SNC-LAVALIN GROUP INC.

ANNUAL INFORMATION FORM

Year Ended December 31, 2017

February 21, 2018

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1. CORPORATE STRUCTURE

1.1 INCORPORATION OF THE COMPANY

SNC-Lavalin Group Inc. (the "**Company**") was incorporated under the laws of Canada on May 18, 1967 and was continued under the *Canada Business Corporations Act* ("**CBCA**") on March 24, 1980. The articles of the Company were amended on several occasions, including for the following purposes: the split (in 1996) of its outstanding shares on a three-for-one basis, the change of its name, the creation of new classes of shares and the reorganization of its outstanding share capital, the modification of the maximum number of directors, the addition of a requirement that at least ⅔ of the directors must not be employees of the Company or its affiliates and the re-designation of its class A subordinate voting shares as common shares, and to permit the appointment by the Board of Directors of one or more additional directors to hold office until the close of the next annual meeting of shareholders, subject to the total number of directors so appointed not exceeding ⅓ of the number of directors elected at the previous annual meeting of shareholders.

The Company's head and registered office is located at 455 René-Lévesque Boulevard West, Montreal, Quebec, Canada H2Z 1Z3.

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

Unless otherwise stated, currency amounts in this Annual Information Form are presented in Canadian dollars, or "**$**" or "**CA$**".

1.2 SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES

The chart appearing on the next page lists the main subsidiaries, joint arrangements and associates of SNC-Lavalin, as well as the principal capital investments in which the Company participates, their jurisdiction of incorporation (Canada or any of the provinces or territories, unless otherwise indicated) and the percentage of voting shares beneficially owned, or controlled, or directed, directly or indirectly by SNC-Lavalin.

Subsidiaries, Joint Arrangements and Associates	Percentage of voting securities held	
407 East Construction General Partnership (*Ontario)*	50%	◊
Atkins Limited *(United Kingdom)*	100%	•
Candu Energy Inc. *(Canada)*	100%	•
Crosslinx Transit Solutions Constructors G.P. *(Alberta)*	25%	◊
Faithful + Gould Limited *(United Kingdom)*	100%	•
Evergreen Rapid Transit Holdings Inc. *(Alberta)*	100%	•
Infrastructure Famille Santé Inc. *(Canada)*	100%	•
SNC-Lavalin Rail & Transit Limited *(United Kingdom)*	100%	•
SNC-Lavalin Colombia S.A.S *(Colombia)*	100%	•
Kentz Corporation Limited *(Channel Islands)*	100%	•
Kentz Pty Ltd. *(Australia)*	100%	•
P.T. SNC-Lavalin TPS *(Indonesia)*	95%	•
SNC-Lavalin *(Belgium)*	100%	•
Saudi Arabian Kentz Co. Ltd. *(Saudi Arabia)*	75%	•
Signature on the Saint Lawrence Construction G.P. *(Quebec)*	45%	◊
SLN-Aecon JV (*Canada*)	50%	◊
SNC-Dragados-Pennecon G.P. *(Canada)*	40%	◊
SNC-Lavalin (Malaysia) Sdn. Bhd. *(Malaysia)*	100%	•
SNC-Lavalin Algérie EURL *(Algeria)*	100%	•
SNC-Lavalin Arabia LLC *(Saudi Arabia)*	100%	•
SNC-Lavalin ATP Inc. *(Canada)*	100%	•
SNC-Lavalin Australia Pty. Ltd. *(Australia)*	100%	•
SNC-Lavalin Capital Inc. *(Canada)*	100%	•
SNC-Lavalin Chile S.A. *(Chile)*	100%	•
SNC-Lavalin Construction (Atlantic) Inc. *(Canada)*	100%	•
SNC-Lavalin Construction Inc. *(Canada)*	100%	•
SNC-Lavalin Construction (Ontario) Inc. *(Canada)*	100%	•
SNC-Lavalin Constructors Inc. *(Delaware)*	100%	•
SNC-Lavalin Constructors International Inc. *(Canada)*	100%	•
SNC-Lavalin Constructors (Pacific) Inc. *(Canada)*	100%	•
SNC-Lavalin Defence Programs Inc. *(Canada)*	100%	•
SNC-Lavalin Engineering India Private Limited *(India)*	100%	•
SNC-Lavalin Engineers & Constructors Inc. *(Texas)*	100%	•
SNC-Lavalin Europe B.V. *(Netherlands)*	100%	•
SNC-Lavalin Europe S.A.S. *(France)*	100%	•
SNC-Lavalin (GB) Holdings Limited *(United Kingdom)*	100%	•
SNC-Lavalin (GB) Limited *(United Kingdom)*	100%	•
SNC-Lavalin GEM Ontario Inc. *(Ontario)*	100%	•
SNC-Lavalin GEM Québec Inc. *(Quebec)*	100%	•
SNC-Lavalin International Inc. *(Canada)*	100%	•
SNC-Lavalin International Inc. and Zuhair Fayez Engineering Consultancies Company *(Saudi Arabia)*	50%	◊
SNC-Lavalin International S.A.S. *(France)*	100%	•
SNC-Lavalin Major Projects Inc. *(Canada)*	100%	•
SNC-Lavalin Nuclear Inc. *(Canada)*	100%	•
SNC-Lavalin Operations & Maintenance Inc. *(Canada)*	100%	•
SNC-Lavalin Perú S.A. *(Peru)*	100%	•
SNC-Lavalin Polska Sp. Zo.o. *(Poland)*	100%	•
SNC-Lavalin Projetos Industriais Ltda *(Brazil)*	100%	•

Subsidiaries, Joint Arrangements and Associates (continued)	Percentage of voting securities held	
SNC-Lavalin Romania S.A. *(Romania)*	100%	•
SNC-Lavalin (Pty) Limited *(South Africa)*	100%	•
SNC-Lavalin Stavibel Inc. *(Canada)*	100%	•
SNC-Lavalin UK Limited *(United Kingdom)*	100%	•
The Atkins North America Holdings Corporation *(Florida)*	100%	•
The SNC-Lavalin Corporation *(Delaware)*	100%	•
UGL Kentz Joint Venture *(Australia)*	50%	◊
Valerus Field Solutions Holdings LLC *(Delaware)*	100%	•
WS Atkins Limited *(United Kingdom)*	100%	•
Capital Investments		
407 East Development Group General Partnership *(Ontario)*	50%	♣
407 International Inc. *(Ontario)*	16.77%	♣
Astoria Project Partners II LLC *(New York)*	6.2271%	♣
Crosslinx Transit Solutions General Partnership *(Alberta)*	25%	♣
Groupe infrastructure santé McGill, S.E.N.C. *(Quebec)*	50%	♣
InPower BC General Partnership *(British Columbia)*	100%	♣
Myah Tipaza S.p.A. (*Algeria*)	51%	♣
Rideau Transit Group General Partnership *(Canada)*	40%	♣
Shariket Kahraba Hadjret En Nouss S.p.A. *(Algeria)*	51%	♣
SNC-Lavalin Highway Holdings Inc. *(Canada)*	100%	•
SNC-Lavalin Infrastructure Partners LP *(Canada)*	20%	♣
Signature on the Saint-Laurent Group G.P. *(Quebec)*	45%	♣
TC Dôme S.A.S. (*France*)	51%	♣

•	Subsidiary
♦	Associate
♣	Capital investment entity
◊	Joint Arrangement

2. GENERAL DEVELOPMENT OF THE BUSINESS

The highlights relating to the development of the Company's business over the past three (3) years are described below.

