quarter of the Borrower representing 5% or more of consolidated Total Assets of the Borrower at such time. For the purposes of such calculation, “excluded intercompany assets” means the following assets of such Subsidiary:

- (a) loans and advances made by such Subsidiary to the Borrower or another Subsidiary of the Borrower;

- (b) preferred shares or other similar Capital Stock intended to be redeemed or cancelled which are issued to such Subsidiary by another Subsidiary of the Borrower in the course of a tax efficiency transaction; and
- (c) direct and indirect investments of such Subsidiary in any Guaranteeing Subsidiary;

it being understood that trade accounts receivable and work in progress of such Subsidiary will not constitute excluded intercompany assets;

“Net Recourse Debt” means the Indebtedness for Borrowed Money of the Borrower, on a consolidated basis but other than Non-Recourse Indebtedness, less Cash and Cash Equivalent Investments (other than Cash and Cash Equivalent Investments of Non-Recourse Subsidiaries and Project Vehicles and Cash and Cash Equivalent Investments consisting or made from the proceeds of advances or down payments from clients of the Borrower or its Subsidiaries);

“Non-Financial Letter of Credit” means any Letter of Credit the purpose of which is to guarantee the performance of non-financial obligations under contracts or undertakings, any bid guarantee (including a guarantee of bid submission requirements) and any counter-guarantee of any of the foregoing. In addition, a Letter of Credit which guarantees the obligations of a party under an engineering contract, a construction contract, an operation and maintenance contract, a procurement contract or other similar contract will constitute a Non-Financial Letter of Credit even if the obligations guaranteed include (i) the repayment of advances or down payments or holdbacks, or (ii) other monetary obligations provided that they arise from the failure to perform non-financial obligations, such as liquidated damages or penalties;

“Non-Recourse Indebtedness” means any indebtedness for money borrowed or raised incurred for the purpose of financing a Project or a Specific Contract or under a Permitted Monetization which meets the following conditions:

- (a) the rights and recourse of the Person or Persons to whom such Indebtedness is owed (the **“non-recourse creditors”**) are limited, in connection with such indebtedness, to the assets of the relevant Project, the rights arising under the relevant Specific Contract, the Capital Stock of any Non-Recourse Subsidiary or Project Vehicle owning, directly or indirectly, such assets or rights, or any combination of the foregoing;
- (b) the Liens, if any, granted to the non-recourse creditors or for their benefit, in order to secure such indebtedness do not charge any asset or right of the Borrower or its Subsidiaries other than the assets and rights mentioned in clause (a) above;
- (c) neither the Borrower nor any of its Subsidiaries (other than any Non-Recourse Subsidiary) has Guaranteed or otherwise agreed to become liable to pay such indebtedness; and
- (d) the acceleration or demand for payment prior to scheduled maturity of such indebtedness further to a default does not constitute an event of default under any Indebtedness for Borrowed Money of the Borrower and its Subsidiaries, except for such indebtedness and any other Non-Recourse Indebtedness;

provided, however, that, except for the purposes of calculating Net Recourse Debt, such indebtedness will, notwithstanding clauses (a) and (c) above, constitute Non-Recourse Indebtedness even if it is Guaranteed by the Borrower or any of its Subsidiaries until the complete fulfilment of construction obligations with respect to the Project or under the Specific Contract, as the case may be, if such Guarantee is required by a Governmental Authority or by lenders in Spain, Mexico and any country of Central or South America;

“Non-Recourse Subsidiary” means any Subsidiary of the Borrower designated as such in the Corporate Chart or otherwise so designated from time to time by notice by the Borrower to the Agent and which meets the following conditions:

- (a) it owns no material asset other than assets related to a Project or the Capital Stock of a Project Vehicle and, if applicable, Capital Stock of any Subsidiary of the Borrower or debt due to it by the Borrower or any Subsidiary of the Borrower, and
- (b) it owes no Indebtedness for Borrowed Money other than Non-Recourse Indebtedness and, if applicable, Indebtedness for Borrowed Money due to the Borrower or any Subsidiary of the Borrower;

and any Subsidiary of such Subsidiary is deemed to have been so designated, it being understood that no designation of a Subsidiary as Non-Recourse Subsidiary may be revoked;

“Pension Plan” means any plan, program or arrangement that provides pension or retirement benefits (whether or not registered under any Applicable Laws) which is maintained or contributed to by the Borrower or any of its Subsidiaries in respect of any individuals employed by the Borrower or any of its Subsidiaries;

“Permitted Liens”, with respect to the Borrower or any Subsidiary of the Borrower (hereafter in this definition, a **“Subsidiary”**), means, as at any time, any one or more of the following Liens:

- (a) Liens imposed or arising by operation of law, in each case, in respect of obligations which are not delinquent or have been postponed or are being contested in good faith and by appropriate proceedings to the extent in the latter case that adequate reserves are maintained in accordance with GAAP;
- (b) Liens incurred in the ordinary course of business by the Borrower or any Subsidiary and for the purpose of carrying on same that are not in connection with Indebtedness for Borrowed Money and which do not in the aggregate materially impair the use of or the income from the property covered thereby;
- (c) Liens to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of the Borrower or any Subsidiary, all in the ordinary course of its business;
- (d) Liens arising out of judgments or awards with respect to which the Borrower or any Subsidiary will in good faith be prosecuting an appeal or proceeding for

review and with respect to which the Borrower or such Subsidiary will have secured a stay of execution pending the appeal or proceedings for review;

- (e) deposits to secure the performance of leases of property (whether immovable or moveable) of the Borrower or any Subsidiary in the ordinary course of business;
- (f) Purchase Money Security and Capital Leases;
- (g) any Lien granted by the Borrower or any Subsidiary to obtain the release of any Lien relating to construction activity by the Borrower or any Subsidiary in the normal course of business provided that such Lien only secures the repayment of the obligations originally secured by such released Lien and the legal costs relating thereto;
- (h) any Lien subsisting over any property, rights or assets of any Subsidiary prior to the date of becoming a Subsidiary and not created in contemplation of such event, provided however that (i) such Subsidiary becomes a Subsidiary of the Borrower as a result of a direct or indirect Acquisition made by the Borrower after December 19, 2013 and (ii) the obligations secured by such Lien have been incurred prior to such Acquisition;
- (i) any Lien on the assets of a Project securing Non-Recourse Indebtedness incurred for purposes of financing such Project or securing the performance of one of more agreements (other than financing agreements) related to such Project;
- (j) any Lien on Capital Stock of any Non-Recourse Subsidiary or any Project Vehicle securing Non-Recourse Indebtedness incurred for the purpose of financing the Project carried on, directly or indirectly, by such Non-Recourse Subsidiary or Project Vehicle or securing the performance of one or more agreements (other than financing agreements) related to such Project;
- (k) any Lien on the rights of the Borrower or a Subsidiary against a Non-Recourse Subsidiary or a Project Vehicle (including Indebtedness for Borrowed Money owed by such Non-Recourse Subsidiary or Project Vehicle to the Borrower or such Subsidiary) securing Non-Recourse Indebtedness incurred for the purpose of financing the Project carried on, directly or indirectly, by such Non-Recourse Subsidiary or Project Vehicle or securing the performance of one or more agreements (other than financing agreements) related to such Project;
- (l) any Lien on Capital Stock (or certain rights or cashflows related thereto) of any Non-Recourse Subsidiary or any Project Vehicle and any Lien on the assets of any Non-Recourse Subsidiary or Project Vehicle securing the obligations of the Borrower or any Subsidiary under a Permitted Monetization;
- (m) Lien on assets acquired or obtained for or associated solely to a Specific Contract (including on rights arising under a Specific Contract or amounts due on account of financing extended to clients by the Borrower or a Subsidiary in connection with a Specific Contract), where (i) such Lien is created to secure Indebtedness for Borrowed Money incurred for that Specific Contract or the financing thereof

and (ii) the recourse of the Person or Persons providing such Indebtedness for Borrowed Money are limited to such assets;

- (n) Liens on bank accounts (including any credit balances of such bank accounts) subject to a Cash Pooling Arrangement granted to the bank with which such bank accounts are maintained to the extent such Liens only secure obligations under such arrangement;
- (o) any Lien granted to clients of the Borrower or any Subsidiary in the normal course of business in relation to contracts made by the Borrower or any Subsidiary with such clients;
- (p) Lien granted to the Borrower or any Guaranteeing Subsidiary by any Subsidiary of the Borrower;
- (q) other Liens not referred to above;
- (r) any renewal or extension of any of the Liens referred to above affecting the same property as the Lien being so renewed or extended and securing obligations in a principal amount not in excess of the unpaid principal amount of the obligations secured thereby immediately prior to such renewal or extension;

provided that the aggregate amount secured by the Liens referred to in clauses (f), (g), (h), (o) and (q) above must not exceed at any time 12.5% of the Borrower's consolidated equity attributable to the company shareholders as determined in accordance with GAAP and based on the most recent financial statements (annual or quarterly) of the Borrower delivered to the Agent;

"Permitted Monetization" means the monetization of the Capital Stock or certain rights or cashflows related to Capital Stock of one or more Non-Recourse Subsidiaries or Project Vehicles consisting either of (i) the incurrence of Indebtedness for Borrowed Money from creditors whose sole recourse is against such Capital Stock, rights or cashflows and the assets of such Non-Recourse Subsidiaries or Project Vehicles or (ii) the sale of such Capital Stock, rights or cashflows for a discounted price at least equal to the fair market value thereof;

"Person" means any natural person, corporation, company, estate, partnership, trust, joint venture, unincorporated organization, Governmental Authority or any other entity;

"Prime Rate" means, for any day, the greater of:

- (a) the annual rate of interest established by the Agent as being its reference rate in effect on such day for determining interest rates for commercial loans denominated in Dollars made in Canada (any change in such reference rate being effective without notice); and
- (b) the CDOR Rate then in effect for bankers' acceptances with a period of one month, plus 1.00%;

"Prime Rate Loan" means a loan denominated in Dollars made pursuant to this Agreement and bearing interest at the Prime Rate, plus the Applicable Margin;

“Project” means:

- (a) the acquisition of the Capital Stock of a Person which carries on an ongoing business or of the assets of such Person related to such business and the subsequent development, expansion or operation of such business; or
- (b) the acquisition, construction, development or expansion of assets forming an undertaking capable (on the basis of reasonable initial assumptions) to generate sufficient cash flow to cover the operating costs and debt service required to finance such undertaking and the subsequent commercial operation for which such assets were so acquired, constructed, developed or expanded; or
- (c) any business undertaking existing on the date of this Agreement which, at the time of its acquisition, construction, development or expansion by the Borrower or any of its Subsidiaries, satisfied the criteria set forth in (a) or (b) above including, for greater certainty, the business undertakings listed in Schedule F; or
- (d) the ownership of or the holding of any interest in, any immovable or real estate property utilized by the Borrower or any of its Subsidiaries in the normal course of business; or
- (e) any combination of clauses (a), (b), (c) and (d) above;

provided that the term Project excludes a business or undertaking consisting primarily of providing engineering, construction or operation and maintenance services;

“Project Vehicle” means a Person formed solely for the purposes of carrying out a Project or to hold, directly or indirectly, Capital Stock of such a Person;

“Purchase Money Security” means any Lien granted or assumed after the date hereof to secure obligations assumed as a part of, or incurred to provide funds to pay, the purchase price of any property, provided that such Lien is limited to the property so acquired and is created, granted or assumed concurrently with the acquisition of such property;

“Rating Agencies” means any two of DBRS, Moody’s and S&P, as selected by the Borrower and notified to the Agent, or, if any of the foregoing does not assign a publicly available rating to the senior unsecured debt of the Borrower, such replacement recognized securities rating agency or agencies reasonably acceptable to the Agent and selected by the Borrower, which will then be substituted for one or more of DBRS, Moody’s and S&P;

“Release” means disposing, depositing, discharging, injecting, spilling, leaking, leaching, dumping, pumping, pouring, emitting, escaping, emptying, seeping, flowing, placing and any similar method of release, into or upon any land or water or air, or otherwise entering into or migrating into the environment and **“Released”** will have a corresponding meaning;

“Scheme” means the scheme of arrangement of Vancouver made pursuant to Article 125 of the Companies (Jersey) Law 1991 as contemplated by the Scheme Press Release;

“**Scheme Circular**” means the circular to be sent to the shareholders of Vancouver which, among other things, will set out the terms and conditions of the Scheme and convene a shareholders meeting;

“**Scheme Effective Date**” means the date on which the Scheme becomes effective by virtue of the act of the court sanctioning the Scheme having been made and duly filed with the Registrar of Companies as required by Article 125 of the Companies (Jersey) Law 1991;

“**Scheme Press Release**” means the press announcement to be issued by Bidco and Vancouver announcing the terms and conditions of the Scheme pursuant to Rule 2.7 of the City Code on Takeovers and Mergers substantially in the form agreed to with the Lenders on the date hereof and to be delivered to the Agent pursuant to Section 8.1(j);

“**Specific Contract**” means a contract for the provision of goods or services undertaken by the Borrower or any of its Subsidiaries in the normal course of business, where the Borrower or any of its Subsidiaries makes available the financing of all or a portion of the purchase price of the goods or services;

“**Subsidiary**” of any Person means any Person which is Controlled by such first Person. A Person is deemed to be a Subsidiary of another Person if it is a Subsidiary of a Person that is that other Person's Subsidiary;

“**Subsidiary Guarantee**” means a Guarantee by a Subsidiary of the Borrower of the obligations of the Borrower under this Agreement substantially in the form of the Subsidiary Guarantee to be delivered pursuant to Section 8.1(a);

“**Taxes**” means all present and future income, corporation, capital gains, capital and value-added and goods and services taxes and all stamp and other taxes and levies, imposts, deductions, duties, charges and withholdings whatsoever together with interest thereon and penalties with respect thereto, if any, and charges, fees and other amounts made on or in respect thereof;

“**Term Facility**” means the term facility in an amount up to \$200,000,000 provided in Section 2.2;

“**Term Facility Maturity Date**” means June 30, 2016;

“**Total Assets**” means in respect of any Person, means the amount of total assets appearing on the statement of financial position of such Person determined in accordance with GAAP;

“**US Base Rate**” means, for any day, the greater of:

- (a) the annual rate of interest established by the Agent as being its reference rate in effect on such day for determining interest rates for commercial loans denominated in US Dollars made in Canada (any change in such reference rate being effective without notice); and
- (b) the federal funds effective rate in effect on such day (and if such day is not a Business Day, then on the preceding Business Day), plus 0.50%; the term “federal

funds effective rate” means the rate usually designated as such and as published by the Federal Reserve Bank of New York for the relevant Business Day;

“**US Base Rate Loan**” means a loan denominated in US Dollars made pursuant to this Agreement and bearing interest at the US Base Rate, plus the Applicable Margin;

“**US Dollar**” or the symbol “**US\$**” means lawful money of the United States of America;

“**Vancouver**” means Kentz Corporation Limited;

“**Vancouver Acquisition**” means the indirect acquisition by the Borrower through Bidco of all Capital Stock of Vancouver pursuant to the Scheme;

“**Vancouver Acquisition Documents**” means the Scheme Press Release, the Scheme Circular and any other public announcement made by or on behalf of the Borrower, Bidco or Vancouver in relation to the Scheme;

“**Vancouver Group**” means Vancouver and its Subsidiaries;

“**Wholly-Owned Subsidiary**” means any Subsidiary of the Borrower of which at least 95% of each class of Capital Stock is owned directly or indirectly by the Borrower;

“**2013 Credit Agreement**” means the December 19, 2013 credit agreement between the Borrower, Bank of Montreal as administrative agent and the lenders party thereto, as amended, supplemented, restated or replaced from time to time.