2017

Changes to the Board of Directors and appointment of Chairman

On May 4, 2017, three new directors were appointed to the Board: Benita M. Warmbold, Isabelle Courville and the Honourable Kevin G. Lynch.

- Ms. Warmbold is the former Senior Managing Director and CFO of the Canada Pension Plan Investment Board ("**CPPIB**"), a position she held from 2013 until July 2017. Ms. Warmbold brings more than 30 years of experience in the finance industry. Prior to that, she was Senior Vice-President and Chief Operations Officer from 2008 to 2013. Before joining CPPIB, she served as Managing Director and CFO for Northwater Capital Management Inc. from 1997 to 2008.

- Ms. Courville is a Corporate Director and is Chair of the Board of Directors of the Laurentian Bank of Canada. She is an engineer and attorney by training and has more than 25 years of experience in the telecommunications, IT and energy sectors. Ms. Courville was President of Hydro-Québec Distribution from 2011 to 2013 and Hydro-Québec TransÉnergie from 2007 to 2011.

- Dr. Lynch has been Vice-Chairman of BMO Financial Group since 2010. Prior to that, Dr. Lynch built a distinguished 33-year career in the Government of Canada until his retirement in 2009, serving as Clerk of the Privy Council, Secretary to the Cabinet and Head of the Public Service of Canada. He also served as Deputy Minister of Industry from 1995 to 2000 and Deputy Minister of Finance from 2000 to 2004.

Following the retirement of Mr. Lawrence N. Stevenson in December 2017, the Board appointed the Honourable Kevin G. Lynch as Chairman of the Board of Directors, effective January 1, 2018.

Sale-Leaseback of Montreal Headquarters

On June 22, 2017, SNC-Lavalin announced that it completed the sale of its Montreal head office building and the adjacent empty lot of land located on René-Lévesque Boulevard West for $173.3 million to GWL Realty Advisors on behalf of institutional clients. The decision to sell the property was made as part of SNC-Lavalin's Operational Excellence program where the Company conducted a review of its owned real estate portfolio, which was announced in 2016. Concurrently, SNC-Lavalin entered into a 20-year lease for the building.

Acquisition of WS Atkins PLC

On July 3, 2017, SNC-Lavalin completed the acquisition of WS Atkins plc ("**Atkins**"), one of the world's most respected consultancies in design, engineering and project management, with a leadership position across the infrastructure, transportation and energy sectors (the "**Atkins Acquisition**"). Headquartered in the United Kingdom ("**U.K.**"), Atkins is a geographically diversified global company with approximately 18,000 employees in the United States, Middle East and Asia, together with a leading position in the U.K. and Scandinavia. The aggregate cash consideration for the acquisition was approximately $3.5 billion.

For the period from July 3, 2017 to December 31, 2017, the operations of Atkins were managed and reviewed as one component and are therefore presented as a separate segment for the year ended December 31, 2017. On August 11, 2017, pursuant to Regulation 51-102 Respecting Continuous Disclosure Obligations, the Company filed a Business Acquisition Report describing the Atkins Acquisition on SEDAR at **www.sedar.com**.

Acquisition of Data Transfer Solutions LLC

On October 30, 2017, SNC-Lavalin completed the acquisition of Data Transfer Solutions LLC ("**DTS**") for US$45 million (approximately CA$59 million). This acquisition will add to the capabilities of SNC-Lavalin's Atkins segment and will enhance service offerings in digital asset management for clients.

Headquartered in Orlando, Florida, with 78 employees, DTS is a leader in asset management and geographic information systems within the North American market. As the creator of VueWorks, a comprehensive enterprise asset management software solution, DTS provides state-of-the-art tools and solutions to clients with large, complex infrastructure assets. These solutions help to inventory, manage and optimize physical assets across their life cycle.

Capital Investment Portfolio

SNC-Lavalin Infrastructure Partners LP

On June 30, 2017, SNC-Lavalin announced the launch of SNC-Lavalin Infrastructure Partners LP (the "**Partnership**"), established to efficiently redeploy capital back into development opportunities, and entered into a strategic agreement with a Canadian subsidiary of BBGI SICAV S.A. ("**BBGI**"). This Partnership holds 100% of SNC-Lavalin's interests in a selection of its mature Canadian infrastructure assets and their holding companies.

On September 28, 2017, BBGI subscribed to units of the Partnership in an amount equal to 80% of the value of the following four assets: Okanagan Lake Concession Limited Partnership ("**Okanagan**"), InTransit BC Limited Partnership ("**InTransit**"), Chinook Roads Partnership ("**Chinook**") and Rainbow Hospital Partnership ("**Rainbow**") and contemporaneously SNC-Lavalin transferred to the Partnership all of its ownership in the four assets. A fifth asset, McGill Healthcare Infrastructure Group, G.P. ("**MHIG**"), is currently expected to be transferred to the Partnership in 2018. The gain on partial disposal of the Partnership amounted to $36.7 million ($26.5 million after taxes) in the third quarter of 2017.

McGill Healthcare Infrastructure Group

On June 30, 2017, the joint venture McGill Healthcare Infrastructure Group, in which SNC-Lavalin previously held 60% ownership interest, issued equity instruments to the other investor in MHIG, which resulted in a dilution of SNC-Lavalin's ownership interest to 50%. In addition, the Company's subordinated loan receivable from MHIG of $109.3 million (the "**Subordinated Loan**") was partially sold to the other investor in MHIG and was partially reimbursed by MHIG for a total cash consideration of $23.3 million. These transactions resulted in a net gain of $5.4 million ($5.4 million after taxes) in the second quarter of 2017.

Changes to Debt and Financing Agreements

Financing Related to the Acquisition of Atkins

On April 20, 2017, SNC-Lavalin announced that it reached an agreement with Atkins to acquire the entire issued and to be issued share capital of Atkins. The acquisition was funded through a combination of equity and debt issuance, including a £300 million term facility (the "**Term Facility**") and a $1,500 million loan (the "**CDPQ Loan**") made by CDPQ Revenu Fixe Inc. ("**CDPQ RF**") to SNC-Lavalin Highway Holdings Inc. ("**Highway Holdings**").

On May 15, 2017, the Company amended its existing revolving credit facility (the "**Revolving Facility**") and merged the Revolving Facility with the Term Facility into one single agreement (the "**Credit Agreement**"). The Credit Agreement is subject to affirmative and negative covenants, as well as a financial covenant which is to maintain at all times, on a rolling 12-month and consolidated basis, a maximum net recourse debt to EBITDA ratio, as defined under the Credit Agreement. Failure to meet the terms of one or more of these covenants

may constitute a default, potentially resulting in accelerating the repayment of all indebtedness under the Credit Agreement. The Company complied with all its covenants under the Credit Agreement as at December 31, 2017.

In July 2017, the aggregate cash consideration for the acquisition was £20.80 per Atkins share for a total consideration of approximately $3.5 billion and was financed, including the acquisition-related costs, using the net proceeds from an $880 million public bought deal offering of subscription receipts completed through a syndicate of underwriters, a $400 million concurrent private placement of subscription receipts with the Caisse de dépôt et placement du Québec (the "**Caisse**"), the $1.5 billion CPDQ Loan from the CDPQ RF to Highway Holdings, a draw of £300 million (CA$498 million) under the Term Facility, as well as a draw of US$185 million (CA$238 million) and £56 million (CA$93 million) under the Revolving Facility.

Revolving Facility

The Revolving Facility is comprised of two tranches: i) tranche A is for an amount of $2 billion; and ii) tranche B is for an amount of $750 million. The Revolving Facility maturity date is May 15, 2021 or such other date as may be agreed pursuant to extension provisions of the Credit Agreement. Borrowings under tranche A may be obtained in the form of: i) prime rate loans; ii) acceptances; iii) US base rate loans; iv) Libor loans in US dollars, Euros and British pounds; and v) non-financial, financial and documentary letters of credit. Borrowings under tranche B may be obtained only in the form of non-financial or documentary letters of credit.

Term Facility

The Term Facility is comprised of three tranches: i) tranche 1 is for an amount of £75 million; ii) tranche 2 is for an amount of £75 million; and iii) tranche 3 is for an amount of £150 million. Tranches 1, 2 and 3 maturity dates are respectively on the third, the fourth and the fifth anniversaries of the disbursement of the Term Facility. The Term Facility is not revolving and amounts repaid or prepaid may not be reborrowed. Borrowings were obtained in the form of Libor loans in British pounds. In November 2017, borrowings under tranche 1 were repaid.

Bilateral Letters of Credit

Any lender party to the Credit Agreement may, in its sole discretion, issue bilateral letters of credit (outside the Credit Agreement) requested by the Company in any currency agreed to by such issuing lender. The Company must ensure that the aggregate outstanding amount of all outstanding bilateral letters of credit under the Credit Agreement does not at any time exceed $2.5 billion. The Company has also access to other bilateral letters of credit capacity outside of the Credit Agreement.

CDPQ Loan

The CDPQ Loan is a limited recourse debt comprised of two tranches: i) tranche A which is a non-revolving term loan in an aggregate amount of $1 billion; and ii) tranche B which is a non-revolving term loan in an aggregate amount of $500 million. Recourse is limited to specific circumstances of enforcement on or against the shares of Highway Holdings, an indirect wholly-owned subsidiary of the Company holding shares of 407 International Inc. Each of tranche A and tranche B was available by way of a single drawdown by Highway Holdings. The maturity date of the CDPQ Loan is on the seventh anniversary of the funding date. Borrowings under tranche A and tranche B bear interest at a base rate, which is the greater of: i) the CDOR rate; and ii) 0.9%, plus an applicable margin.

Tranche A is subject to a non-call period of 4 years after the disbursement date of the loan, a time during which early voluntary repayment of the loan by the Company is not allowed. Tranche B can be repaid in part or in full, without penalties, at the Company's discretion.

The CDPQ Loan is subject to affirmative and negative covenants, as well as financial covenants, notably not to exceed, on a rolling 12-month and consolidated basis, a maximum net recourse debt to EBITDA ratio, as defined under the CDPQ Loan agreement, on two consecutive quarters, starting six full quarters after the initial funding date. Failure to meet the terms of one or more of these covenants may constitute a default, potentially resulting in accelerating the repayment of the CDPQ Loan. The Company was in compliance with all its covenants under the CDPQ Loan as at December 31, 2017.

Private Placement and Public Offering

On April 24, 2017, the Company filed a prospectus supplement to its short form base shelf prospectus dated March 13, 2017 for its $800 million public bought deal offering (the "**Public Offering**"). This prospectus supplement provided, among other things, pro forma financial results of the proposed transaction.

On April 27, 2017, the Company closed its previously announced $800 million Public Offering which resulted in aggregate gross proceeds of $880 million, including the over-allotment option exercised in full by the syndicate of underwriters. Under the Public Offering, the Company issued 17,105,000 subscription receipts at a price of $51.45 per subscription receipt.

On April 27, 2017, SNC-Lavalin also completed its previously announced private placement with the Caisse for aggregate gross proceeds of $400 million (the "**Private Placement**"). Under the Private Placement, the Company issued 7,775,000 subscription receipts at a price of $51.45 per subscription receipt.

On July 3, 2017, each subscription receipt holder received, without payment of additional consideration or further action, one common share of the Company together with an amount equal to the per share dividends the Company declared on its common shares between April 27, 2017 and July 3, 2017, for a total of $6.8 million, net of any applicable withholding taxes.

Repayment of Senior Notes

On October 19, 2017, SNC-Lavalin repaid in full senior notes due in May 2019 with a face value of US$75 million (approximately CA$94 million) issued by Atkins in the U.S. private placement market resulting in a cash outflow of $98.9 million, including the accrued interest, and a loss of $3.5 million before income taxes ($2.9 million after income taxes) resulting from a prepayment penalty.

Unsecured Debentures

On November 24, 2017, the Company issued new unsecured debentures of $300 million aggregate principal amount that bears interest at a fixed annual rate of 2.689%, payable in equal semi-annual instalment over a 3 year term (the "**2017 Debentures**"). The net proceeds were used by the Company to repay certain indebtedness outstanding under the Term Facility and the Revolving Facility and for general corporate purposes.

Changes to the Leadership Team in 2017

On August 2, 2017, Chantal Sorel was appointed Executive Vice-President, Capital, in addition to her current role as Managing Director. Ms. Sorel reports directly to Neil Bruce and serves as a member of SNC-Lavalin's Executive Committee. As Executive Vice-President and Managing Director, Capital, she is responsible for the investment and asset management business capability of SNC-Lavalin, consisting of investing capital in projects and managing its multi-billion dollar portfolio of infrastructure investments. Ms. Sorel joined SNC-Lavalin in 2007 and has held positions of increasing responsibility over the years. Most recently, she served as Senior Vice-President, Business Development, Infrastructure, and Vice-President and Project Director of the McGill University Health Centre, Glen site.

On September 14, 2017, Christian Brown was appointed President, Oil & Gas, effective that day, succeeding Martin Adler, who stepped down from his role. As President, Oil & Gas, Mr. Brown is responsible for developing and overseeing the Company's largest business unit, with approximately 20,000 employees and activities throughout the world. Mr. Brown joined SNC-Lavalin in 2014, when the Company acquired Kentz Corporation Limited ("**Kentz**") where he was Chief Executive Officer and member of the Board of Directors.

On November 2, 2017, Marie-Claude Dumas became Executive Vice-President of the Company's newly named Clean Power segment, which incorporates Hydro, Transmission & Distribution and Renewables. Effective January 1, 2018, Ms. Dumas is reporting directly to Neil Bruce. Ms. Dumas has held a number of senior leadership positions since joining SNC-Lavalin in 2006, most recently as Executive Vice-President, Human Resources. She previously served as Executive Vice-President of the Company's Hydro business unit, where she was responsible for growing the Hydro business to meet the needs of its customers in Canada and key international markets.

On November 2, 2017, James Cullens became Executive Vice-President, Human Resources, as planned at the start of the SNC-Lavalin and Atkins integration process. Formerly the Group Director Human Resources & Marcomms and Executive Director of Atkins, Mr. Cullens is responsible for all aspects of the Company's human resources function globally. Mr. Cullens continues to serve on the Executive Committee and reports directly to Neil Bruce. James Cullens has over 25 years of international human resources management experience. Before joining Atkins, he was Group HR Director at Hays plc, The BOC Group plc and Linde AG.

Key Organisational changes effective in 2018

Effective January 1, 2018, the Company's new organizational structure, aimed both at integrating Atkins and serving its clients worldwide even more effectively, will be as follows:

- All Oil & Gas activities will be consolidated into one business led by Christian Brown. This will combine the world-class capabilities from both SNC-Lavalin and Atkins, including Atkins' Offshore Upstream technology and capabilities, creating a highly compelling offering across the entire supply chain.

- The new Engineering, Design and Project Management activities will be led by Nick Roberts, formerly the CEO of Atkins' U.K. and European business. Mr. Roberts will oversee all infrastructure engineering and design services around the world, except for the Canadian market, which will remain fully integrated within the Company's Infrastructure sector.