1.2 Currency Conversions

- (a) Where any amount expressed in any currency has to be converted or expressed in another currency, or where its equivalent in another currency has to be determined (or *vice versa*), the calculation is made at the spot rate announced or quoted by the Bank of Canada in accordance with its normal practices at or around noon on the previous Business Day for the relevant currency against the other currency (or *vice versa*). If the Bank of Canada does not announce or quote such a rate, then the Agent or the Issuing Lender concerned (as applicable) will use the spot rate available from the Bloomberg service, or if such rate is not available, its own spot rate or, if it does not have its own rate, a rate it determines to be reasonable.
- (b) For the purposes of the calculation of the standby fee payable pursuant to Section 5.3, the equivalent amount in Dollars of any Borrowings outstanding during any month in a currency other than the Dollar will be calculated using the applicable spot rate in effect on the first Business Day of such month.

1.3 GAAP, Calculations and Historical Adjustments

- (a) Unless otherwise provided, (i) terms and expressions of an accounting or financial nature have the respective meanings given to such terms and expressions under GAAP; and (ii) calculations must be made and financial statements must be prepared in accordance with GAAP insofar as applicable.

- (b) In the event of a change in GAAP having a material effect on the application of the provisions of this Agreement which are of a financial nature, the Borrower and the Agent, at the request of either of them, will use reasonable efforts to negotiate amendments to the affected provisions in order to facilitate their application provided that all such amendments must preserve the original intent of the affected provisions and will be subject to Article 18.
- (c) If there is any Acquisition or Disposition of any business during any period in respect of which EBITDA has to be calculated, the historical financial results of the business that has been the subject of the Acquisition or Disposition will be included or excluded (as applicable) in the calculation of EBITDA for that period as if such Acquisition or Disposition had occurred on the first day of such calculation period.

1.4 Time

Except where otherwise indicated, any reference to time means local time in Montréal.

1.5 Headings and Table of Contents

The headings and the Table of Contents are inserted for convenience of reference only and do not affect the interpretation of this Agreement.

1.6 Governing Law and Jurisdiction

- (a) This Agreement is governed by and interpreted in accordance with laws of the Province of Québec and the laws of Canada applicable therein.
- (b) Any legal proceeding arising out of this Agreement may be instituted before the courts of the district of Montreal (or any appellate court thereof) and the parties submit to the non-exclusive jurisdiction of such courts.

1.7 Previous Agreements

This Agreement replaces any previous agreement on the matters which are the subject of this Agreement.

1.8 Inconsistency

In the event of inconsistency between this Agreement and any other Credit Document, the provisions of this Agreement must be accorded precedence.

2 - THE FACILITIES

2.1 The Bridge Facility

The Lenders, individually, and not solidarily (and not jointly and severally), agree to make available to the Borrower an asset sale bridge facility (the “**Bridge Facility**”) in an aggregate amount at any time not exceeding the total of the Commitments under the Bridge Facility in effect at such time. As of the date hereof, the Commitment of each Lender under the

Bridge Facility is as specified opposite its name in Schedule B and on the signature pages of this Agreement and the collective Commitments of the Lenders with respect to the Bridge Facility aggregate to \$2,550,000,000.

2.2 The Term Facility

The Lenders, individually, and not solidarily (and not jointly and severally), agree to make available to the Borrower a term facility (the “**Term Facility**”) in an aggregate amount at any time not exceeding the total of the Commitments under the Term Facility in effect at such time. As of the date hereof, the Commitment of each Lender under the Term Facility is as specified opposite its name in Schedule B and on the signature pages of this Agreement and the collective Commitments of the Lenders with respect to the Term Facility aggregate to \$200,000,000.

2.3 Purpose of the Facilities

The Borrower may use the Facilities solely to fund the Vancouver Acquisition and related indebtedness, fees and expenses substantially in accordance with the uses of funds set out in Schedule G.

2.4 Availability under the Facilities

- (a) The Facilities will be available until the last day of the Availability Period, after which any unused portion of each Facility will be cancelled. Borrowings may be obtained in the form of:
 - (i) Prime Rate Loans;
 - (ii) Acceptances, subject to Article 3;
 - (iii) US Base Rate Loans; and
 - (iv) Libor Loans in US Dollars, Euros and GBP, subject to Article 4.
- (b) The Facilities will not revolve and amounts repaid or prepaid may not be reborrowed. Outstanding Borrowings may however be renewed or converted into other forms of Borrowings, as provided in Section 2.8.

2.5 Request for Borrowings

- (a) To obtain a Borrowing, the Borrower must give a notice to the Agent specifying:
 - (i) the Facility to be used;
 - (ii) the amount of the Borrowing, which must be (i) for Prime Rate Loans or US Base Rate Loans, a multiple of \$100,000 (or US\$100,000, as the case may be), but with a minimum of \$5,000,000 (or US\$5,000,000 as the case may be) per Borrowing, and (ii) for Acceptances or Libor Loans, in the amounts applicable under Article 3 or Article 4, respectively;

- (iii) the date of the Borrowing, which must be a Business Day; and
 - (iv) to the extent applicable, the period of the Borrowing.
- (b) The notice must be given by telephone no later than 10:00 a.m. on the first Business Day prior to the date of the Borrowing, except in the case (i) of an Acceptance where the notice must be given no later than 10:00 a.m. on the second Business Day prior to the issue date of such Acceptance, and (ii) of a Libor Loan where the notice must be given no later than 10:00 a.m. on the third Business Day prior to the date of such Libor Loan. Each telephone notice must be followed by a written confirmation on the same date, in the form of Schedule H or in any other manner as may be agreed between the Agent and the Borrower.

2.6 Funding

- (a) Each Lender will promptly pay to the Agent such Lender's share of any Borrowing made or to be made by the Agent on behalf of the Lenders under any Facility. The Agent will provide the Lenders with such information as may be necessary in order for the Lenders to make payments to the Agent and fund their respective shares of any Borrowing.
- (b) Any amount to be paid by a Lender to the Agent must be made available to the Agent at the Agent's Office by 2:00 p.m. on the applicable day. Any amount to be disbursed by the Agent to the Borrower will be made available to the Borrower by crediting an account of the Borrower at the Branch of Account or at any other place agreed on from time to time between the Borrower and the Agent.

2.7 Lender's Failure to Fund

If a Lender fails to fund its share of any Borrowing and, despite such failure, the Agent advances such amount to the Borrower, the Agent may recover such amount from such Lender or, if it is unable to do so, from the Borrower, with interest from the date of disbursement at the rate applicable to Borrowings in the same form. Nothing in this Section obliges the Agent to fund any Borrowing or advance any sums on behalf of a Lender.

2.8 Conversions and Renewals of Borrowings

- (a) The Borrower may convert the whole or any part of outstanding Borrowings to another form of permitted Borrowings and renew Acceptances and Libor Loans, provided that Acceptances and Libor Loans may not be converted prior to the maturity of their respective periods.
- (b) Sections 2.4, 2.5, 2.6 and 2.7, adapted accordingly, apply to a conversion or a renewal.
- (c) Unless they are repaid, converted or renewed upon the maturity date of their respective periods, (i) Acceptances will then become Prime Rate Loans for the face amount of such Acceptances, and (ii) Libor Loans will then become or be converted into US Base Rate Loans.

- (d) Any conversion to Borrowings in another currency will be effected by the repayment of the Borrowings to be so converted and by the re-borrowing of an equivalent amount in the other currency.

2.9 Lender's Obligation to Fund

Each Lender's obligation to fund Borrowings under any Facility is irrevocable and unconditional but is limited to such Lender's Commitment under such Facility. The obligations of the Lenders hereunder are not solidary and are not joint and several, and no Lender is responsible for the obligations of any other Lender.

3 - ACCEPTANCES

3.1 Period and Amounts

Acceptances:

- (a) are for periods of one, two, three or six months (or such other periods which are less than six months and acceptable to the Agent and available with all Lenders), but must mature on a date which is a Business Day and which is no later than the Bridge Facility Maturity Date or the Term Facility Maturity Date (as applicable);
- (b) are denominated in Dollars, with a minimum of \$5,000,000 per issue, provided that the Agent may round each Lender's allocation of such issue to the nearest \$100,000 increment;
- (c) constitute outstanding Borrowings for their face amount;
- (d) do not bear interest nor carry any days of grace; and
- (e) may be discounted by the Lenders for their own account or may be sold to third parties.

3.2 Disbursement

- (a) The amount to be disbursed to the Borrower with respect to Acceptances discounted by the Lenders is the Discounted Proceeds of such Acceptances, less the acceptance fee payable pursuant to Section 5.4.
- (b) In the case of an issue of Acceptances for the purposes of replacing existing Borrowings, the Borrower must, concurrently with such issue, pay to the Agent an amount equal to the aggregate amount of the Borrowings so replaced. The amount so paid to the Agent will be applied to the portion of the Borrowings which have been replaced by such Acceptances.

3.3 Power of Attorney

- (a) Upon any issue of Acceptances, each Lender is authorized to sign, complete, endorse and deliver on behalf of the Borrower the Acceptances to be issued and to do all things necessary or useful in order to facilitate such issuance. Any Lender is

also authorized to make the necessary arrangements for the negotiation and delivery of Acceptances intended to be sold on the money market.

- (b) In the case of an issue of Acceptances by way of promissory notes to the Lenders who do not customarily accept banker's acceptances (as provided in the definition of Acceptances), the Borrower will be deemed to have issued the corresponding notes to such Lenders, without the necessity of physical execution and delivery of any note. The full amount of the notes deemed to be so issued will become payable to such Lenders on the maturity date thereof, as recorded in the books of the Agent.

3.4 Depository Bills

A Lender who accepts Acceptances that are "depository bills" within the meaning of the *Depository Bills and Notes Act* (Canada) may deposit same with CDS Clearing and Depository Services Inc. and such Acceptances may be dealt with in accordance with the rules and procedures of such organization.

3.5 Availability

- (a) The availability of Acceptances (including by way of conversions or renewals) is at any time subject (i) to funds being available for such purpose in the Canadian money market and the CDOR Rate being available, and (ii) to the Agent not having been notified by a Lender or Lenders with a Commitment or Commitments representing in the aggregate more than 25% of all Commitments that the Discount Rate is less than its or their effective funding cost for Acceptances issued by the Borrower to be sold on the Canadian money market. The Agent will notify the Borrower if Acceptances cease to be so available, either generally in the case of clause (i) or with the particular Lender(s) to which clause (ii) applies, as well as when availability resumes. For so long as Acceptances are not available with any particular Lender by reason of the foregoing, Borrowings with such Lender that otherwise would have been made by way of Acceptances will be made by way of Prime Rate Loans.
- (b) The Borrower must ensure that no more than five (5) different issues of Acceptances be outstanding at any time, provided that on an occasional basis the Agent may permit such limit to be exceeded.

4 - LIBOR LOANS

4.1 Amounts and Periods

- (a) Libor Loans may be obtained for periods of one, two, three or six months, but must mature on a Business Day which is not later than the Bridge Facility Maturity Date or the Term Facility Maturity Date (as applicable);
- (b) Libor Loans must be in a minimum amount of US\$5,000,000, €5,000,000 or £5,000,000 (as applicable) per Borrowing; and

- (c) The Borrower must ensure that no more than five (5) different Borrowings by way of Libor Loans are outstanding at any time.

4.2 Changed Circumstances

If the Agent is advised of a determination by:

- (a) a Lender that it is unable to obtain US Dollars, Euros or GBP (as applicable) in the London inter-bank market,
- (b) a Lender that any Applicable Law has made it unlawful or prohibits such Lender from making or maintaining Libor Loans in the applicable currency, or has imposed costs or constraints on such Lender that do not exist on the date hereof in respect of Libor Loans in the applicable currency, or
- (c) a Lender or Lenders with a Commitment or Commitments representing in the aggregate more than 25% of all Commitments that Libor is less than such Lender or Lenders effective funding cost for making or maintaining Libor Loans in the applicable currency,

the Agent will so notify the Borrower and no new Borrowing by way of Libor Loans in the applicable currency, no conversion into such Libor Loans and no renewal of such Libor Loans may be made with such Lender or Lenders from the date of the notice until the cause of such determination has ceased to exist. In any such case, Borrowings with such Lender or Lenders that otherwise would have been made by way of Libor Loans in the applicable currency will be made by way of US Base Rate Loans.

5 - FEES AND INTEREST

5.1 Agency Fee

The Borrower must pay to the Agent, for its own account, the annual agency fee specified in a separate agreement executed by the Borrower.

5.2 Other Fees

The Borrower must pay to the Agent the fees provided for in separate agreements executed by the Borrower, such fees to be distributed as specified in such agreements.

5.3 Standby Fees

- (a) The Borrower must pay to the Agent, for distribution to the Lenders *pro rata* to their Commitments under the applicable Facility, a standby fee on the portion (expressed in Dollars) of each Facility which is unused during the period commencing on the date this Agreement becomes effective and ending on the last day of the Availability Period.
- (b) The standby fee will be calculated daily at an annual rate equal to the Applicable Rate and will be payable quarterly in arrears on the first day of the following quarter.

5.4 Acceptance Fees

Upon the issue of any Acceptance, the Borrower must pay for the account of the relevant Lender an acceptance fee at an annual rate equal to the Applicable Rate. The acceptance fee will be calculated on the face amount of the applicable Acceptance for the number of days included in the period of same and will be deducted from the Discounted Proceeds of such Acceptance, as provided to in Section 3.2.

5.5 Interest on Prime Rate Loans

Prime Rate Loans bear interest at the Prime Rate in effect from time to time, plus the Applicable Margin. The interest is payable monthly in arrears on the first day of the following month.

5.6 Interest on US Base Rate Loans

US Base Rate Loans bear interest at the US Base Rate in effect from time to time, plus the Applicable Margin. The interest is payable monthly in arrears on the first day of the following month.

5.7 Interest on Libor Loans

Each Libor Loan bears interest at the Libor applicable to each such loan, plus the Applicable Margin. The interest is payable at the maturity of the period of the loan or, if the period of such loan is more than three months, at 3-month intervals during the period of the loan.

5.8 Calculation of Interest

- (a) Interest rates and fees calculated at the Applicable Rates are annual rates and are calculated daily on the basis of a 365-day year, except for Libor Loans, where rates are calculated on the basis of a 360-day year. Interest and fees payable at an annual rate accrue from and including the first day of any payment period.
- (b) For the purposes of the *Interest Act* (Canada) only, the annual rate of interest equivalent to a rate otherwise calculated under this Agreement is equal to the rate so calculated multiplied by the actual number of days included in a given year and divided by 365 days (or by 360 days, in the case of a rate calculated on the basis of a 360-day year).

5.9 Interest on Arrears

- (a) Any amount (in principal, interest or otherwise) which is not paid when due will bear interest at the Prime Rate in effect from time to time, plus the Applicable Margin increased by 2%, in the case of an amount payable in Dollars, and at the US Base Rate in effect from time to time, plus the Applicable Margin increased by 2%, in the case of an amount not payable in Dollars.
- (b) Interest on arrears is compounded monthly and is payable on demand.

6 - REPAYMENT, PREPAYMENT AND REDUCTIONS

6.1 Repayment of the Facilities

- (a) The Borrower must repay in full the outstanding Borrowings and pay all other amounts owing under the Bridge Facility on the Bridge Facility Maturity Date.
- (b) The Borrower must repay in full the outstanding Borrowings and pay all other amounts owing under the Term Facility on the Term Facility Maturity Date.
- (c) In addition, if the Availability Period ends without no Borrowing other than the Borrowing contemplated in Section 8.4(b) having been made, the Borrower must repay in full the outstanding amount of such Borrowing (as same may have been converted or renewed as the case may be) and pay all other amounts owing under the Facilities on the Business Day following the end of the Availability Period.

6.2 Optional Prepayments

- (a) The Borrower may at any time make prepayments on outstanding Borrowings under any Facility. Any such prepayment must be in a multiple of \$1,000,000, with a minimum of \$10,000,000, or the equivalent in another currency.
- (b) Prior to making a prepayment, the Borrower must give to the Agent a prior notice thereof, specifying the amount and date of the prepayment, which date must be at least three (3) Business Days after the date of the notice.
- (c) No optional prepayment may be made in respect of Acceptances or Libor Loans before the maturity date of their respective periods, unless, with respect to Libor Loans, the provisions of Section 19.8(c) are complied with.

6.3 Mandatory Prepayments

- (a) Upon the receipt by the Borrower or any of its Subsidiaries of any net proceeds of any Disposition, direct or indirect, of Altalink LP, of the investment in 407 International Inc. or of any other Non-Recourse Subsidiary (or, in each case, of their assets), the Borrower must notify the Agent of such receipt and must make a prepayment on the outstanding Borrowings under the Facilities. Such prepayment must be in an amount equal to such net proceeds and will be applied first to the Borrowings under the Bridge Facility and second to the Borrowings under the Term Facility.
- (b) Upon the receipt by the Borrower or any of its Subsidiaries (other than Non-Recourse Subsidiaries) of the net proceeds of any bond (or similar instrument) issue or any equity issue, the Borrower must notify the Agent of such receipt and must make a prepayment on the outstanding Borrowings under the Facilities. Such prepayment must be in an amount equal to such net proceeds and will be applied first to the Borrowings under the Term Facility and second to the Borrowings under the Bridge Facility.

- (c) Section 6.3(a) will apply to a direct or indirect Disposition of Non-Recourse Subsidiaries (or of their assets), other than a direct or indirect Disposition of AltaLink LP or the investment in 407 International Inc., only for the excess of the aggregate amount of such Dispositions made from the date of this Agreement over \$175,000,000.

6.4 Mandatory Reductions

If, prior to the end of the Availability Period, there is no outstanding Borrowing at the time a prepayment would otherwise be due under Section 6.3 or if such prepayment would be in excess of the outstanding Borrowings under the Facilities, then the Facilities will be reduced in an amount equal to the prepayment which would otherwise have been due (or in an amount equal to the excess of such prepayment over such outstanding Borrowings). Reductions under this Section 6.4 will occur in respect of the Bridge Facility and the Term Facility in the same order as provided in Section 6.3 for application of prepayments.

6.5 Use of Certain Proceeds of Dispositions

Any net proceeds of Dispositions which would give rise to a mandatory reduction of the Facilities under Section 6.4 during the Certain Funds Period (except if the Facilities would then be reduced to zero pursuant to Section 6.4) must be deposited in a segregated account of the Borrower with the Agent and reserved by the Borrower for the purposes put out in Section 2.3. The amounts deposited in such segregated account may be withdrawn by the Borrower to be utilized first for such purposes. Pending such withdrawal, such amounts may be invested in Cash Equivalents Investments subject to arrangements satisfactory to the Agent but ensuring that the Borrower will have access to such investments to utilize them for the same purposes.

6.6 No Other Reduction

The Facilities may not be reduced or cancelled by the Borrower before the end of the Certain Funds Period otherwise than in accordance with Section 6.4.

6.7 Exchange Rate Fluctuations

If, at any time, due to fluctuations in the rate of exchange of a currency against another currency, the outstanding amount of the Borrowings under any Facility, expressed in Dollars, exceeds the then maximum amount of such Facility, the Borrower must pay to the Agent, five (5) Business Days following a demand to that effect, the amount of such excess. However, no such demand will be made as long as the excess is not more than 5% of the maximum amount of the applicable Facility. Any such payment will be applied to outstanding Borrowings.

7 - PLACE AND CURRENCY OF PAYMENT

7.1 Payments to the Agent

Unless otherwise provided in this Agreement, (i) all payments to be made by the Borrower on account of any indebtedness owing to the Lenders hereunder must be made to the Agent at the Branch of Account, (ii) all payments made to the Agent on account of such indebtedness will be deemed to have been made to the Agent for the ratable benefit of the

applicable Lenders, and (iii) any payment received by the Agent on account of any such indebtedness must be distributed among the applicable Lenders proportionately to their share of said indebtedness. Any partial payment on account of indebtedness due hereunder may be applied as reasonably determined by the Agent in a manner consistent with this Agreement. Any payment due by the Borrower may be charged to an account maintained by the Borrower with the Agent.

7.2 Time of Payments

Any payment that is due on a day that is not a Business Day may be made on the next Business Day but interest and fees will continue to accrue until payment is received. All payments must be made in funds which are immediately available on the date on which payment is due.

7.3 Currency of Payments

Unless otherwise provided, (i) all amounts owing under any Borrowing are payable in the currency of such Borrowing, and (ii) ticking and standby fees and all other amounts are payable in Dollars.

7.4 Judgment Currency

If a judgment is rendered against the Borrower for an amount owed hereunder and if the judgment is rendered in a currency (“other currency”) other than that in which such amount is owed under this Agreement (“currency of the Agreement”), the Borrower will pay, if applicable, at the date of payment of the judgment, an additional amount equal to the excess (i) of the said amount owed under this Agreement, expressed into the other currency as at the date of payment of the judgment, over (ii) the amount of the judgment. For the purposes of obtaining the judgment and making the calculation referred to in (i), the exchange rate will be the spot rate at which the Agent, on the relevant date, may in Montreal, sell the currency of the Agreement to obtain the other currency. Any additional amount owed under this Section will constitute a cause of action distinct from the cause of action which gave rise to the judgment, and said judgment will not constitute *res judicata* in that respect.

8 - CONDITIONS PRECEDENT

8.1 Conditions Precedent to the Effectiveness of this Agreement

This Agreement will become effective on the date at which the Agent will confirm to the Borrower that the following documents have been received by the Agent to the satisfaction of the Lenders:

- (a) A Subsidiary Guarantee by each Person named in Section 9.1 and the Intercompany Subordination Agreement;
- (b) A copy of the constating documents of each Credit Party certified by a responsible officer accompanied by a certificate of good standing (or any similar certificate) under the laws of its jurisdiction of incorporation or formation and

under the laws of the province of Quebec to the extent such Credit Party carries on business in such province;

- (c) A copy of the documents evidencing the authority and attesting to the authenticity of the signatures of the Persons acting on behalf of each of the Credit Parties;
- (d) The consolidated audited financial statements of the Borrower and Vancouver covering their fiscal year ended on December 31, 2013 and the unaudited consolidated financial statements of the Borrower for its fiscal quarter ended on March 31, 2014;
- (e) The unconsolidated unaudited financial statements of each Guaranteeing Subsidiary covering the fiscal year ended December 31, 2013;
- (f) Financial projections for the 2014, 2015 and 2016 fiscal years of the Borrower, giving effect to the Vancouver Acquisition and with *proforma* calculations of the Financial Covenant showing compliance with same on a *proforma* basis;
- (g) A Compliance Certificate in the form of Schedule C and also containing confirmation that no event or circumstance having a Material Adverse Effect has occurred since December 31, 2013;
- (h) The documents contemplated by Section 11.10 for delivery to Lenders who have made to the Borrower a request to that effect at least five (5) Business Days prior to the date of this Agreement;
- (i) The Corporate Chart updated on a pro forma basis to give effect to the Vancouver Acquisition;
- (j) Delivery of the Scheme Press Release;
- (k) Payment instructions by the Borrower for the payment of all fees contemplated by Sections 5.1 and 5.2 which are payable on or before the date this Agreement becomes effective;
- (l) Legal opinion from external counsel to each Credit Party addressed to the Agent and the Lenders, relating to the existence and capacity of each Credit Party, the due authorization, execution and delivery and the validity and enforceability of the Credit Documents to which each Credit Party is a party and such other matters as the Agent may reasonably request.

8.2 Conditions Precedent during the Certain Funds Period

During the Certain Funds Period, the Borrower may not obtain any Borrowing or convert or renew any Borrowing:

- (a) if the Agent has not received timely notice of such Borrowing, conversion or renewal, and in the case of a notice of Borrowing or if such notice does not specify the purpose of the applicable Borrowing (with a certification that same is permitted under Section 2.3);

- (b) if the Agent has not received copies of all Vancouver Acquisition Documents (as certified by a senior financial officer of the Borrower);
- (c) if any Major Representation or any certification under this Section 8.2 is not true and correct or if a Major Default has occurred and is continuing, in each case at the time of such Borrowing, conversion or renewal;
- (d) if the Agent has not received a certificate by a senior financial officer of the Borrower as to occurrence of the Scheme Effective Date accompanied by a copy of the act of the court sanctioning the Scheme and by evidence of the delivery of such a copy to the registrar of companies for Jersey; or
- (e) if, after giving effect to such Borrowing, conversion or renewal, the outstanding Borrowings under a Facility, expressed in Dollars, would exceed the amount of such Facility.

Each notice of Borrowing or of the renewal or conversion of a Borrowing under this Section 8.2 will constitute a certification that all Major Representations are true and correct and that no Major Default has occurred and is continuing (or would occur as a result of giving effect to the notice).

8.3 Conditions Precedent after the Certain Funds Period

After the expiry of the Certain Funds Period, the Borrower may not obtain any Borrowing or convert or renew any Borrowing:

- (a) if the Agent has not received timely notice of any such Borrowing, conversion or renewal and, in the case of a Borrowing, if the notice does not comply with Section 8.2(a) or if the Availability Period has expired;
- (b) if all representations herein are not true and correct in all material respects;
- (c) if, after giving effect to such Borrowing, conversion or renewal, the outstanding Borrowings under a Facility, expressed in Dollars, would exceed the amount of such Facility;
- (d) if a Default has occurred and is continuing or would occur after giving effect to such Borrowing, conversion or renewal.

Each notice of Borrowing or of the renewal or conversion of a Borrowing constitutes a certification by the Borrower that no Default has occurred and is continuing.

8.4 Waiver of Conditions Precedent

- (a) The conditions precedent provided for in Sections 8.1, 8.2 and 8.3 are for the sole benefit of the Agent and the Lenders. The Agent and the Lenders may waive such conditions precedent, in whole or in part, with or without conditions, without prejudice to any other or future rights that they might have against the Borrower and any other Person.

- (b) The Agent and the Lenders waive the conditions precedent of Sections 8.2(b) and 8.2(d) with respect to a Borrowing not exceeding \$70,000,000 which the Borrower may request under the Bridge Facility on or after this Agreement becomes effective.

8.5 Early Termination of this Agreement

If all of the conditions precedent provided for in Section 8.1 have not been previously fulfilled or waived, this Agreement will terminate on June 30, 2014.

9 – SUBSIDIARY GUARANTEES AND SUBORDINATIONS

9.1 Initial Guaranteeing Subsidiaries

A Subsidiary Guarantee must be provided by each of SNC-Lavalin Inc., 941692 Alberta Ltd. (a parent of AltaLink LP), SNC-Lavalin Highway Holdings Inc. (the direct holder of the investment in 407 International Inc.), SNC-Lavalin ATP Inc. and Bidco, provided that Bidco's Subsidiary Guarantee will only come into force and become effective on the Scheme Effective Date.

9.2 Other Guaranteeing Subsidiaries

- (a) The Borrower must ensure that, at all times, on the basis of the calculations made as of the end of the last fiscal quarter or year of the Borrower for which financial statements are required to be delivered pursuant to Sections 14.1 and 14.2, Subsidiary Guarantees from all Material Subsidiaries are in full force and effect. If, at any time, it appears that any Material Subsidiary has not provided a Subsidiary Guarantee, then the Borrower will promptly but no later than 30 days after such time cause such Material Subsidiary to execute and deliver to the Agent a Subsidiary Guarantee. This Section 9.2(a) will not apply to any Subsidiary of Vancouver before the Clean-Up Date.
- (b) In addition, regardless of whether Vancouver meets the criteria of the definition of Material Subsidiary, Vancouver must become a Guaranteeing Subsidiary promptly after the Scheme Effective Date but in any event not later than 30 days after such date.

9.3 Limitations on Certain Material Subsidiaries

- (a) Notwithstanding Section 9.2, if a Material Subsidiary is subject to any legal restrictions imposed by the laws of, or any legal principle having the force of law and applicable in, the jurisdiction of its incorporation or formation (other than legal restrictions or legal principles relating to voidable or reviewable transactions under laws relating to bankruptcy, insolvency or creditors' rights generally) and which:
 - (i) relates to the legal capacity of such Subsidiary to guarantee the obligations of the Borrower as contemplated in a Subsidiary Guarantee;

- (ii) effectively prevents such Subsidiary from guaranteeing when required to do so hereunder the full amount of all obligations of the Borrower arising from this Agreement; and
- (iii) in respect of which the Agent receives from Borrower's counsel acceptable to the Agent a reasoned legal opinion (such counsel being permitted in respect of matters of facts to rely for purposes of such opinion on a certificate of a senior officer of such Subsidiary) addressed to the Agent describing the relevant legal restriction or legal principle, confirming that such restriction or legal principle effectively makes it unlawful for such Subsidiary to guarantee the full amount of the said obligations and opining as to the maximum amount, if any, of such obligations which could be lawfully guaranteed by such Subsidiary to the Lender,

then, in such case, (i) the Subsidiary Guarantee of such Material Subsidiary will be limited to such maximum amount, or (ii) if such Material Subsidiary is not permitted at all to provide such guarantee, said Material Subsidiary will be exempted from providing a Subsidiary Guarantee.

- (b) The Borrower acknowledges that the provisions of Section 9.3(a) do not apply to Bidco and Vancouver.

9.4 Covenants Relating to Guaranteeing Subsidiaries

- (a) Except as otherwise permitted by this Agreement, any Guaranteeing Subsidiary must remain at all times a Wholly-Owned Subsidiary.
- (b) 941692 Alberta Ltd must remain at all times the indirect holder of the investment in AltaLink LP and SNC-Lavalin Highway Holdings Inc. must remain at all times the direct holder of the investment in 407 International Inc., subject however, in each case, to a Disposition of any such investment permitted by Section 12.5(f). The Subsidiaries of 941692 Alberta Ltd. must be Non-Recourse Subsidiaries whose Indebtedness for Borrowed Money consist only of indebtedness incurred for the purposes of financing directly or indirectly AltaLink LP or of its business investments (except however for indebtedness under a monetization permitted by Section 12.5(f)).