- The previous Power sector of SNC-Lavalin and the power element of Atkins' energy business create the foundation for two new sectors in the newly integrated organization: Nuclear and Clean Power.

- Atkins' and SNC-Lavalin's nuclear businesses will be combined into a single Nuclear sector, under the leadership of Sandy Taylor, and will leverage the unique skills of these respective teams, creating a market-leading capability in this fast-growing sector. The Company will now be able to serve its clients across the full spectrum of six main business lines: consultancy, EPC(M), field services, technology services, reactor support and decontamination & decommissioning.

- Clean Power activities will be led by Marie-Claude Dumas. These will incorporate SNC-Lavalin's activities in hydro, transmission & distribution, renewables and energy storage. The renewables market is growing at an unprecedented rate throughout the world and the Company has the skills and capabilities to deliver a fully integrated life of asset service to its clients.

- The following sectors and project investment leadership team remain unchanged:

  - Infrastructure activities will continue to be led by Ian L. Edwards.
  - Mining & Metallurgy activities will continue to be led by José J. Suárez.
  - Capital will continue to be led by Chantal Sorel.

2016

Changes in Management Team

On April 5, 2016, Sylvain Girard was appointed as Executive Vice-President and Chief Financial Officer, succeeding Alain-Pierre Raynaud. Mr. Girard joined SNC-Lavalin in August 2014 as Senior Vice-President, Finance, in the Power business sector. In June 2015, he took on the role of Senior Vice-President and Corporate Controller, overseeing the Company's global financial affairs.

On July 12, 2016, Dale Clarke was appointed Executive Vice-President, Operations & Maintenance, Infrastructure, reporting to Ian L. Edwards, President, Infrastructure, effective as of August 1. Mr. Clarke joined SNC-Lavalin in 1996 and has held key roles, including Executive Vice-President, Mining & Metallurgy, and, most recently, Executive Vice-President, Integrated Management Systems, which he was appointed to in April 2015.

Effective as of August 15, 2016, Christian Brown was appointed to the newly created position of Corporate Development Officer, and Martin Adler joined the Company as President, Oil & Gas. Both positions report directly to Neil Bruce, President and CEO, as part of the Company's Executive Committee. Mr. Brown became President of SNC-Lavalin's Oil & Gas sector in 2014, when the Company acquired Kentz, where he had been CEO since 2012. Prior to joining SNC-Lavalin, Mr. Adler held the position of Group Chief Executive Officer and Board Member at Seafox Contractors B.V.

Change to the Board of Directors

On November 3, 2016, SNC-Lavalin announced the appointment of Catherine J. Hughes to the Board of Directors. Ms. Hughes brings more than 25 years of experience in the oil and gas industry. She served as Executive Vice-President International at Nexen Inc. from January 2012 until her retirement in April 2013, where she oversaw all oil and gas activities, including exploration, production, development and project activities outside of Canada. Prior to that, she was Vice-President, Operational Services, Technology and Human Resources, from September 2009 to November 2011. Before joining Nexen Inc., she served as Vice-President, Oil Sands, at Husky Oil from 2007 to 2009.

Operational Excellence

In the first quarter of 2016, SNC-Lavalin launched its "Operational Excellence" program, which is designed to further improve and sustain a culture of efficiency and execution. "Operational Excellence" is a long-term, structured approach that focuses on improving every aspect of the Company to make it more agile, customer-focused and successful.

Real Estate Facilities Management

On June 30, 2016, the Company announced that it had reached an agreement to sell its non-core Real Estate Facilities Management business in Canada to Brookfield Global Integrated Solutions, which included facilities management, property management, realty management and related project management. The transaction was completed in December 2016 and resulted in a gain of CA$50.1 million (CA$42.6 million after taxes).

Local French Operations

On December 30, 2016, SNC-Lavalin announced that it had signed and closed an agreement to sell its ongoing local activities in France and in Monaco to Ciclad and Impact Holding for a nominal amount. The transaction resulted in a loss of CA$87.2 million (CA$87.2 million after taxes) related to E&C activities.

Capital Investments Portfolio

On March 30, 2016, SNC-Lavalin closed the sale of its indirect ownership interest in MML Holdings Malta Limited (formerly SNC-Lavalin (Malta) Limited (**"SNCL Malta"**)) to an affiliate of Flughafen Wien AG for total

cash consideration of approximately €64 million (approximately CA$98.7 million). SNCL Malta was the indirect owner of the Company's 15.5% ownership interest in Malta International Airport p.l.c. The gain on disposal of SNC-Lavalin's indirect ownership interest in SNCL Malta amounted to CA$61.1 million (CA$53.6 million after taxes).

In 2016, SNC-Lavalin completed the sale of its ownership interest of 36.9% in the Rayalseema Expressway Private Limited ("**Rayalseema**") concession in India for total cash consideration of approximately US$6 million (approximately CA$8 million). The net loss on disposal of SNC-Lavalin's ownership interest in Rayalseema amounted to CA$2.6 million.

On December 30, 2016, as part of the transaction to sell its ongoing local activities in France and Monaco, the Company also sold its investment in Société d'Exploitation de l'Aéroport de Mayotte S.A.S ("**Mayotte Airport**"). The transaction resulted in a loss of CA$2.7 million (CA$2.7 million after taxes). It should be noted that any disposal of SNC-Lavalin's TC Dôme S.A.S. Capital investment, will be governed by a different sale agreement with a separate set of closing conditions, and is expected to close at a later date.

2015

Changes in CEO and Reporting Structure

On October 5, 2015, Neil Bruce, formerly Chief Operating Officer, was named President and Chief Executive Officer and a member of the Board of Directors, succeeding Robert G. Card. Following Neil Bruce's appointment as CEO, the position of COO was eliminated.

Restructuring and Right-Sizing Plan

In 2015, the Company successfully completed its previously announced "STEP Change" program. This program delivered increased competitiveness and agility, as well as identified a significant number of cost reduction initiatives. It also aligned our organization with market conditions. For the year ended December 31, 2015, the Company recorded a total of CA$87.7 million after taxes (CA$116.4 million before taxes) of charges relating to its restructuring and right-sizing plan, including the "STEP Change" program, which is CA$7 million after taxes – less than previously announced.

Addition of Capital Investments and Disposals of Ownership Interests in Capital

In June 2015, the Company announced that the consortium Signature on the Saint-Laurent Group ("**SSL**"), of which SNC-Lavalin is a 50% partner, finalized an agreement with the Government of Canada to design, build, finance and maintain the New Champlain Bridge Corridor project. SSL will operate and maintain the bridge for the duration of the concession period until 2049.

In July 2015, the Company announced that the consortium Crosslinx Transit Solutions General Partnership, of which SNC-Lavalin is a 25% partner, finalized an agreement on the Eglinton Crosstown Light Rail Transit project (the "**Eglinton Crosstown**") in Toronto, Canada. Under the project agreement, Crosslinx Transit Solutions General Partnership will provide the design, build, financing and 30-year maintenance and rehabilitation of the Eglinton Crosstown.

On September 30, 2015, the Company exercised its option to divest its 5% ownership interest and the balance of its loans in the Ambatovy Nickel Joint Venture Project to Sumitomo Corporation, an existing partner, for a cash consideration of US$449.7 million (CA$600.7 million).