9.5 Release of Subsidiary Guarantees

- (a) Upon request of the Borrower, the Agent will release a Guaranteeing Subsidiary of its obligations under the relevant Subsidiary Guarantee if (i) no Default has occurred and is continuing or would result from such release and (ii) the Borrower has provided to the Agent evidence reasonably satisfactory to the Agent that, directly or indirectly, it has or it will, concurrently with such release, Dispose of the Capital Stock of such Guaranteeing Subsidiary or such Guaranteeing Subsidiary has Disposed, or will Dispose of, all or substantially all of its assets, in each case, in accordance with and subject to the other provisions of this Agreement;

- (b) For greater certainty, a Guaranting Subsidiary may not be released from its Subsidiary Guarantee by reason only of such Subsidiary ceasing to be a Material Subsidiary.

9.6 Subordination of Intercompany Loans

The Borrower will procure that any of its Subsidiaries whose unconsolidated assets at the end of any fiscal quarter of the Borrower include loans or advances to the Credit Parties exceeding in the aggregate \$50,000,000 for such Subsidiary will execute or become party to the Intercompany Subordination Agreement within 60 days from such time.

9.7 Documents relating to Subsidiary Guarantees

Concurrently with the execution of any Subsidiary Guarantee, the Guaranting Subsidiary concerned must provide such legal opinions, corporate documents and certificates as the Agent may reasonably require.

10 - REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants that:

10.1 Existence and Capacity

Each Credit Party is duly incorporated or formed, validly existing and in good standing as a corporation or other entity under the laws of its jurisdiction of incorporation or formation, and is duly qualified in all material respects to do business in the jurisdictions in which the nature of the business transacted by it or the character of the material properties owned or leased by it requires such qualifications, and has the power and authority to own its properties and to carry on its business as presently conducted, except where the failure to be in compliance with the foregoing does not or could not reasonably be expected to have a Material Adverse Effect.

10.2 Corporate Action

Each Credit Party has the power and authority to enter into and perform its obligations under the Credit Documents to which it is a party, and the entering into and performance of such Credit Documents have been duly authorized by all necessary actions on its part.

10.3 Validity of the Credit Documents

Each Credit Document to which any Credit Party is a party constitutes the legal, valid, binding and enforceable obligation of such Credit Party subject however to the qualifications set out in the legal opinions applicable to such document delivered pursuant to this Agreement.

10.4 Vancouver Acquisition

- (a) The Vancouver Acquisition Documents are in compliance with all Applicable Laws relevant to the Scheme.

- (b) Bidco is a direct Wholly-Owned Subsidiary of the Borrower. Until Bidco's Subsidiary Guarantee becomes effective, Bidco (i) will have no other material asset and no material liability other than liabilities under the Vancouver Acquisition Documents and the indebtedness incurred in favour of the Borrower in connection with the Vancouver Acquisition and (ii) will not make or be party to any transaction of the type described by Section 12.4 which would otherwise be permitted by such section.
- (c) Based on the information provided by Vancouver up to the date of this Agreement, there is no basis for a Phase 2 CMA reference (as defined in the Scheme Press Release) to occur in connection with the Vancouver Acquisition.

10.5 Authorizations and No-Conflict

None of the execution, delivery or performance of the Credit Documents by any Credit Party nor the consummation of any of the transactions contemplated in the Credit Documents to which such Credit Party is a party:

- (a) requires any authorization to be obtained or registration to be made by any Credit Party (except those already obtained or made and those not yet required to be obtained or made); or
- (b) conflicts with, contravenes or gives rise to any default under (i) any of the constating documents or by-laws of any Credit Party or the resolutions of its directors, shareholders, members or partners, (ii) the provisions of any indenture, instrument, material agreement or undertaking to which any Credit Party is a party or by which such Credit Party or any of its assets are bound, or (iii) any Applicable Law.

10.6 Litigation

Except for the actions and investigations described in Schedule D (including any proceedings, judgments, awards, settlements, fines or penalties that may result therefrom), there is no current or pending action, suit or proceeding or, to the best knowledge of the Borrower, investigation against or relating to the Borrower or any of its Subsidiaries or, to the best knowledge of the Borrower, threatened against or relating to any of them or their properties and assets, in each case before or by any Governmental Authority which, separately or in the aggregate, has or could reasonably be expected to have a Material Adverse Effect.

10.7 Financial Statements

- (a) The audited annual consolidated financial statements of the Borrower most recently delivered to the Agent and the unaudited quarterly consolidated financial statements of the Borrower most recently delivered to the Agent:
 - (i) have been prepared in accordance with GAAP, consistently applied; and

- (ii) fairly represent the financial condition of the Borrower as at the date thereof.
- (b) The unaudited unconsolidated financial statements of each of the Guaranteeing Subsidiaries most recently delivered to the Agent:
 - (i) have been prepared in accordance with GAAP (but without including notes and statements of change in equity and of comprehensive income), consistently applied; and
 - (ii) fairly represent its financial condition as at the date thereof.

10.8 No Default

No Default is outstanding.

10.9 Compliance with Laws

Each of the Borrower and its Subsidiaries is in compliance with all Applicable Laws, the non-compliance with which could reasonably be expected to have a Material Adverse Effect, provided that the foregoing Material Adverse Effect qualification does not apply to ABTL Laws. Notwithstanding the foregoing, in the event the Borrower or any of its Subsidiaries were found to have violated ABTL Laws or other Applicable Laws with respect to any action, fact or circumstance having given rise to the actions or investigations described in Schedule D, same will not constitute a breach of the representation and warranty contained in this Section 10.9 so long as the Borrower or the relevant Subsidiary punctually pays the condemnation, fine or penalty resulting from such violation or complies with the related final judgment, award or settlement, as the case may be.

10.10 Insurance

The Borrower and its Subsidiaries maintain the insurance required to be maintained under Section 11.8 and such insurance policies are presently in effect.

10.11 Pension Plans

- (a) Each Pension Plan of the Borrower and its Subsidiaries is in substantial compliance with all Applicable Laws relating to pensions and benefits and Taxes, except for any non-compliance that, singly or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.
- (b) As of the date of the last completed actuarial evaluation, no Pension Plan of the Borrower and its Subsidiaries had any unfunded liability determined in accordance with all Applicable Laws and using assumptions and methods that are appropriate in the circumstances and in accordance with generally accepted actuarial principles and practices in the relevant country where such Pension Plan is registered, except for any such unfunded liability that is being amortized in accordance with Applicable Laws. All contributions, including any special

payments to amortize any unfunded liability, required to have been made in accordance with all Applicable Laws and the terms of each Pension Plan have been made.

- (c) No event has occurred and no condition exists with respect to any Pension Plan that has resulted or is reasonably likely to result in any Pension Plan being ordered or required to be wound up pursuant to any applicable pension benefits Laws or having its registration revoked or refused for the purposes of any Applicable Laws relating to pension or benefits or Taxes or being placed under the administration of any relevant pension benefits regulatory authority or being required to pay any Taxes or penalties under any Applicable Laws relating to pensions or benefits or Taxes except, in each case, if such event or condition could not reasonably be expected to have a Material Adverse Effect.
- (d) No event has occurred and no condition exists that has resulted, or could reasonably be expected to result, in the Borrower or any of its Subsidiaries being required to pay, repay or refund any amount (other than contributions required to be made or benefits or expenses required to be paid in the ordinary course) to or on account of any Pension Plan as a current or former member thereof where such requirement to pay, repay or refund could reasonably be expected to have a Material Adverse Effect.

10.12 No Liens

The property, rights and assets of the Borrower and its Wholly-Owned Subsidiaries are free from any Liens other than Permitted Liens and, taken as a whole, are not subject to title defects or restrictions which could have a Material Adverse Effect.

10.13 Intellectual Property

- (a) The Borrower and each of its Subsidiaries owns or possesses, or has a license to or otherwise has the right to use, all patents, trademarks, service marks, trade names and copyrights, technology, know-how and processes, and all rights with respect to the foregoing, which are necessary for the operation of its business as presently conducted and as currently proposed to be conducted without any known material conflict, to the best of its knowledge, with the rights of others, except those failure to own or possess (or be licensed or otherwise have the right to use) which could not, singly or in the aggregate, reasonably be expected to have a Material Adverse Effect.
- (b) To the best knowledge of the Borrower, there is no violation by any Person of any of its right with respect to any patent, trademark, trade name or service mark owned or used by the Borrower or any of its Subsidiaries or used in connection with any of their assets which could, singly or in the aggregate, reasonably be expected to have a Material Adverse Effect.

10.14 Taxes and Fines

Each of the Borrower and its Subsidiaries has filed all material tax returns which are required to be filed and has paid all material Taxes, interest and penalties, if any, which have become due pursuant to such returns or pursuant to any assessment received by it and adequate provisions for payment has been made for Taxes not yet due except any such payment of which the concerned party is contesting in good faith by appropriate proceedings and for which appropriate reserves have been provided on the books of the Borrower or the relevant Subsidiary, as the case may be in accordance with GAAP. Each of the Borrower and its Subsidiaries has paid all material fines or other penalties which have become due pursuant to Applicable Laws.

10.15 Environment

- (a) Each of the Borrower and its Subsidiaries is in compliance with all Environmental Laws;
- (b) The assets of each of the Borrower and its Subsidiaries are owned, leased, managed, controlled or operated in compliance with all Environmental Laws;
- (c) There are no existing, pending or, to the best knowledge of the Borrower threatened, claims, complaints, notices or requests for information received by the Borrower or any of its Subsidiaries with respect to any alleged violation by any such Person of or alleged liability of any such Person under any Environmental Law relating to any of the assets of any such Person, or orders from any Governmental Authority which have been received by the Borrower or any of its Subsidiaries requiring any work, repair, or construction by any such Person with respect to any of the assets of any such Person;
- (d) Except in compliance with Environmental Law, no Hazardous Materials have been generated, received, handled, used, stored, treated or shipped at or from, and there has been no Release of Hazardous Materials at, on, from or under any of the assets of the Borrower or any of its Subsidiaries;
- (e) Except in compliance with Environmental Law, as far as the Borrower is aware, none of the lands and premises comprising any of the assets of the Borrower and its Subsidiaries has been used for the disposal of waste or as a landfill or waste disposal site; and
- (f) Neither the Borrower nor any of its Subsidiaries has directly transported or directly arranged for the transportation of any Hazardous Materials to any location, except in compliance in all material respects with Environmental Law,

in each case, with the exception of any matter or matters that could not reasonably be expected to, singly or in the aggregate, have a Material Adverse Effect.

10.16 Hedging Agreements

Neither the Borrower nor any Subsidiary of the Borrower is a party to any Hedging Agreement other than Hedging Agreements entered into solely for the purpose of hedging and managing the risks of the Borrower and its Subsidiaries and not for speculative purposes.

10.17 Fiscal Year

On the date of this Agreement, the fiscal year end of the Credit Parties is December 31.

10.18 Time of and Reliance on Representation

- (a) The representations and warranties of Sections 10.1 to 10.17, with the exception of those specified to be made as of the date of this Agreement, will also be deemed to be made:
 - (i) on the date of each Borrowing, of each renewal or conversion of a Borrowing and of any request for a Borrowing; and
 - (ii) on the last day of each fiscal quarter and each fiscal year of the Borrower if and so long as any Borrowing under this Agreement is outstanding,as if made at and as of each such date, with reference to the facts and circumstances then existing.
- (b) All representations and warranties contained in any certificate or material delivered pursuant to any Credit Document will be deemed to have been relied upon by the Agent and the Lenders notwithstanding any investigation made by any one of them.

11 - AFFIRMATIVE COVENANTS

The Borrower covenants and agrees that:

11.1 The Vancouver Acquisition

- (a) The Vancouver Acquisition will be made in accordance with all Applicable Laws relevant to the Scheme.
- (b) The Vancouver Acquisition Documents will be in compliance with all Applicable Laws relevant to the Scheme and will be consistent in all material respects with the Scheme Press Release.

11.2 Payment Obligations

The Borrower will duly and punctually pay all sums of money due by it under this Agreement at the times and places and in the manner provided for by this Agreement and will duly and punctually perform and observe all of its other obligations hereunder.

11.3 Maintenance of Corporate Existence

The Borrower will do and cause each other Credit Party to do all things necessary to preserve and keep in full force and effect its corporate or legal existence (except, with respect to each other Credit Party, as otherwise permitted herein) and will file and will cause each other Credit Party to file all annual returns and financial statements as may be required pursuant to the law of its incorporation or formation and will remain and cause each other Credit Party to remain duly qualified to do business in the jurisdictions in which the nature of the business transacted by it or the relevant other Credit Party or the character of the material properties owned or leased by it or the relevant other Credit Party, respectively, will require such qualifications.

11.4 Conduct of Business

The Borrower will carry on and conduct its business, and will cause the other Credit Parties to carry on and conduct their respective businesses, in a proper and efficient manner and it will and cause the other Credit Parties to, diligently maintain, repair, use and operate its or their property and premises, as the case may be, in a proper and efficient manner.

11.5 Compliance with Laws

The Borrower and its Subsidiaries will at all times comply with all Applicable Laws the non-compliance with which could reasonably be expected to have a Material Adverse Effect, provided that the foregoing Material Adverse Effect qualification does not apply to ABTL Laws. Notwithstanding the foregoing, in the event the Borrower or any of its Subsidiaries were found to have violated ABTL Laws or other Applicable Laws with respect to any action, fact or circumstance having given rise to the actions or investigations described in Schedule D, same will not constitute a breach of this Section 11.5 so long as the Borrower or the relevant Subsidiary punctually pays the condemnation, fine or penalty resulting from such violation or complies with the related final judgment, award or settlement, as the case may be.

11.6 Payment of Taxes and Fines

The Borrower will promptly cause to be paid and discharged all lawful and material Taxes, penalties or fines assessed or imposed against it or its Subsidiaries, or upon the income and profits of, or upon any property belonging to, it or its Subsidiaries, before the same shall become in default, provided, however, that neither it nor any of its Subsidiaries will be required to cause to be paid and discharged any such Tax, penalty or fine, as long as the amount or validity thereof will be diligently contested in good faith by appropriate proceedings and the Borrower or such Subsidiary, as the case may be, will have set aside on its books adequate reserves in accordance with GAAP.

11.7 Books and Records

The Borrower will keep and maintain proper books of account and other accounting records in accordance with GAAP.

11.8 Insurance

The Borrower and its Subsidiaries will insure their civil liability and professional liability (including, without limitation, their liability vis-à-vis third parties against sudden and accidental

pollution) in such amounts and in such manner as are usually maintained by other companies in the same general lines of business as those of the Borrower and its Subsidiaries. The Borrower and its Subsidiaries will also insure and keep insured or cause to be insured or kept insured their buildings, plants, and other properties which are of an insurable nature against loss or damage by fire and against such other hazards, in such amounts and in such manners as usually maintained by other companies in the same general lines of business as those of the Borrower and its Subsidiaries. All such policies will be maintained with such reputable insurance companies as the Borrower or the relevant Subsidiary may select. The Borrower will punctually pay or cause to be paid the premiums and other sums of money payable for that purpose.

11.9 Pari Passu Ranking

The Borrower and each other Credit Party will procure that its obligations under the Credit Documents do and will rank at least *pari passu* with all its other present and future unsecured, unsubordinated obligations, except for obligations having mandatory priority under Applicable Laws.

11.10 Know-Your-Client Information

As soon as reasonably practicable, the Borrower will provide all information with respect to the Borrower, as may be reasonably requested by the Agent or any Lender, or any prospective assignee of or participant in the commitment of a Lender, in order for any of them to comply with any applicable ABTL Laws and satisfy their know-your-client and reporting obligations under Applicable Laws.

11.11 Further Assurances

The Borrower will, and will cause each of the other Credit Parties to, cooperate with the Lenders and the Agent and execute such further instruments and documents as the Agent may reasonably request to give effect to the provisions of the Credit Documents.

12 - NEGATIVE COVENANTS

The Borrower covenants and agrees that:

12.1 Nature of Business

The Borrower will not change in any material respect the nature of its business or the business of the Borrower and its Subsidiaries taken as a whole.

12.2 Use of Proceeds

The Borrower will not allow the Facilities or the proceeds thereof to be used in contravention with Applicable Laws or in a manner not permitted by Section 2.3.

12.3 Liens

Neither the Borrower nor any of its Wholly-Owned Subsidiaries will create, incur, assume or suffer to exist any Lien upon any of its present or future assets other than Permitted Liens

12.4 Reorganization and Amalgamation

- (a) The Borrower will not nor will any of its Wholly-Owned Subsidiaries (other than any Non-Recourse Subsidiaries) wind up, liquidate or dissolve its business, affairs or assets or enter into any transaction of reorganization, amalgamation, merger or consolidation (or agree to do any of the foregoing at any future time), save for any of the above transactions among the Borrower and its Wholly-Owned Subsidiaries (provided that the Borrower's existence be preserved) or among any Wholly-Owned Subsidiaries of the Borrower and, if any of the above transactions results in a Disposition, if such Disposition is permitted by Section 12.5.
- (b) None of the Guaranteeing Subsidiaries will wind up, liquidate or dissolve its business, affairs, or assets or enter into any transaction of reorganization, amalgamation, merger or consolidation with any other Wholly-Owned Subsidiary of the Borrower, unless the resulting or acquiring Wholly-Owned Subsidiary expressly assumes all obligations of such Guaranteeing Subsidiary under the relevant Subsidiary Guarantee (except where such assumption is deemed to have occurred by the sole operation of law).
- (c) None of the above transactions may be accomplished if a Default would occur as a result of such transaction.

12.5 Disposition of Assets

Neither the Borrower nor any Wholly-Owned Subsidiary of the Borrower (other than Non-Recourse Subsidiaries) will Dispose of any of its assets, except for the following Dispositions (and only if no Default has occurred and is continuing or would occur therefrom in the case of any Disposition contemplated by Subsections (c) through (g)):

- (a) Disposition of assets made in the ordinary course of carrying on its business;
- (b) Disposition of redundant or unused assets;
- (c) the sale of accounts receivable at fair market value pursuant to any discount or factoring transaction in the ordinary course of business, provided that the acquirer of such accounts receivable under such discount or factoring transaction has no recourse whatsoever to the Borrower or any such Subsidiary in connection with the creditworthiness of the account debtor of the accounts receivable subject to such sale;
- (d) Disposition of assets consisting of a Permitted Lien;

- (e) Disposition of assets between the Borrower and any of its Subsidiaries or between such Subsidiaries provided that a Disposition of assets by a Guaranteeing Subsidiary shall be in favour of the Borrower or a Subsidiary that is or becomes a Guaranteeing Subsidiary; except that the Borrower may exclude from the requirement of this proviso Dispositions of assets in favour of Subsidiaries which do not exceed in the aggregate \$50,000,000 in any fiscal year;
- (f) Disposition of Capital Stock of any Non-Recourse Subsidiary or any Project Vehicle at a price at least equal to the fair market value thereof or pursuant to a Permitted Monetization provided, however that, notwithstanding any other provision of this Agreement, neither the Borrower nor any of its Subsidiaries may, directly or indirectly, make or permit any Disposition or any form of monetization of Capital Stock of AltaLink LP or 407 International Inc. or of their assets (hereafter, a “transaction”) which would result in all such transactions made since the date of this Agreement to exceed \$800,000,000 in the aggregate (the “transactions threshold”), unless the Borrower has an Investment Grade Rating Status from two Rating Agencies immediately before the relevant transaction and has obtained written confirmation from each of them that it will retain after the transaction the same Credit Rating it had before the transaction. In addition:
 - (i) from the time of the first transaction which would result in the transactions threshold being exceeded, the Net Recourse Debt will be calculated subtracting \$250,000,000 from the aggregate amount of Cash and Cash Equivalent Investment permitted to be deducted from Indebtedness for Borrowed Money;
 - (ii) until the two class actions referred to in paragraph 1 of Schedule D have been settled or have given rise to a final judgment and all amounts payable under such settlements or judgments have been paid and it has been determined to the reasonable satisfaction of the Majority Lenders either that the investigations referred to in Schedule D will not result in charges or proceedings against the Borrower and its Subsidiaries or that all penalties, fines, settlements, awards or judgments payable as a result of such investigations, charges or proceedings have been paid or satisfied:
 - y) the proceeds of any transaction in excess of the transactions threshold may not be used for Distributions by the Borrower, and
 - z) any transaction which would result in all transactions made since the date of this Agreement to exceed \$1,500,000,000 must be previously approved by the Majority Lenders provided that the consent given on May 1, 2014 pursuant to the 2013 Credit Agreement will constitute sufficient approval of the transaction described therein.
- (g) Dispositions at fair market value not contemplated in any of the foregoing paragraphs provided that the aggregate book value of the assets so Disposed of by the Borrower and its Wholly-Owned Subsidiaries (other than Non-Recourse Subsidiaries) must not exceed \$100,000,000 per fiscal year of the Borrower,

calculated net of the reinvestments of the proceeds of any such Disposition in the business (including related assets) of the Borrower or its Wholly-Owned Subsidiaries in the twelve-month period following said Disposition.

12.6 Indebtedness of Subsidiaries

None of the Wholly-Owned Subsidiaries (other than any Non-Recourse Subsidiaries) will create, incur, assume or suffer to exist with respect to such Subsidiary, any Indebtedness for Borrowed Money, except:

- (a) Indebtedness for Borrowed Money under the Credit Documents, the 2013 Credit Agreement and the guarantees provided pursuant thereto;
- (b) Indebtedness for Borrowed Money of Subsidiaries outstanding on the date of this Agreement as specified in Schedule I and any refinancings, refundings, renewals, replacements or extensions thereof; provided that the aggregate principal amount of all such Indebtedness for Borrowed Money is not increased at the time of any such refinancing, refunding, renewal, replacement or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing, refunding, renewal, replacement or extension;
- (c) Indebtedness for Borrowed Money of any Person that becomes a Subsidiary of the Borrower or is merged or consolidated into a Subsidiary of the Borrower after the date of this Agreement, which Indebtedness for Borrowed Money is existing at the time such Person becomes a Subsidiary of the Borrower or at the time of such merger or consolidation, as the case may be (other than Indebtedness for Borrowed Money incurred solely in contemplation of such Person becoming a Subsidiary of the Borrower);
- (d) Indebtedness for Borrowed Money owed to the Borrower or to other Subsidiaries of the Borrower;
- (e) reimbursement obligations of a Wholly-Owned Subsidiary in respect of Letters of Credit, surety bonds and similar instruments issued for the account of such Wholly-Owned Subsidiary in the ordinary course of such Subsidiary's business;
- (f) Indebtedness for Borrowed Money in respect of Capital Leases, Purchase Money Security and other Permitted Liens;
- (g) daylight loans forming part of tax planning transactions to the extent that such daylight loans are reimbursed or set off on the day they are incurred;
- (h) overdrafts or negative balances of bank accounts to the extent that these overdrafts or negative balances are set off through a Cash Pooling Arrangement;
- (i) Indebtedness for Borrowed Money under any Permitted Monetization Transaction; and

- (j) unsecured Indebtedness for Borrowed Money not to exceed at any time an aggregate outstanding principal amount of \$100,000,000.

12.7 Distributions

The Borrower will not make any Distribution if a Default exists at the time of, or would occur after giving effect to such Distribution.

12.8 Change of Year-End

Neither the Borrower nor any other Credit Party will change its fiscal year-end.

12.9 Hedging Agreements

The Borrower will not and will not allow any of its Subsidiaries to enter into any Hedging Agreement for purposes other than for hedging and risk management (but not for speculative purposes).

12.10 Consideration and Terms and Conditions of the Scheme

- (a) The Borrower will not increase the price per share payable under the Vancouver Acquisition (or take any step which would have such effect) without the consent of the Majority Lenders.
- (b) Unless required by the Panel (as defined in the Scheme Press Release), neither the Borrower nor Bidco will waive or amend any term or condition of the Scheme without the consent of the Majority Lenders if such waiver or amendment could reasonably be expected to adversely affect the interests of the Lenders. If it is expected by the Borrower or Bidco that the Panel could require such waiver or amendment, then the Borrower will inform the Agent and consult with the latter as to the manner, if any, in which such adverse effect may be mitigated.

13 - FINANCIAL COVENANT

13.1 Net Recourse Debt to EBITDA Ratio

The Borrower will maintain at all times, on a rolling twelve (12) month and consolidated basis, a ratio of Net Recourse Debt (but excluding the Bridge Facility) to EBITDA of not more than 3.50:1 until June 29, 2014, and 3.25:1 thereafter, provided that from June 30, 2014 such ratio may, upon notice of the Borrower, be increased to 3.50:1 for the twelve (12) month period immediately following a Material Acquisition.

13.2 Step-Up Restriction

However, no increase contemplated by Section 13.1 will be permitted before the earlier of (i) termination of the Ambatovy Guarantees referred to in the definition of Indebtedness for Borrowed Money (without same having been called), and (ii) the time when the Borrower's

liability under such Ambatovy Guarantees is recorded as a liability in the consolidated statement of financial position of the Borrower in accordance with GAAP.

14 – INFORMATION COVENANTS

14.1 Annual Reporting

The Borrower will deliver to the Agent, as soon as available and in any event within 120 days after the end of each fiscal year of the Borrower:

- (a) audited consolidated statement of financial position, income statement and statement of cash flows of the Borrower, as at the end of such year, together with comparative figures for the preceding year, and accompanied by the opinion of the Borrower's auditors on audited statements, which opinion must state that each such audited consolidated financial statements were prepared in accordance with GAAP, and that the audit by such auditors in connection with such financial statements has been made in accordance with generally accepted auditing standards;
- (b) the unaudited unconsolidated statement of financial position, income statement and statement of cash flows of each of the Guaranteeing Subsidiaries with unconsolidated Total Assets of more than \$50,000,000 as at the end of such year, together with comparative figures for the preceding year and prepared in accordance with GAAP;
- (c) an updated Corporate Chart showing all Subsidiaries of the Borrower then existing (with the percentage of their Capital Stock owned directly or indirectly by the Borrower) and an updated list of all Non-Recourse Subsidiaries and of all Project Vehicles in which the Borrower or any of its Subsidiaries has a material investment; and
- (d) the budget of the Borrower (on a consolidated basis) for its current fiscal year (including statement of financial position, income statement and statement of cash flows).

14.2 Quarterly Reporting

- (a) The Borrower will deliver to the Agent, as soon as available and in any event within 60 days after the end of the first, second and third quarters of each fiscal year of the Borrower, the unaudited consolidated statement of financial position, income statement and statement of cash flows of the Borrower for each such quarterly periods, all in reasonable detail (with comparative figures for the equivalent quarterly period of the preceding fiscal year in respect of income statement and statement of cashflows and for the last year-end in respect of statement of financial position), prepared in accordance with GAAP;
- (b) The Borrower will deliver to the Agent, as soon as possible and in any event within 60 days after the end of the first, second and third quarters and 120 days after the end of the fourth quarter of each fiscal year, a Compliance Certificate signed by a senior financial officer of the Borrower:

- (i) stating that such officer has reviewed this Agreement and that, after due enquiry, such officer has no knowledge of any Default or, if such officer has such knowledge, specifying such Default and the nature thereof; and
- (ii) setting forth the calculations or providing the information permitting to monitor compliance with the Financial Covenant, the Permitted Liens limitation of the last paragraph of the definition of Permitted Liens, the covenants of Sections 9.2 and 9.6, the Disposition of Assets limitations of Sections 12.5(e), 12.5(f) and 12.5(g) and the indebtedness limitation of Section 12.6(j).

14.3 Reporting from Time to Time

The Borrower will furnish to the Agent:

- (a) promptly upon transmission thereof, copies of all material information given by the Borrower to its shareholders and of all press releases, registration statements, annual information forms, prospectuses, offering circulars or similar offering materials filed by the Borrower with any securities exchange, securities commission or similar Governmental Authority or commission; and
- (b) such other relevant financial information as to the business and properties of the Borrower and its Subsidiaries as the Agent may from time to time reasonably request.

14.4 Notice of Material Acquisition or Disposition

The Borrower will furnish to the Agent, prior to completing any Material Acquisition or Disposition, notice of such Material Acquisition or Disposition together with a certificate of a senior financial officer of the Borrower confirming, on a *proforma* basis, compliance with the Financial Covenant.

14.5 Additional Reporting on the Vancouver Acquisition

The Borrower will furnish to the Agent any Vancouver Acquisition Document as soon as same is available and promptly advise the Agent of the occurrence of any material step or development relating to the Vancouver Acquisition. The Borrower will also promptly provide the Agent with (i) any update to the Due Diligence and Board Reports as well as any financial statements and projections that it has obtained or prepared in connection with the Vancouver Acquisition and (ii) any other information that the Agent may reasonably request with respect to the Vancouver Acquisition.

14.6 Notice of Litigation and Other Matters

The Borrower will furnish to the Agent prompt notice of the following events after the Borrower has become aware thereof and has made a reasonable determination that same has occurred:

- (a) the commencement or any development in respect of any investigation, action, suit or proceeding against the Borrower or any of its Subsidiaries or any of their respective assets by or before any Governmental Authority which, in each case, either (i) has or could reasonably be expected to have a Material Adverse Effect, or (ii) if adversely determined, would result in a payment obligation by the Borrower or any of its Subsidiaries in excess of \$250,000,000 (calculated after giving effect to any insurance coverage);
- (b) any other event or events which, singly or in the aggregate, could reasonably be expected to have a Material Adverse Effect; and
- (c) any Default.

14.7 Documentation

Any document to be furnished to the Agent by the Borrower must be sent by electronic mail or, if not possible, must be supplied in a sufficient number of copies for each Lender and two for the Agent, and promptly after receipt by the Agent, must be forwarded to the Lenders or posted to their attention on Syndtrak or a similar service. The Borrower's delivery obligation under Sections 14.1, 14.2(a) and 14.3 may be satisfied by the publication by the Borrower of the relevant financial statements and information within the specified time on the Borrower's website at <http://investors.snclavalin.com/en/> or such other address as Borrower may notify to the Agent.