3. DESCRIPTION OF THE BUSINESS

3.1 GENERAL

Founded in 1911, SNC-Lavalin is a global fully integrated professional services and project management company and a major player in the ownership of infrastructure. From offices around the world, SNC-Lavalin's employees are proud to build what matters. Our teams provide comprehensive end-to-end project solutions – including capital investment, consulting, design, engineering, construction, sustaining capital and operations and maintenance – to clients in oil and gas, mining and metallurgy, infrastructure and power. SNC-Lavalin maintains exceptionally high standards for health and safety, ethics and compliance and environmental protection, and is committed to delivering quality projects on budget and on schedule to the complete satisfaction of its clients. On July 3, 2017, the Company completed its acquisition of Atkins, one of the world's most respected design, engineering and project management consultancies, employing some 18,000 people across the United Kingdom, North America, Middle East, Asia Pacific and Europe. Atkins builds long-term trusted partnerships to create a world where lives are enriched through the implementation of its ideas.

The Company reports its results separately for **Engineering and Construction** and **Capital**, as described below.

Engineering & Construction ("E&C")

SNC-Lavalin provides consulting and advisory services, engineering, feasibility studies, planning, detailed design, contractor evaluation and selection, project and construction management, sustaining capital and commissioning. Certain contracts also include materials and/or multi-disciplinary construction services, namely provision of structural mechanical, electrical, instrumentation and piping services. The Company might also be responsible for not only rendering professional and technical services, but also to undertake the responsibility for supplying materials and providing or fabricating equipment, and could also include construction activities. In addition, SNC-Lavalin offers O&M services for many infrastructures, such as highways, buildings, light rail transit systems and power plants, and logistics solutions for construction camps and the military.

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

While our contracts are negotiated using a variety of contracting options, **E&C revenues** are derived primarily from three major types of contracts: **Reimbursable contracts, Atkins services contracts** and **Fixed-price contracts**.

- **Reimbursable contracts**: Under reimbursable contracts, the Company charges the customer for the actual cost incurred plus a mark-up that could take various forms such as a fixed-fee per unit, a percentage of costs incurred or an incentive fee based on achieving certain targets, performance factors or contractual milestones. Reimbursable contracts also include unit-rate contracts for which a fixed amount per quantity is charged to the customer, and reimbursable contracts with a cap.

- **Atkins services contracts**: Atkins enters into a number of different forms of contracts with clients, the most common being time and materials contracts based on hourly rates and fixed-price lump-sum contracts with limited procurement or construction risks.

- **Fixed-price contracts**: Under fixed-price contracts, the Company completes the work required for the project at a lump-sum price. Before entering into such contracts, the Company estimates the total cost of the project, plus a profit margin. The Company's actual profit margin may vary based on its ability to achieve the project requirements at or below the initial estimated costs.

Capital

Capital is SNC-Lavalin's investment, financing and asset management arm, responsible for developing projects, arranging financing, investing equity, undertaking complex financial modeling and managing its infrastructure investments for optimal returns. Its activities are principally concentrated in infrastructure: such as bridges, highways to mass transit systems, power facilities, energy infrastructure and water treatment plants.

The table below details the revenues for E&C and Capital for each of the two (2) most recently completed financial years:

YEAR ENDED DECEMBER 31 (IN THOUSANDS OF CANADIAN DOLLARS)	**2017**	2016
Revenues		
From E&C	**$9,096,715**	$8,223,085
From Capital	**238,003**	247,748
	$9,334,718	$8,470,833

The Company's results are analyzed by segment. The segments regroup related activities within SNC-Lavalin **consistent with the way management performance is evaluated** by regrouping its E&C projects within the following segments, which are as follows: i) **Mining & Metallurgy**; ii) **Oil & Gas**; iii) **Power**; iv) **Infrastructure** and v) **Atkins**. The Company reports the results of Atkins as a distinct segment in 2017, following its acquisition by SNC-Lavalin on July 3, 2017. The Atkins segment also includes Data Transfer Solutions LLC, acquired in October 2017. The description of each of the segment is as follows:

Mining & Metallurgy combines global-caliber expertise with deep local capabilities to provide tailored solutions for projects of any size, scope or complexity in the aluminium, gold, copper, iron ore, nickel, fertilizer commodities related to rechargeable batteries for cars, mobile phone and other electronic devices, and sulphur product sectors, among others. It includes a full range of activities and services in studies, sustaining capital and consulting, and major projects.

Oil & Gas includes projects in the upstream, midstream, downstream and supporting infrastructure sectors for major oil and gas and resources companies. It supports these clients across the asset life cycle, from front-end evaluation through decommissioning (operational and capital expenditures).

Power covers projects and services in hydro, nuclear and thermal power generation, renewable power generation, energy from waste, and electrical power delivery systems. It also has a wealth of expertise in clean and sustainable power technologies.

Infrastructure provides end-to-end services to a broad range of sectors, including mass transit, heavy rail, roads, bridges, airports, ports and harbours, facilities architecture and engineering (structural, mechanical, electrical), industrial (pharmaceutical, agrifood, life sciences, automation, industrial processes), geotechnical engineering, materials testing, and water infrastructure. In addition, Infrastructure includes O&M projects.

Atkins, acquired by the Company on July 3, 2017, has projects in the energy, transportation and infrastructure sectors. Atkins also includes the brands *Faithful+Gould*, a world leading integrated project and programme management consultancy, *Atkins Acuity*, an advisory business operating worldwide that offers seamless end-to-end advisory services in the infrastructure and energy sectors, and *Howard Humphreys*, a multidisciplinary engineering consultancy based in Kenya and Tanzania. Atkins also includes *Data Transfer Solutions LLC*, acquired by the Company on October 30, 2017.

Capital as described above.

Competitive Conditions

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

The Company operates in a highly competitive environment and has numerous competitors in all of its market segments. The competitive landscape varies by industry, geographic region and project type. Companies that compete within its E&C activities are principally: AECOM, Balfour Beatty, Chicago Bridge and Iron, Fluor Corporation, Jacobs Engineering Group Inc., Wood and Worley Parsons Ltd. Companies that compete within its O&M operations are principally: Acciona, ACS Dragados, Alstom, Babcock Canada Inc., BGIS, Bombardier Inc., CIVEO Corporation, Ellis Don, ESS Compass Group, Intertec, Jacobs, Johnson Controls, Jones Lang LaSalle, KBR Inc., Keolis, Miller Group, Momentum, NAES Corporation, PAE Inc., RATP Dev, Serco, Thales Group, Raytheon, Transdev, Transfield Services, and Veolia. Companies that compete with its Capital segment are principally: ACS Group, Arcadis, Bechtel, Ferrovial, Fluor Corporation, Hochtief, Kiewit, Vinci Concessions, Ellis Don for Canadian infrastructure P3 and Aecom Capital, Engie and Marubeni for the power industry.

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

Clients of engineering-construction firms in Canada range from small to large industrial companies and Crown corporations to municipal, provincial and federal governments. Most international clients of Canadian engineering-construction firms are in developing countries or are large industrial companies.

Cash Management Policy

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

Organizational Structure

SNC-Lavalin has a network of marketing and operating offices across Canada and in over 50 other countries. At any given time, its employees are active around the world carrying out projects, pursuing business opportunities and marketing its products and services. To gain better access to markets outside Canada and to facilitate the financing of international projects, SNC-Lavalin may form alliances or joint ventures, either with firms possessing expertise that is complementary to SNC-Lavalin's existing capabilities, or with leading local firms in such markets.

3.2 REVENUE BACKLOG

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

3.3 RISK FACTORS

A discussion of the risks and uncertainties to which SNC-Lavalin is subject is presented in the Company's most recent Management's Discussion and Analysis under the heading "Risks and Uncertainties" which discussion is incorporated herein by reference. The Company's most recent Management's Discussion and Analysis is

available on SEDAR at **www.sedar.com** and on the Company's website at **www.snclavalin.com** under the "Investors" section.