15 - EVENTS OF DEFAULT AND REMEDIES

15.1 Events of Default

The occurrence of one or more of the following events constitutes an event of default (“**Event of Default**”) under the Credit Documents:

- (a) Failure to Pay. If the Borrower does not pay, when due, any amount in principal payable by it under any Credit Document or does not pay within five (5) Business Days after becoming due another amount payable by it under the Credit Documents, provided that, in the case of a payment other than a payment of principal, interest or fees, an Event of Default under this Subsection will not occur until five (5) Business Days after the Borrower has been given notice by the Agent of the date, currency and amount of the relevant other payment;
- (b) Negative Covenants. If the Borrower fails to carry out or observe the provisions of any Negative Covenant set out in Article 12 and such failure remains uncured for a period of five (5) Business days following written notice of such default by the Agent to the Borrower;
- (c) Financial Covenant. If the Borrower breaches the Financial Covenant set out in Article 13;
- (d) Reporting. If the Borrower fails to deliver the financial statements or documents required to be delivered pursuant to Sections 14.1 or 14.2 and such failure

remains uncured for a period of ten (10) Business Days following written notice of such default by the Agent;

- (e) Other Breaches. If the Borrower or any Guaranteeing Subsidiary fails to carry out or observe any covenant or provision of any Credit Document (other than a failure described in Sections 15.1(a) through 15.1(d) above) to be observed or performed by it and such failure remains uncured for a period of thirty (30) days following written notice of such default by the Agent to the Borrower;
- (f) Representations and Warranties. If any representation or warranty made by the Borrower or any Guaranteeing Subsidiary in any Credit Document or in any document or certificate furnished to the Lenders pursuant thereto proves at any time to have been materially incorrect in any material respect, as at the date made or deemed to have been made or repeated;
- (g) Insolvency Event.
 - (i) If the Borrower or any Guaranteeing Subsidiary fails to pay its debts generally as such debts become due, or admits in writing its inability to pay its debts generally as they become due, or makes a general assignment for the benefit of its creditors, or is adjudicated insolvent or bankrupt; or
 - (ii) If the Borrower or any Guaranteeing Subsidiary files a petition in bankruptcy, a proposal or a notice of intention under the *Bankruptcy and Insolvency Act* (Canada), applies for or proposes an arrangement or compromise under *the Companies' Creditors Arrangement Act* (Canada) or commences any similar proceeding under any reorganization, arrangement or readjustment, composition or liquidation law of any jurisdiction, or appoints or applies for the appointment of a receiver, trustee, monitor, liquidator or sequestrator in respect of itself or any substantial part of its property (collectively, "**proceedings**"); or
 - (iii) If there is commenced against the Borrower or any Guaranteeing Subsidiary any such proceeding relating to it or any substantial portion of its property and such proceeding remains undismissed for a period of sixty (60) days; or
 - (iv) If the Borrower or any Guaranteeing Subsidiary consents to or approves or accepts any such proceeding commenced against it or any substantial portion of its property;
- (h) Cross-Default.
 - (i) If the Borrower, or any one of its Wholly-Owned Subsidiaries (other than any Non-Recourse Subsidiary) fails to pay at maturity or when otherwise due, or, in the event a period of grace is provided, within any such applicable period of grace, any Indebtedness for Borrowed Money (other than Non-Recourse Indebtedness) and the amount of such Indebtedness for Borrowed Money, then due and payable by the Borrower or any one or

more of such Subsidiaries, is more than \$100,000,000 in the aggregate (or the equivalent amount in another currency); or

- (ii) If the Borrower or any one of its Wholly-Owned Subsidiaries (other than any Non-Recourse Subsidiary) fails to comply with any material term, covenant, agreement evidencing any Indebtedness for Borrowed Money (other than Non-Recourse Indebtedness), and as a result of such failure such Indebtedness for Borrowed Money is accelerated and demanded for payment prior to its scheduled maturity for an amount of more than \$100,000,000 in the aggregate (or the equivalent amount in another currency), provided that any such failure will not constitute an Event of Default under this clause (ii) if such failure arises or results solely from a breach of the provisions of Section 14.6 or Article 15 of the 2013 Credit Agreement which would not have occurred if the lenders under the 2013 Credit Agreement had approved amendments to such provisions that the Borrower will request after the issuance of the Scheme Press Release in order to make said provisions consistent with this Agreement.
- (i) Judgments. If a final judgment or award is rendered against the Borrower or any of its Wholly-Owned Subsidiaries for an amount in excess of \$100,000,000 (or the equivalent amount in another currency), calculated after giving effect to any insurance coverage, and such judgment or award remains unsatisfied forty five (45) days after having become enforceable;
- (j) Cessation of Business. If the Borrower or any Guaranting Subsidiary ceases, or threatens to cease, to carry on all or a substantial part of its business, except, in the case of any Guaranting Subsidiary, as may be permitted under this Agreement;
- (k) Termination of Subsidiary Guarantees If any Guaranting Subsidiary gives notice of termination of, or otherwise attempts to terminate or deny its liability under any such Subsidiary Guarantee;
- (l) Control of the Borrower. If a Person or a group of Persons acting jointly or in concert acquire shares carrying the right to exercise more than 50% of the total voting power attached to all classes of the outstanding voting Capital Stock of the Borrower.

15.2 Remedies

If an Event of Default occurs and is continuing, the Agent may, on giving a notice to the Borrower, take any one or more of the following actions:

- (a) terminate the right of the Borrower to use the Facilities;
- (b) declare all indebtedness of the Borrower under the Credit Documents to be immediately payable and demand immediate payment of the whole or part thereof; and

- (c) exercise all of the rights and remedies of the Agent and the Lenders including their rights and remedies under any Credit Document;

provided that all indebtedness of the Borrower under the Credit Documents will automatically become due and payable without any notice upon the occurrence of any Event of Default specified in Section 15.1(g).

15.3 Limitations during the Certain Funds Period

Notwithstanding Section 15.2, during the Certain Funds Period, unless a Major Default has occurred and is continuing or it is illegal for a relevant Lender to lend, none of the Lenders will be entitled to:

- (a) subject to the conditions precedent to Borrowings set out in Sections 8.1 and 8.2 being met, refuse to participate in the making of a Borrowing;
- (b) rescind, terminate or cancel the whole or any part of the Facilities or the right of the Borrower to use any Facility or exercise any similar right or remedy it may have;
- (c) exercise any right of set-off or counterclaim in respect of amounts to be disbursed to the Borrower under the Facilities; or
- (d) cancel, accelerate or demand payment or repayment of any amounts owing under the Credit Documents,

in each case to the extent to do so would prevent or limit the making of a Borrowing under any Facility, but provided that immediately upon the expiry of the Certain Funds Period all such rights and entitlements will be available to the Lenders notwithstanding that they may not have been used or been available for use during the Certain Funds Period.

15.4 Clean-Up Period

Notwithstanding any other provision of any Credit Document:

- (a) any breach of any of the representations and warranties in Article 10 (including where deemed to be made under Section 10.18) or any breach of any covenant in Articles 11 and 12; or
- (b) any Event of Default (other than under Sections 15.1(g), 15.1(j) and 15.1(k)),

will be deemed not to be a breach of representation or warranty, a breach of covenant or an Event of Default (as the case may be) if:

- (i) it would have been (if it were not for this provision) a breach of representation or warranty, a breach of covenant or an Event of Default only by reason of circumstances relating exclusively to any member of the Vancouver Group (or any obligation to procure or ensure in relation to a member of the Vancouver Group);

- (ii) it is capable of remedy and reasonable steps are being taken to remedy it;
- (iii) the circumstances giving rise to it have not been caused by or approved by the Borrower; and
- (iv) it is not reasonably expected to have a Material Adverse Effect.

If the relevant circumstances are continuing on or after the Clean-Up Date, there will be a breach of representation or warranty, breach of covenant or Event of Default, as the case may be, notwithstanding the above, and the Agent and the Lenders may exercise all their rights and remedies resulting therefrom.

16 - EQUALITY AMONG LENDERS

16.1 Distribution among Lenders

Any payment received by the Agent on account of any indebtedness of the Borrower hereunder, including any amount received through the exercise of any right of set-off and the enforcement of the Subsidiary Guarantees, must be distributed among the Lenders proportionately to the amount of the indebtedness owing to them hereunder and which is then payable.

16.2 Guarantees and Liens

No Lender or Affiliate thereof may take any Guarantee or Lien in connection with the Facilities except in accordance with this Agreement.

16.3 Direct Payment to a Lender

Except, as otherwise provided herein, if a Lender receives, otherwise than through the Agent, a payment on account of any Facility (including any payment received through the exercise of any right of set-off), such Lender will remit the payment to the Agent, for distribution among all Lenders.

16.4 Adjustments

If, at any time, the ratio of Borrowings owing to a Lender under any Facility to the aggregate amount of all outstanding Borrowings under such Facility is not proportional to such Lender's Commitment under such Facility, expressed as a percentage, the Agent may (and will, after termination of the Facility) make from time to time such adjustments as may be necessary in order that the outstanding Borrowings under such Facility are in the proportions of the Commitments under such Facility and the Lenders will make all such payments as the Agent may direct to give full effect to such adjustments. The Borrower will be bound by such adjustments.

17 - THE AGENT AND THE LENDERS

17.1 Appointment of the Agent

Each Lender irrevocably appoints the Agent to exercise on its behalf the rights and powers delegated to the Agent hereunder and authorizes the Agent to take any action necessary for the performance of its duties. Whenever acting in such capacity, the Agent represents and binds all Lenders.

17.2 Restrictions on the Powers of the Lenders

No Lender may exercise individually the rights and powers delegated to the Agent, including the enforcement of remedies after the occurrence of an Event of Default.

17.3 Guarantees, Subordination and Releases

The Agent is authorized to act on behalf of the Lenders in connection with any Subsidiary Guarantee and Intercompany Subordination Agreement contemplated by this Agreement, and to execute in their name any such agreement. The Agent is also authorized to execute any release of a Subsidiary Guarantee in the circumstances contemplated by Section 9.5.

17.4 Action by Agent

The duties of the Agent are limited to those specifically conferred upon it in the Credit Documents. Except as otherwise provided, the Agent is not required to exercise any discretion or to take any action under the Credit Documents, unless the Agent has been so required by the Majority Lenders (or by all Lenders where the consent of all Lenders is required). In no event will the Agent be required to exercise any right or power if, in its judgment, doing so would contravene any Credit Document or applicable law or where the Agent determines that the indemnity provided in Section 17.6 may not be available or adequate.

17.5 Enforcement Measures

Any legal proceedings and enforcement measures on behalf of the Lenders will be taken by the Agent; at the Agent's request, all Lenders must join the Agent in such proceedings or enforcement measures.

17.6 Indemnification

Each Lender will indemnify the Agent (and its directors, officers, employees and agents), proportionately to its respective Commitment (and not solidarily), from and against all losses suffered or liabilities or expenses incurred by the Agent of any kind or nature when exercising its rights and powers, save any losses, liabilities or expenses resulting from the wilful misconduct or gross negligence of the Agent (or its directors, officers, employees or agents).

17.7 Reliance on Reports

The Agent will be entitled to take any action or make any determination required or permitted to be taken or made by it (including of any Applicable Margin or Rate or the absence of a Default) based on the most recent reports or certificates furnished by any Borrower in relation to the relevant matter.

17.8 Liability of the Agent

The Agent will only be liable to the Lenders for willful misconduct or gross negligence, and will have no liability as a consequence of a failure of any Person to fulfil its obligations or of any action authorized by the Majority Lenders (or by all Lenders where the consent of all Lenders is required). The Agent will be entitled to assume that there exists no Default, unless the Agent has been notified in writing of the existence of a Default.

17.9 Liability of Lenders

Each Lender acknowledges that it has been and will continue to be solely responsible for making its own independent appraisal and investigation of the financial condition of the Borrower and any other Credit Party, and for the assessment of the risks arising from the Facility. No Lender may rely on the Agent in this regard nor will the Agent be responsible for ensuring the validity or enforceability of any Credit Document.

17.10 Rights of the Agent as Lender

In its capacity as Lender, the Agent has the same rights as the other Lenders and may exercise such rights independently of its role as Agent; unless the context otherwise requires, the term “Lender” also refers to the Lender which is the Agent.

17.11 Competition

Subject to the other provisions of this Agreement, the Agent and each of the Lenders may enter into other transactions with any Credit Party and they are not required to notify each other of such transactions.

17.12 Successor Agent

The Agent may resign by giving notice thereof to the Borrower and to the Lenders. The Agent may also be replaced by the Majority Lenders following the failure by the Agent to perform its obligations under this Agreement. The resignation or replacement of the Agent will be effective upon the appointment by the Majority Lenders (after consultation with the Borrower) of a successor Agent from among the Lenders. Promptly after being so appointed, any successor Agent must give notice thereof to the Borrower and the Lenders. From the effective date of its appointment, any successor Agent will be vested with all the rights, powers and duties of the Agent under the Credit Documents.

18 - DECISIONS, WAIVERS AND AMENDMENTS

18.1 Amendments and Waivers by the Majority Lenders

Subject to the other provisions of this Article 18, the provisions of the Credit Documents may be amended or waived, and consents thereunder may be given, only in a writing executed by the Agent, with the consent of the Majority Lenders, and in the case of an amendment, also executed by the Credit Party with whom the amendment is made.

18.2 Amendments and Waivers by Unanimous Approval

Except as otherwise expressly provided in this Agreement, any amendment, waiver or consent that relates to any of the following matters must be made or given in a writing executed by the Agent, with the prior consent of all Lenders, and in the case of an amendment, also executed by the Borrower:

- (a) any increase in the amount of any Facility;
- (b) any postponement of the due date or any subordination, reduction, release of any amount payable hereunder, or any change in the currency of payment of any such amount;
- (c) the reduction of any interest rate, discount rate or fee or any change in Schedule A which would have the same economic effect;
- (d) a change in the definition of Material Subsidiary or in Article 9 (except for Sections 9.6 and 9.7);
- (e) the release of any Subsidiary Guarantee otherwise than in accordance with this Agreement;
- (f) a change in the definition of “Majority Lenders”; and
- (g) the provisions of Section 2.3, the conditions precedent listed in Section 8.1 and 8.2, an Event of Default described in Section 15.1(a) or Section 15.1(g), the provisions of Articles 16, 17, and 18 and the provisions of Sections 19.3 and 19.8.

18.3 Amendments Requiring the Consent of the Affected Party

No amendment affecting the rights and obligations of the Agent may be made without the consent of the Agent. No increase or extension of the Commitment of any Lender may be made without the consent of such Lender.

18.4 Defaulting Lenders

- (a) Where a Lender has become in default (a “**defaulting Lender**”), the Agent will notify the Borrower and each Lender of that fact after having acquired actual knowledge of same. For the purposes of this Agreement, a Lender will be deemed to be in default if (i) such Lender has failed to fund its share of any requested or outstanding Borrowing hereunder (including any adjustment made by the Agent),

- (ii) such Lender has notified the Borrower or the Agent that it does not intend to comply with its funding obligations hereunder or has made a public statement to such effect (except if such position is based on the existence of a Default), or
 - (iii) if any of the events listed in Section 15.1(g) occurs in respect of such Lender or a Person who Controls such Lender.

- (b) At any time following the date of a notification under Section 18.4(a), the Borrower will be entitled to require that each such defaulting Lender assign its rights under the Facilities to a Person who would be a permitted assignee under Section 19.4 who has agreed to assume the Commitment of such defaulting Lender. However, no such assignment and assumption will be effective unless the consideration payable to such defaulting Lender for the assignment includes all amounts owed to such defaulting Lender in respect of the Facilities and is paid to the latter by the assignee (together with breakage costs if any). Section 19.4 will apply (adapted accordingly) to the said assignment and assumption and any defaulting Lender will take all such actions as are required to promptly effect same.

- (c) Notwithstanding any other provision of this Agreement, from the time a Lender becomes a defaulting Lender:
 - (i) such defaulting Lender will not be entitled to vote on any issue (other than on a reduction of a principal amount payable to it and any increase or extension of its Commitment) and, subject to the foregoing exceptions, the entirety of its Commitment will be disregarded in the calculation of all Majority Lenders' or Lenders' unanimous decisions;
 - (ii) ticking fees and standby fees will not accrue and be payable in respect of such defaulting Lender's Commitment;
 - (iii) such defaulting Lender will not participate in any new Borrowing and its Commitment will be disregarded in the calculation of the pro rata share of the Lenders in any new Borrowing;
 - (iv) the Agent will be entitled to withhold any amount that would otherwise be distributed or payable to a defaulting Lender and to apply (in the order determined by the Agent) any such amount to the obligations of such defaulting Lender hereunder or to outstanding Borrowings owing to the non-defaulting Lenders.

- (d) A Lender who becomes a defaulting Lender will retain such status until the Agent notifies such defaulting Lender that it is satisfied that all existing defaults in respect of such Lender have been remedied and that such Lender has the financial ability to perform its obligations hereunder. Concurrently with such notification, the Agent will make such adjustments among the Lenders as are necessary to give effect to the foregoing and to the fact that Section 18.4(c) has ceased to apply in respect of the Lender concerned, provided that no retroactive adjustments will be made (including with respect to interest and fees).

- (e) For greater certainty, (i) the default by a Lender to perform its obligations hereunder will not relieve any other Lender from its obligations hereunder (including to fund Borrowings in the proportion of its Commitment), and (ii) an assignment of the Commitment of a defaulting Lender will not relieve such defaulting Lender from its obligations to indemnify any other party from the consequences of its default.

18.5 Dissenting Lenders

- (a) Where an amendment or waiver referred to in Section 18.2 has been approved by Lenders whose Commitments amount in the aggregate to not less than 85% (but less than 100%) of the Facilities, the Agent will notify the Borrower and each Lender of such fact and will identify the Lenders approving of such amendment or waiver and the Lenders disapproving of such amendment or waiver (each, a “**dissenting Lender**”).
- (b) At any time following the date of a notification under Section 18.5(a), the Borrower will be entitled to require that each such dissenting Lender assign its rights under the Facilities to another Lender (or a Person who would be a permitted assignee under Section 19.4) who has agreed to assume the Commitment of such dissenting Lender and to consent as the case may be to the amendment or waiver, provided that no such assignment and assumption will be effective unless the consideration payable to such dissenting Lender for the assignment includes all amounts owed to such dissenting Lender in respect of the Facilities and is paid to the latter by the assignee (together with breakage costs if any); Section 19.4 will apply (adapted accordingly) to the said assignment and assumption.
- (c) Notwithstanding Section 18.5(b), the Borrower will not be entitled to require the replacement of a dissenting Lender after the expiry of a 45-day time period following the date of the notification under Section 18.5(a) relating to such dissenting Lender.

19 - MISCELLANEOUS

19.1 Books and Accounts

The Agent will keep books and accounts evidencing the transactions made through or with it pursuant to this Agreement. Absent manifest error, such books and accounts will be deemed to represent accurately such transactions and the indebtedness of the Borrower under the Facilities.

19.2 Determination

In the absence of manifest error, any determination made by the Agent of the amounts payable hereunder and any adjustment (and resulting reallocation) of Borrowings among Lenders will be conclusive and binding upon the Lenders and the Borrower.

19.3 Prohibition on Assignment by Borrower

The Borrower may not be replaced and may not assign its rights, or the amounts to be received by it, under this Agreement.

19.4 Assignments and Participations

- (a) A Lender (the “**assignor**”) may assign, in whole or in part, its Commitment under the Facilities and related Borrowings to any other Lender or another Person who makes, purchases or otherwise invests in commercial loans in the ordinary course of its business (the “**assignee**”). The assignment must be made in writing substantially in the form of Schedule J. The assignor must pay to the Agent, for its own account, an assignment fee of \$5,000. When the assignment becomes effective, the assignee will become a Lender and will benefit from the rights and be liable for the obligations of the assignor, proportionately to the assigned Commitment, and, to the same extent, the assignor will be released from its obligations.
- (b) Except if an Event of Default has occurred and is continuing, a partial assignment will be in a minimum amount of \$25,000,000 (or \$5,000,000 after cancellation or repayment of the Bridge Facility) and no partial assignment of a Commitment may be made if the residual amount of the total Commitment of the assignor or if the total Commitment of the assignee is less than such minimum amount. As long as both the Bridge Facility and the Term Facility are in effect, any partial assignment must be allocated between the Facilities on a *prorata* basis.
- (c) Concurrently with any assignment in favour of an assignee who is not, at the time of the assignment, party to this Agreement, each Credit Party who has provided a Subsidiary Guarantee must (if so requested by the Agent) acknowledge that the assignee is entitled to the benefit of such Subsidiary Guarantee.
- (d) Each assignment by a Lender is subject to the prior consent of the Agent and, if made at a time when no Event of Default is continuing, to the prior consent of the Borrower. Such consents will not be unreasonably withheld or delayed. Any withholding of consent by any party due to such party not being satisfied with the credit quality or credit rating of the proposed assignee will be deemed to be reasonable.
- (e) Sections 19.4(a) to 19.4(d) do not apply (i) to a participation that a Lender may grant to another financial institution or investor, provided that no such participation will release any Lender from its obligations under the Credit Documents and will increase the obligations of the Borrower hereunder, and (ii) to an assignment made for the purposes of giving effect to Sections 16.3 and 16.4.
- (f) All assignments and participations made at a time no Event of Default has occurred and is continuing must be at no cost to the Borrower.

19.5 No Waiver

The omission by the Agent or any Lender to exercise any of its rights will not be deemed to be a waiver of the exercise of any such right subsequently. The omission by the Agent or any Lender to notify any Credit Party of the occurrence of a Default will not be deemed to be a waiver of the right of the Agent or of such Lender to avail itself of such Default.

19.6 Irrevocability of Notices of Borrowings

The Borrower may not cancel a notice of Borrowing, conversion, renewal, reduction or prepayment, unless applicable breakage costs are paid, as provided in by Section 19.8.

19.7 Set-off

If an Event of Default occurs and is continuing, the Agent and any Lender are authorized to set off and to apply any and all deposits or other amounts owing to any Credit Party against any amount due by any Credit Party under the Credit Documents.

19.8 Indemnification

- (a) The Borrower must pay on demand the amount of all reasonable costs and expenses (including reasonable legal and other professional fees) incurred by the Agent in connection with the Facilities and the preparation, negotiation, execution, syndication and administration of the Credit Documents, as well as the reasonable costs and expenses incurred by the Agent or the Lenders in connection with the enforcement of, or the preservation of any rights under, any Credit Document.
- (b) If any law, regulation, administrative decision, guideline, decision or instruction of any competent authority (including any modification or interpretation of any of the foregoing) enacted, issued, made or becoming effective after the date hereof (i) increases the cost of any Facility for any Lender or (ii) reduces the income receivable by any Lender from any Facility (including, without limitation, by reason of the imposition of reserves, taxes or requirements as to the capital adequacy of such Lender but in no event by reason of taxes on the overall net income of a Lender), such Lender may send to the Borrower a statement indicating the amount of such additional cost or reduction of income accompanied by a certificate of an officer of said Lender setting out the basis of calculation of such amount; in the absence of manifest error, this statement shall be conclusive evidence of the amount of such additional cost or reduction of income and the Borrower must pay forthwith said amount to such Lender.
- (c) The Borrower must pay on demand the amount of breakage costs or any loss suffered by a Lender as a result of an event contemplated in Section 19.6 or of the conversion or repayment of a Borrowing before the maturity date of its period, irrespective of the cause of such conversion or repayment (including a repayment before maturity resulting from a demand for payment after the occurrence of an Event of Default). In the absence of manifest error, a statement prepared by such

Lender indicating the amount of such breakage costs or loss and the method by which such amount was calculated will be binding and conclusive.

- (d) The Borrower must indemnify the Agent, the Lenders, their Affiliates and their respective officers, directors, employees and agents (each, an “**indemnitee**”) and hold them harmless from and against all losses, liabilities, claims, damages or expenses (including costs to defend any claim) suffered or incurred by or made against any of them in any manner whatsoever arising from (i) any claim, action or proceeding against or involving such indemnitee in connection with the Credit Documents or the transactions contemplated thereby, or (ii) any Default or non-compliance by any Credit Party with any Applicable Law, except in each case for any losses, liabilities, claims damages or expenses suffered by an indemnitee and resulting from the gross negligence or wilful misconduct of such indemnitee.

19.9 Sharing of Information

- (a) The Lenders will not disclose confidential information obtained from the Credit Parties but may share with each other any such information and any other information held by them regarding the Credit Parties or relating to matters contemplated by the Credit Documents. The Lenders may also provide any of the foregoing non-public information on a confidential and need-to-know basis to any Person which is an assignee or a prospective assignee of Commitments or a participant or a prospective participant in the Facilities.
- (b) The Agent may disclose to any agency or organization that assigns standard identification numbers to credit facilities such basic information describing the Facilities as is necessary to assign unique identifiers (and, if requested, supply a copy of this Agreement), it being understood that the Person to whom such disclosure is made will be informed of the confidential nature of such information and instructed to make available to the public only such information as such person normally makes available in the course of its business of assigning identification numbers. In addition, the Agent may provide to Loan Pricing Corporation or other recognized publishers of information for circulation in the loan market information of the type customarily provided by financial institutions to Loan Pricing Corporation.

19.10 Corrections of Errors

The Agent is authorized to correct any typographical error or other error of an editorial nature in this Agreement and to substitute such corrected text in the relevant pages of this Agreement, provided that such corrections do not modify the meaning or the interpretation of this Agreement and that copies of the corrected texts are remitted to each party.

19.11 Communications

Each of the Agent and the Lenders is entitled to rely in its dealings with the Borrower upon any instruction or notice which it believes in good faith to have been given by a Person authorized to give such instruction or notice or to make the applicable transaction on behalf of the Borrower.

19.12 Counterparts

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered will be deemed to be an original and all of which taken together will constitute the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier or by electronic mail will be as effective as delivery of a manually executed counterpart of this Agreement.

19.13 Waiver of Jury Trial

The Borrower, the Agent and the Lenders irrevocably waive, to the fullest extent permitted by Applicable Law, any and all right to trial by jury in any legal proceeding arising out or relating to this Agreement or the other Credit Documents.

20 - NOTICES

20.1 Sending of Notices

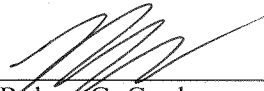
Unless otherwise provided, any notice to be given to a party under this Agreement will be given in writing and will be given by personal delivery, by a reputable delivery service, by telecopier or (except for any notice pursuant to Article 15) by electronic mail, addressed to the recipient at its address specified in Schedule K in the case of the Borrower or the Agent or at its address provided to the Agent in the case of the other parties or, in each case, at such other address as may be notified by such party to the others pursuant to this Article. Any notice given by the Agent to any Lender may also be given by posting same on Syndtrack or any similar service to which such Lender has been given access.

20.2 Receipt of Notices


Any notice given by personal delivery or by a delivery service will be conclusively deemed to have been given at the time of such delivery and, if given by telecopier or by electronic mail, on the day of transmittal if before 3:00 p.m. on a Business Day, or on the following Business Day if such transmission occurs on a day which is not a Business Day or after 3:00 p.m. on a Business Day. If the telecopy or electronic transmission system suffers any interruptions by way of a strike, slow-down, a *force majeure*, or any other cause, a party giving a notice must do so using another means of communication not affected by the disruption.

IN WITNESS WHEREOF the parties have caused this Agreement to be duly executed as of the date and year first above written.

SNC-LAVALIN GROUP INC., as Borrower

Per: 

Robert G. Card
President and Chief Executive Officer

Per: 

Alain-Pierre Raynaud
Executive Vice-President and Chief
Financial Officer

BANK OF MONTREAL, as Agent

Per: 

*(the names and signatures of the Lenders are on
the next pages)*

COMMITMENTS

Bridge Facility: \$1,275,000,000
Term Facility: \$100,000,000

LENDERS

BANK OF MONTREAL, as Lender

Per:



Bridge Facility: \$1,275,000,000
Term Facility: \$100,000,000

ROYAL BANK OF CANADA, as Lender

Per:



**SCHEDULE A
APPLICABLE MARGIN OR RATE**

Pricing grid under the Facilities

Rating or equivalent	Prime or US Base Rate	Libor / Acceptance Fee	Standby Fee
≥ A-	25 bps	125 bps	25 bps
BBB+	45 bps	145 bps	29 bps
BBB	70 bps	170 bps	34 bps
BBB-	95 bps	195 bps	39 bps
≤BB+	125 bps	225 bps	50.625 bps

DETERMINATION OF APPLICABLE MARGIN OR RATE

1. The rates of the margins applicable to Prime Rate Loans, US Base Rate Loans, Libor Loans and the rates of the Acceptance fees and standby fees under the Facilities (the “Rates”) will be determined as set forth in this Schedule.
2. During any day where the Borrower has two Credit Ratings from the Rating Agencies, the applicable Rates will be those which correspond to the Credit Ratings in effect at the close of business on such day, as specified in the above grids. If, on any day, the two Credit Ratings are not at the same level, then the higher Credit Rating will apply except that if the two Credit Ratings are two (or more than two) levels apart, the Credit Rating which is one level above the lower will apply.
3. If, on any day, the Borrower does not have two Credit Ratings then the applicable Rates will be those which correspond to a Credit Rating of lower than BB+.
4. Interest and standby fees will be calculated, for any day, using the applicable Rate in effect on the relevant day. Acceptance fees will be calculated using the Rate in effect on the date such fees are payable. Any change of Rate will give rise to adjustments to Acceptance fees previously calculated if the period of calculation extended beyond the date of the modification. The adjustments will apply to the number of days remaining to accrue from the date of the modification. The adjustments will be calculated by the Agent and be payable by the Borrower or the Lenders (as applicable) three Business Days after demand from the Agent.
5. Any Rate in the above grid will be increased with respect to the Bridge Facility by 25 bps on the first anniversary date of this Agreement and by 50 bps on the date falling 15 months after the date of this Agreement.

**SCHEDULE B
TABLE OF COMMITMENTS**

Lender	Total Commitment	Bridge Facility	Term Facility	Percentage
Bank of Montreal	\$1,375,000,000	\$1,275,000,000	\$100,000,000	50%
Royal Bank of Canada	\$1,375,000,000	\$1,275,000,000	\$100,000,000	50%
Total	\$2,750,000,000	\$2,550,000,000	\$200,000,000	100%

**SCHEDULE C
COMPLIANCE CERTIFICATE**

[Date]

[Name and address of Agent]

In its capacity as Agent under the Credit Agreement defined below

RE: Compliance Certificate under the Credit Agreement

Reference is made to the credit agreement (the “**Credit Agreement**”) entered into between the Agent, the Lenders party thereto and SNC-Lavalin Group Inc. as borrower (the “**Borrower**”) on June 20, 2014. Capitalized terms used but not defined herein have the meaning given to them in the Credit Agreement.