3.4 HUMAN RESOURCES

The table below shows the approximate number of employees in the SNC-Lavalin group of companies:

Number of employees as at December 31	2017	2016	2015
Total	52,448	34,952	36,754

The number of employees varies depending on the number and nature of ongoing projects, acquisitions, divestitures and restructuring initiatives.

3.5 THE VALUES THAT GUIDE US

Our values keep us anchored and on track. They speak to how we run our business, how we express ourselves as a group, and how we engage with our stakeholders and inspire their trust. In 2017, following a value and brand audit with a consulting partner, we launched a corporate values initiative to propose a new set of values that truly resonate with our global workforce. Close to 9,000 employees filled out a survey and took part in a discussion forum about potential new values that would represent them and our organization. Our new values will be the framework for ongoing corporate sectors and individual business unit initiatives and programs in support of each of these values. Our executive officers ensure continuity in our corporate programs and the development of new ones to maintain a high level of awareness throughout the Company of the importance of "living" these core values.

Safety

For SNC-Lavalin, safety means protecting people, assets and the environment from harm and we put forward a safety-first approach in everything we do. This means that we establish standards and ensure they are applied, that we evaluate risks to make sound and responsible decisions as well as report and address issues, and implement solutions.

SNC-Lavalin has a Global Health, Safety, Security and Environment ("**HSSE**") policy that sets the tone for any work we undertake. The Company also has strategies and tools to ensure that this policy is implemented in all its activities across the globe. The policy is based on the principles of visible safety leadership, creating secure working conditions and respect for the environment at all levels. From these basic commitments a series of tools have been developed, which include the implementation of our global health and safety and environmental management systems. Our "Perfect Days" initiative was launched in 2016 to build on our existing HSSE successes. A Perfect Day is a 24-hour period where SNC-Lavalin collectively had no safety injuries, environmental releases or security incidents. We have seen good momentum with this program year on year and surpassed our annual target in 2017 of 30 Perfect Days, ending the year with a total of 40 Perfect Days. This program has helped leverage organizational learnings and to continue achieving top tier HSSE performance globally.

SNC-Lavalin's HSSE management processes are risk-based, systematic, and responsive to change. This strategy is designed to mitigate and reduce risks which may exploit SNC-Lavalin's vulnerabilities, cause harm to employees, loss of or damage to assets, attack SNC-Lavalin's reputation and/or impact its digital information.

Identification and assessment of HSSE risks is accomplished by having all business sectors perform comprehensive risk assessments to ensure all hazards are identified, assessed and evaluated to effectively eliminate and/or control risk levels. For risk assessment purposes, SNC-Lavalin has developed corporate

health, safety, security and environment risk matrices, used to determine risk levels. All SNC-Lavalin controlled sites use them as a part of their HSSE risk management process.

Our executive officers receive monthly reports including statistics and data relating to the HSSE performance throughout the Company. In 2017, the implementation of the health, safety, security and environmental programs and the Company's HSSE performance against these programs was monitored and reviewed by the Safety, Workplace and Project Risk Committee of the Board of Directors which met four (4) times during the year.

Integrity

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

We are dedicated to ethics excellence and have an industry best-in-class compliance program implemented that includes a number of measures aimed at verifying standards of conduct through certification of training, and strengthening internal controls and processes.

SNC-Lavalin has an established dedicated team of professionals whose mandate is to develop and maintain a comprehensive ethics and compliance framework that impacts all of our activities. Compliance officers are appointed for each sector and for each region in which SNC-Lavalin operates. An internal compliance investigations team is also in place.

SNC-Lavalin's Code of Ethics and Business Conduct is made available in twelve (12) languages. Every employee working for SNC-Lavalin must, as a condition of employment, certify on an annual basis that they will abide by its provisions. The Company's Code of Ethics and Business Conduct is available on SEDAR at **www.sedar.com** and on the Company's website at **www.snclavalin.com.**

In-person anti-corruption training is being provided globally to employees in "sensitive roles", comprising all executive, senior and general management functions, as well as all staff in business development, procurement, project management, general management and government relations.

SNC-Lavalin has a confidential reporting line operated by an external service provider that allows employees anywhere in the world to report potential violations of SNC-Lavalin's Code of Ethics and Business Conduct or any other potential violation of Company policy or the law without fear of retaliation.

Employees seeking information or advice on how to address ethics and compliance and anti-corruption matters that arise in the course of business can consult with the Compliance Consultation Centre and their compliance officers.

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

SNC-Lavalin's human resources department conducts due diligence on new hires and appointees to the management committee and leadership team.

Collaboration

We work together to achieve success by embracing our differences to deliver amazing results. SNC-Lavalin fosters an environment where respectful and collegial interactions can take place, where we can harness the power of teamwork and where relationships can be based on trust and openness.

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

- Prohibits harassment, discrimination and any form of violence;
- Promotes diversity and equal opportunity;
- Fosters mutual trust and respect at all levels of the organization;
- Enables employees to report misconduct without fear of retaliation; and
- Provides employees with the opportunity to develop their potential.

In addition, the Company is committed to offering:

- Market competitive employment conditions in line with the roles and responsibilities inherent to each position and tailored to reflect the social and legal reality of every region where the Company does business;
- Tools and processes allowing employees to receive the appropriate feedback on their performance, express their career aspirations, have clarity as to what is expected of them and discuss development plans and opportunities with their manager; and
- Internal mobility opportunities as they are fundamental to sustaining and enhancing employee performance and engagement.

Innovation

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

4. DIVIDENDS

In 2017, SNC-Lavalin declared and paid cash dividends on a quarterly basis. SNC-Lavalin's Board of Directors considers several factors when reviewing dividend payments, including present and future: (i) earnings, (ii) cash flows, and (iii) capital requirements. There can be no assurance as to the amount or timing of such dividends in the future.

In the past three (3) fiscal years, SNC-Lavalin has declared and paid the following quarterly dividends per common share:

	Q1 ($)	Q2 ($)	Q3 ($)	Q4 ($)	Annual ($)
2017	0.273	0.273	0.273	0.287	1.106
2016	0.26	0.26	0.26	0.273	1.053
2015	0.25	0.25	0.25	0.26	1.01

5. CAPITAL STRUCTURE

General Description

The Company's authorized share capital consists of an unlimited number of common shares, an unlimited number of first preferred shares and an unlimited number of second preferred shares. Only common shares are currently outstanding.

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

Common Shares

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

Voting rights: Entitled to one vote per share.

Rights upon liquidation, winding up or dissolution: Right to receive the residual of the Company's assets subject to the prior rights of First Preferred Shares and Second Preferred Shares.

First Preferred Shares

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

Dividend: Priority over all other classes of shares.

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

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

Series A:

Dividend:

Priority over all other classes of shares.

Cumulative for an amount equal to 77% of the prime rate set by the National Bank of Canada.

Payable quarterly.

No redemption or repurchase of other shares is permitted until the cumulative dividend is paid in full.

Voting rights:

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

Rights upon liquidation, winding up or dissolution:

Priority over all other classes of shares.

Right to receive amount equal to the amount paid on the shares and all accrued unpaid dividends.

Redemption Right:

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

Second Preferred Shares

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

Dividend: Priority over all other classes of shares except First Preferred Shares.

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

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

Debentures

The following table summarizes the principal amounts outstanding as at February 21, 2018 under the Company's unsecured debentures, which are described in greater detail hereunder.

Type	Maturity	Principal Amount Outstanding
2009 Debentures (as defined below)	July 3, 2019	CA$350 million
2017 Debentures	November 24, 2020	CA$300 million

On July 3, 2009, the Company issued CA$350 million aggregate principal amount of 6.19% unsecured debentures due July 3, 2019 (the "**2009 Debentures**", and together with the 2017 Debentures, the "**Debentures**") by way of short form prospectus dated June 26, 2009. The 2009 Debentures are governed by an indenture dated as of July 3, 2009, by and between the Company, as issuer, and Computershare Trust Company of Canada ("**Computershare**"), as trustee (the "**2009 Indenture**"), and by an indenture supplemental to the 2009 Indenture which was executed concurrently with the issuance of the 2017 Debentures (together with the 2009 Indenture, the "**2009 Trust Indenture**"). The 2009 Debentures bear interest at a rate of 6.19% per annum, payable in cash in equal semi-annual instalments, in arrears, on January 3 and July 3 of each year. The 2009 Indenture contains customary restrictive covenants (including with respect to incurrence of certain indebtedness and a negative pledge) with respect to the Company and certain of its subsidiaries and customary events of default.

On November 24, 2017, the Company issued the 2017 Debentures by way of private placement. On the date of issue of the 2017 Debentures, the Company, as issuer, and Computershare, as trustee, entered into a trust indenture (the "**2017 Indenture**") and the 2017 Debentures were issued pursuant to an indenture supplemental to the 2017 Indenture (together with the 2017 Indenture, the "**2017 Trust Indenture**"). The 2017 Debentures bear interest at a rate of 2.689% per annum, payable in cash in equal semi-annual instalments, in arrears, on May 24 and November 24 of each year, beginning on May 24, 2018. The 2017 Trust Indenture (together with the 2009 Trust Indenture, the "**Trust Indentures**") contains customary restrictive covenants (including with respect to incurrence of certain indebtedness and a negative pledge) with respect to the Company and certain of its subsidiaries and customary events of default.

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

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

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

Credit Ratings

The following table shows the ratings for the Company's outstanding long-term debt securities as at February 21, 2018.

	Standard & Poor's Ratings Services ("**S&P**")		DBRS Limited ("**DBRS**")	
	Rating	Outlook	Rating	Trend
2009 Debentures	BBB	Stable	BBB	Stable
2017 Debentures	BBB	Stable	BBB	Stable

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

S&P

On April 21, 2017, S&P affirmed the Company's rating at BBB following the Company's announcement of the Atkins Acquisition. S&P considers the Atkins Acquisition as modestly positive to the Company's business risk profile, but not to an extent that affects its rating of the Company. S&P believes Atkins will reinforce the Company's position as a global engineering and construction firm, and potentially add a degree of stability to its future margins. However, S&P's rating continues to reflect the weakness in the Company's profitability in its core engineering and construction sector, and the potential integration risks associated with the transaction. S&P views the Company's financial risk profile as intermediate, reflecting the C$1.5 billion CDPQ RF debt, improved cash flow, and strong liquidity. S&P expects the Company to exit 2017 with adjusted debt-to –EBITDA close to 3.0x, but reduce to 2.5x in 2018, reflecting the Company's EBITDA growth but also management's focus on paying down debt. S&P's assumption also incorporates their expectation that management will focus on improving balance-sheet strength before using any excess cash flow or proceeds from asset sales on shareholder returns. S&P's stable outlook reflects the favorable business characteristics of the Atkins Acquisition, which should allow the Company to reduce earnings volatility and improve profitability in its core engineering and construction operations. The outlook places considerable emphasis on the Company's willingness (and ability) to monetize its large investment in the Highway 407.

Long-term debt obligation rated "BBB" exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitment on the obligation. This rating falls within the fourth highest of S&P's ten long-term credit rating categories which range from "AAA" to "D". The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

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

DBRS

On September 29, 2017, DBRS issued a rating report that confirmed the rating of the Company and its long-term debt at "BBB" with stable trend. In confirming the rating, DBRS recognizes the Company's refocusing on operational excellence, efforts to further improve cost efficiency and delivery capabilities as well as the Company's emphasis on more effective risk management, have moderately strengthened its business risk profile. For DBRS, the Atkins Acquisition adds significant geographic and sectoral diversification and shifts the Company's overall business towards the services segment which DBRS views as beneficial to the overall risk profile. The stable trend reflects that the Company will benefit from the capabilities and service offering of Atkins while improving its operational efficiencies. Notwithstanding the foregoing, the prevailing challenges facing the Company could constrain further improvement, at least in the near term. Those challenges include (i) weak commodity prices affecting the Company's activities in the oil and gas and mining and metallurgy segments; (ii) ongoing investigations and charges related to practices of previous management; and (iii) the integration risk of Atkins business. The Company retains its investment grade status from DBRS.

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

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

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

During the last two (2) years, the Company paid customary rating fees to S&P and DBRS in connection with the above-mentioned ratings. The Company reasonably expects that such payments will continue to be made in the future. In addition, during the last two (2) years, the Company has, in the ordinary course of business, made payments to S&P and DBRS in respect of other services provided to the Company.

6. MARKET FOR SECURITIES

Market

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

Trading Price and Volume

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

2017	Volume (in 000s)	High*	Low*	Close
January	7,417	59.24	55.50	56.08
February	7,337	57.84	53.65	54.09
March	13,398	55.62	50.69	52.18
April	15,138	55.86	51.60	54.90

2017	Volume (in 000s)	High*	Low*	Close
May	16,300	55.48	50.28	51.83
June	12,549	57.53	51.75	56.07
July	12,147	58.38	54.86	54.91
August	13,678	55.85	51.25	54.55
September	12,027	57.07	53.14	56.39
October	7,960	58.87	56.33	58.12
November	9,607	59.38	55.03	56.27
December	9,921	58.13	55.61	57.05

* Intra-day highs and lows during each month

7. DIRECTORS AND OFFICERS

The following table lists the directors of the Company, as at February 21, 2018, their place of residence, and their respective principal occupations during the preceding five (5) years:

Name and Place of Residence	Principal Occupations During the Preceding Five (5) Years	Director Since
Jacques Bougie, O.C. [2], [3] Quebec (Canada)	Corporate Director	2013
Neil Bruce Quebec (Canada)	President and CEO of the Company since October 2015; Former Chief Operating Officer of the Company from April 2015 to October 2015; Former Senior Executive Vice-President (Group President), Resources, Environment & Water, of the Company from January 2013 to April 2015.	2015
Isabelle Courville[2] Quebec (Canada)	Corporate Director; Chair of the Board of Directors of Laurentian Bank of Canada (Financial Institution) since March 2013.	2017
Catherine J. Hughes, ICD.D [3], [4] Alberta (Canada)	Corporate Director; Former Executive Vice-President, International at Nexen Inc. (Oil & Gas) from January 2012 to April 2013.	2016
Kevin G. Lynch, P.C., O.C., Ph.D., LL.D. Ontario (Canada)	Chairman of the Board of the Company since January 2018; Vice-Chairman at BMO Financial Group (Financial Institution) since March 2010.	2017
Steven L. Newman[3], [4] Utah (United States of America)	Corporate Director; Former Director and President and CEO at Transocean, Ltd. (Oil & Gas Drilling and Exploration) from March 2010 to February 2015.	2015
Jean Raby [1], [2]	Corporate Director;	2015