I am a senior financial officer of the Borrower and I hereby certify in such capacity that, to the best of my knowledge, but after reasonable enquiry, the representations and warranties set forth in the Credit Agreement are still true and accurate in all material respects and that no Default has occurred and is continuing.

I also certify that, on the last day of the financial quarter of the Borrower ended on ●:

1. the Net Recourse Debt to EBITDA Ratio of the Borrower, on a rolling twelve (12) month period, calculated in the manner set forth in the Credit Agreement, was [●] to 1.00 (the maximum permitted being 3.50:1 until June 29, 2014 and 3.25:1 thereafter, subject to Article 15 of the Credit Agreement);
2. the Material Subsidiaries consisted only of the Guaranteeing Subsidiaries [**and ●**];
3. the outstanding amount of all obligations secured by Liens permitted under subsections (f), (g), (h), (o) and (q) of the definition of “Permitted Liens” was \$[●];
4. each Subsidiary of the Borrower whose assets include loans and advances to Credit Parties exceeding \$50,000,000 in the aggregate has executed an or has become party to the Intercompany Subordination Agreement [**except for the following Subsidiaries: ●**];
5. the aggregate amount of unsecured Indebtedness for Borrowed Money of the Wholly-Owned Subsidiaries (other than Non-Recourse Subsidiaries) permitted under Section 12.6(j) is \$[●];
6. the aggregate amounts of the Dispositions of assets to which the covenants of Section 12.5(e) apply and made since the beginning of the current fiscal year of the Borrower were \$ [●];
7. the aggregate amounts of the Dispositions of Capital Stock to which the covenants of Section 12.5(f) apply and made since the date of the Credit Agreement were \$ [●];

8. the aggregate amounts of the Dispositions of assets to which the covenant of Section 12.5(g) apply and made since the beginning of the current fiscal year of the Borrower were \$ [●];
9. the information contained in the most recent Corporate Chart, including the list of all Non-Recourse Subsidiaries and all Project Vehicles, delivered pursuant to Section 15.1 c) of the Credit Agreement. was still accurate in all material respects [, **except for such changes as are described in an annex hereto and we attach an updated Corporate Chart reflecting such changes**]¹; and
10. the aggregate outstanding amount of all outstanding Bilateral Letters of Credit (as defined in the 2013 Credit Agreement) was \$●.

The details of the calculation of the Net Recourse Debt to EBITDA Ratio are set forth in the document attached hereto.²

[Name]

[Title]

Note 1: Item 9 applies only to the Compliance Certificate to be delivered once a year after year-end.

Note 2: The details to be given are the following:

A. With respect to Net Recourse Debt:

- the aggregate amount of Indebtedness for Borrowed Money of the Borrower, indicating separately the negative mark-to-market value of Hedging Agreements and the aggregate amount of outstanding Financial Letters of Credit;
- the aggregate amount of Non-Recourse Indebtedness to exclude from the foregoing:
- the Bridge Facility
- the aggregate amount of Cash and Cash Equivalent Investments;
- the aggregate amount of Cash and Cash Equivalent Investments of Non-Recourse Subsidiaries and Project Vehicles or made with advances or down payments from clients.

B. With respect to EBITDA:

- the Consolidated Net Income of the Borrower;
- the net income coming from Non-Recourse Subsidiaries and Project Vehicles (to be excluded from the Consolidated Net Income of the Borrower as if the Borrower had no investment or other interest in these subsidiaries or vehicles);
- all of the items described in paragraphs (a) through (d) of the definition of EBITDA; and

- adjustments made to the above to take into account the integration or exclusion of the historical results of a business further to its acquisition or disposition.

**SCHEDULE D
LITIGATION AND INVESTIGATIONS**

The following actions and investigations which are referred to in Note 14 to the unaudited consolidated financial statements of the Borrower for the fiscal quarter ended June 30, 2013:

- 1) Two class actions commenced in the Ontario Superior Court and Quebec Superior Court, respectively, seeking damages on behalf of persons who acquired Borrower's securities between November 6, 2009 and February 27, 2012.
- 2) The investigation by the Royal Canadian Mounted Police (RCMP) relating to the Borrower's involvement in projects in Bangladesh and certain countries in Africa which led to charges being laid against three former employees of a Subsidiary of the Borrower under the Corruption of Foreign Public Officials Act (Canada) in regard to the Bangladesh project.
- 3) Investigations relating to the Borrower by the RCMP and Swiss authorities, in connection with facts alleged in the search warrants executed by the RCMP at the Borrower's head office on April 13, 2012 and in the affidavit of Brenda Makad dated April 11, 2012.
- 4) Investigations relating to the Borrower regarding the projects referred to in the Borrower's press release of March 26, 2012 which have led to charges being laid against the former Chief Executive Officer and the former Executive Vice-President of the Borrower in connection with the MUHC Project.
- 5) An ongoing investigation relating to the Borrower by the Autorité des marchés financiers (Québec), as described in the judgment of the Quebec Court of Appeal 500-09-023270-135.

SCHEDULE E
EBITDA ADJUSTMENTS FOR 2013

	Q1	Q2	Q3	Q4
	2013	2013	2013	2013
Non-recurring items				
Libyan LC		\$47.0M		
Europe Reorganisation			\$19.7M	*\$21.0M
Expenses related to investigations and related matters	\$3.7M	\$4.6M	\$3.4M	
Severances and other costs for small closures	\$5.0M	\$5.0M		
<i>*up to that amount</i>				

**SCHEDULE F
LIST OF PROJECTS**

AltaLink
Ambatovy Nickel Project
Ovation Real Estate Group (Quebec) Inc. (L'Adresse Symphonique, Montréal)
Okanagan Lake Concession Limited Partnership
Rainbow Hospital Partnership (Restigouche Hospital, New Brunswick)
Société d'Exploitation de l'Aéroport de Mayotte S.A.S.
Infrastructure Famille Santé Inc. (Ste-Justine Hospital, Montreal)
Rideau Transit Group GP (Ottawa Light Rail Transit)
Evergreen Project (Light Rail Rapid Transit, British Columbia)
407 East Development Group General Partnership
407 International Inc.
Chinook Roads Partnership
Groupe Immobilier Santé McGill (McGill University Health Centre)
TC Dôme S.A.S.
Astoria Project Partners LLC
Astoria Project Partners II LLC
InTransit BC Limited Partnership
Malta International Airport p.l.c.
Myah Tipaza S.p.A.
Piramal Roads Infra Private Limited
Rayalseema Expressway Private Limited
Société d'Exploitation de Vatry Europort S.A.
Shariket Kahraba Hadjret En Nouss S.p.A.
InPower BC General Partnership (John Hart Generating Replacement Facility)

**SCHEDULE G
USES OF FUNDS**

Uses	C\$
Consideration to the Vancouver shareholders	2,154,200,000
Transaction Fees and Costs	33,400,000
Financial Fees	67,900,000
Vancouver Debt	494,500
Total	2,750,000,000

**SCHEDULE H
NOTICE OF BORROWING**

[CONVERSION OR RENEWAL]

[Date]

[Name and address of Agent]

In its capacity as Agent under the Credit Agreement defined below

RE: Notice of Borrowing [Conversion or Renewal]

Reference is made to the credit agreement (the “**Credit Agreement**”) entered into between the Agent, the Lenders party thereto and SNC-Lavalin Group Inc. as borrower (the “**Borrower**”) on June 20, 2014. Capitalized terms used but not defined herein have the meaning given to them in the Credit Agreement.

We confirm our request for a Borrowing [**or for a conversion or renewal**] to be made on **[date]**, the details of which are as follows:

- Facility: •
- Form of Borrowing : [Prime Rate Loan, Acceptances, US Base Rate Loan, Libor Loan];
- Amount : •;
- Date of Borrowing [**or of conversion or renewal**] : •;
- Period : •.

On the date hereof, we certify that the [**representations and warranties**] [**Major Representations**] set forth in the Credit Agreement are still true and correct in all material respects and that no [**Default**] [**Major Default**] has occurred and is continuing or will result from the requested Borrowing, conversion or renewal.

[We also attach the following:

- (a) **copies of all Vancouver Acquisition Documents together with a certificate by a senior financial officer of the Borrower that the attached copies are true and complete copies of all Vancouver Acquisition Documents;**
- (b) **a certificate from a senior financial officer of the Borrower that the Scheme Effective Date has occurred, to which are attached a copy of the act of the**

court sanctioning the Scheme and a statement by a representative of the law firm of • that a copy of such act has been delivered to the registrar of companies for Jersey.]

SNC-LAVALIN GROUP INC.

By: _____

Note: This form (adapted accordingly) may also be used for a notice of repayment.

**SCHEDULE I
LIST OF CERTAIN DEBTS**

Currency: Dollar

Balance of purchase price payable relating to acquisitions of businesses

	<i>As of Sep 30, 2013</i>	<i>As of Dec 19, 2013</i>
Legal Entity Acquired	Balance	Balance
DBA (June 2012)	605,295	-
Arcturus (November 2011)	154,961	154,961
Stavibel (May 2011)	3,000,000	3,000,000
Minerconsult	1,476,331	1,476,331
Total	5,236,587	4,631,292

SCHEDULE J
FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT entered into on this _____ day of _____, • between _____ (the “**Assignor**”) and _____ (the “**Assignee**”).

WHEREAS a credit agreement has been entered into as of June 20, 2014 among SNC-Lavalin Group Inc., as Borrower, Bank of Montreal, as Agent, and the Lenders party thereto (as amended and supplemented from time to time, the “**Credit Agreement**”);

WHEREAS the Assignor is a Lender under the Credit Agreement;

WHEREAS, as provided in the Credit Agreement, the Assignor has a Commitment in respect of the Facilities, in an aggregate amount of \$_____, with \$_____ being allocated to the Bridge Facility and \$_____ being allocated to the Term Facility.

WHEREAS a Lender may assign, in whole or in part, its Commitment with respect to the Facilities to another Lender or another financial institution pursuant to Section 19.4 of the Credit Agreement;

WHEREAS the Assignor proposes to assign to the Assignee all of its rights under the Credit Agreement in respect of a portion of the Assignor’s Commitments, such assigned portion to be in the amount of \$_____, with \$_____ being allocated to the Bridge Facility and \$_____ being allocated to the Term Facility (the “**Assigned Amounts**”), together with a corresponding portion of the Borrowings owed to the Assignor, and the Assignee proposes to accept such assignment and assume the corresponding obligations of the Assignor;

NOW, THEREFORE, the parties hereto agree as follows:

1. Definitions

Capitalized terms used but not defined herein have the meanings assigned to them in the Credit Agreement.

2. Assignment

The Assignor hereby assigns and sells to the Assignee all of the rights of the Assignor (the “**Assigned Rights**”) under the Credit Agreement to the extent of the Assigned Amounts.

3. Assumption

The Assignee hereby accepts such assignment and assumes all of the obligations of the Assignor (the “**Assigned Obligations**”) under the Credit Agreement to the extent of the Assigned Amounts, including, for greater certainty, the corresponding portion of the

Facilities made available to the Borrower by the Assignor and still in effect on the Effective Date (as hereinafter defined).

4. Effective Date

This Agreement will come into effect on _____ (the “**Effective Date**”).

5. Rights and Obligations of the Parties

Upon the execution and delivery of this Agreement by the Assignor and the Assignee and the consent hereto by the Borrower (if required under the Credit Agreement) and the Agent:

- i) the Assignee will, as of the Effective Date, have the rights and be obligated to perform the obligations of a Lender under the Credit Agreement with a Commitment in respect of the Facilities in an amount equal to the Assigned Amounts (allocated as specified above);
- ii) the Commitment of the Assignor in respect of the Facilities will, as of the Effective Date, be reduced by like amounts (*pro rata* to each Facility) and the Assignor will be released from its obligations under the Credit Agreement to the extent of the Assigned Obligations which are assumed by the Assignee; and
- iii) the Assignee will, as of the Effective Date, be bound by and entitled to the full benefit of the Credit Agreement and of the other Credit Documents (including the Subsidiary Guarantee) to the extent of the Assigned Rights and Assigned Obligations as if it were an original party thereto.

6. Payments

From the Effective Date, the Agent will make all payments in respect of the Assigned Rights to the Assignee, whether such amounts have accrued prior to or after the Effective Date. The Assignor and the Assignee will make directly between themselves their own arrangements relating to the payment by the Assignee to the Assignor of the price of assignment or to the payment of adjustments (if any) on account of interest and fees accrued prior to or after the Effective Date.

7. Non-Reliance on Assignor

The Assignor makes no representation in connection with, and will have no responsibility with respect to the solvency or financial condition or statements of any Credit Party or of any other Person, or the validity and enforceability of the Credit Documents. The Assignee acknowledges that it has, independently and without reliance on the Assignor, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and will continue to be responsible for making its own independent appraisal of the financial condition of any Credit Party or of any other Person.

8. Representations

The Assignee and the Assignor represent and warrant to one another, and also to the Borrower, the Agent and the Lenders that they have the capacity, right and power to execute this Agreement and to perform the obligations resulting therefrom, and that they have taken all necessary action to authorize the execution of this Agreement. The Assignor represents and warrants to the Assignee that the Assignor has not granted any Lien on and has not assigned the Assigned Rights to any other Person.

9. Warranty

Subject to Section 8, this assignment is made without any warranty, express or implied, from the Assignor.

10. Existing Lender

The rights and obligations of the Assignee resulting from this Agreement are in addition to, and not in substitution for, the rights and obligations that the Assignee may otherwise have as Lender under the Credit Agreement.

11. Governing Law

This Agreement will be governed by and construed in accordance with the laws in force in the Province of Québec.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date mentioned on the first page hereof.

[ASSIGNOR], as Lender

[ASSIGNEE]

By: _____
Title:

By: _____
Title:

**SCHEDULE K
ADDRESSES FOR NOTICE PURPOSES**

BANK OF MONTREAL, as Agent

For purposes of all notices of Borrowing, conversion, renewals or repayment and for all questions relating to principal, interest or fee payments:

BMO Financial Group | CCLO Agency
Banking Services
3rd Floor | 234 Simcoe St.
Toronto, Ontario M5T 1T4
Fax: 416-598-6218

For financial reporting:

Kitty Chan | Agency Deal Specialist
BMO Financial Group | Corporate Lending
Operations
1 First Canadian Place, 4th Floor
Toronto, Ontario M5X 1A1
Fax: 416-359-7796
E-mail: kitty.chan@bmo.com

For all other purposes:

Bruno Jarry
Director | Corporate Banking
1501 McGill College | Suite 3200 |
Montréal, Québec H3A 3M8
Fax: 514-282-5920
E-mail: bruno.jarry@bmo.com

All notices to the Borrower or to any of the Credit Parties may be addressed to:

SNC-LAVALIN GROUP INC.
455 René-Lévesque Blvd. West
Montréal, Québec H2Z 1Z3
Attention: Treasurer
Fax: 514-954-0263

With a copy to:

generalcounsel@snclavalin.com
corporatesecretary@snclavalin.com