Name and Place of Residence	Principal Occupations During the Preceding Five (5) Years	Director Since
Paris (France)	CEO of Natixis Investment Managers S.A. (previously Natixis Global Asset Management, S.A.) (Global Asset Management) since February 2017; Former Chief Financial Officer at SFR Group (Telecommunications) from May 2016 to November 2016; Former Advisor to the Chief Financial Officer at Nokia Corporation (Telecommunications Equipment) from March 2016 to April 2016; Former Executive Vice-President, Chief Financial and Legal Officer at Alcatel-Lucent S.A. (Telecommunications Equipment) from September 2013 to February 2016.	
Alain Rhéaume[(1), (3)] Quebec (Canada)	Corporate Director; Co-Founder and Managing Partner of Trio Capital Inc. (Private Investment Management Company) since September 2006.	2013
Eric D. Siegel, ICD.D [(1), (4)] Ontario (Canada)	Corporate Director; Ottawa Chapter Executive, Institute of Corporate Directors (Not-for-Profit Association Representing Canadian Directors and Boards) from October 2012 to June 2017.	2012
Zin Smati, Ph.D. [(2), (4)] Texas (United States of America)	Corporate Director; Senior Advisor at LS Power (Power Generation, Transmission and Investment Group) since January 2016 and Chairman and CEO at LifeEnergy LLC (Delivery of Energy Products) since March 2016; Former President and CEO at GDF Suez Energy North America, Inc. (Power Generation, Liquefied Natural Gas, Gas Distribution and Transmission, Marketing and Trading and Retail Energy) from May 2006 to December 2015.	2016
Benita M. Warmbold, ICD.D [(1), (3)] Ontario (Canada)	Corporate Director; Former Senior Managing Director and Chief Financial Officer at Canada Pension Plan Investment Board ("**CPPIB**") (Professional Investment Management Organization) from December 2013 to July 2017; Former Senior Vice-President and Chief Operations Officer at CPPIB from June 2008 to November 2013.	2017

Name and Place of Residence	Principal Occupations During the Preceding Five (5) Years	Director Since

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

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

Except as described below, to the knowledge of the Company, in the last ten (10) years, none of the above-named directors is or has been a director or officer of any company that, while that person was acting in that capacity was the subject of a cease trade order or similar order, or an order that denied the relevant company access to any exemptions under securities legislation, for a period of more than thirty (30) consecutive days. In addition, to the knowledge of the Company, in the last ten (10) years, none of the above-named directors is or has been a director or officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets, except as described below.

- Mr. Jacques Bougie, a director of the Company, served as a director of AbitibiBowater Inc. ("**AbitibiBowater**") (formerly Abitibi-Consolidated Inc. and now Resolute Forest Products Inc.) from 2004 to December 2010. In April 2009, AbitibiBowater, together with certain of its U.S. and Canadian subsidiaries, filed voluntary petitions in the U.S. Bankruptcy Court for the District of Delaware for relief under the provisions of Chapter 11 and Chapter 15 of the U.S. Bankruptcy Code, as amended, and certain of its Canadian subsidiaries sought creditor protection under the Companies' Creditors Arrangement Act ("**CCAA**") with the Superior Court of Quebec in Canada. AbitibiBowater completed its reorganization and emerged from creditor protection proceedings under the CCAA in Canada and Chapter 11 of the U.S. Bankruptcy Code in December 2010.

- Mr. Alain Rhéaume, a director of the Company, served as a director of Quebecor World Inc. ("**Quebecor World**") from 1997 until July 2009. Quebecor World placed itself under the protection of the CCAA on January 21, 2008 and implemented a capital restructuring plan approved by its creditors in 2009, after obtaining a court order authorizing it.

Furthermore, to the knowledge of the Company, in the last ten (10) years, no director or officer of the Company has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his/her assets.

The Board of Directors of the Company currently has four (4) standing Board Committees, namely the Audit Committee, the Governance and Ethics Committee, the Human Resources Committee, and the Safety, Workplace and Project Risk Committee. The Board of Directors does not have an executive committee. As at February 21, 2018, membership of the Board Committees was as follows:

Audit Committee
B.M. Warmbold (Chair)
J. Raby
A. Rhéaume
E.D. Siegel

Governance and Ethics Committee
J. Bougie (Chair)
I. Courville
J. Raby
Z. Smati

Human Resources Committee
A. Rhéaume (Chair)
J. Bougie
C.J. Hughes
S.L. Newman
B.M. Warmbold

Safety, Workplace and Project Risk Committee
E.D. Siegel (Chair)
C.J. Hughes
S.L. Newman
Z. Smati

The following table lists the executive officers of the Company (who qualify as such under applicable securities regulations) who are not also directors of the Company, as at February 21, 2018, their place of residence and their respective principal occupations during the preceding five (5) years:

Name and Place of Residence	Principal Occupations During the Preceding Five (5) Years
Christian Brown Texas (United States of America)	President, Oil & Gas Sector at SNC-Lavalin since September 2017; Former Corporate Development Officer at SNC-Lavalin from August 2016 to October 2017; Former President, Oil & Gas Sector at SNC-Lavalin from August 2014 to August 2016; Former CEO and Board Member at Kentz Corporation Limited (Engineering and Construction) from January 2012 to August 2014.
James Cullens London (United Kingdom)	Executive Vice-President, Human Resources at SNC-Lavalin since November 2017; Former Group Director Human Resources & Marcomms and Executive Director Atkins at SNC-Lavalin from July 2017 to November 2017; Former Executive Director, Group HR and Marcomms at Atkins (Design, Engineering and Project Management) from July 2014 to July 2017; Former Group HR Director at Hays plc (Global Professional Services) from September 2008 to June 2014.
Marie-Claude Dumas Quebec (Canada)	President, Clean Power Sector at SNC-Lavalin since January 2018; Former Executive Vice-President, Clean Power, Power Sector at SNC-Lavalin, from November 2017 to December 2017; Former Executive Vice-President, Human Resources at SNC-Lavalin from November 2015 to November 2017; Former Executive Vice-President, Hydro at SNC-Lavalin from October 2014 to October 2015; Former Project Manager at SNC-Lavalin from September 2013 to September 2014; Former Deputy Project Manager, CHU Ste-Justine Expansion Project at SNC-Lavalin from September 2012 to September 2013.
Ian Edwards Quebec (Canada)	President, Infrastructure Sector at SNC-Lavalin since April 2015; Former Executive Vice-President, Infrastructure Construction at SNC-Lavalin from November 2014 to April 2015; Former Managing Director, Leighton Asia, India and Offshore at Leighton Holdings Limited (General Contractors) from March 2012 to November 2014.

Name and Place of Residence	Principal Occupations During the Preceding Five (5) Years
Sylvain Girard Quebec (Canada)	Executive Vice-President and Chief Financial Officer at SNC-Lavalin since April 2016; Former Senior Vice-President and Corporate Controller at SNC-Lavalin from June 2015 to April 2016; Former Senior Vice-President, Finance, Power Sector at SNC-Lavalin from August 2014 to June 2015; Former Chief Financial Officer – Europe at GE Healthcare (Medical Technologies and Services) from July 2010 to July 2014.
Hartland J. A. Paterson Quebec (Canada)	Executive Vice-President and General Counsel at SNC-Lavalin since September 2015; Former General Counsel, Chief Compliance Officer and Secretary at CAE Inc. (Aerospace and Defence Products and Services) from September 2001 to September 2015.
Nicholas (Nick) Roberts Cheshire (United Kingdom)	President, Atkins, Engineering, Design and Project Management Sector at SNC-Lavalin since January 2018; Former Chief Executive Officer, U.K. and Europe, Atkins Sector at SNC-Lavalin from July 2017 to December 2017; Former Chief Executive Officer, U.K. and Europe at Atkins (Design, Engineering and Project Management) from December 2014 to July 2017; Former Strategy Director, Atkins North America at Atkins from June 2012 to November 2014.
Erik J. Ryan Quebec (Canada)	Executive Vice-President, Strategy, Marketing and External Relations at SNC-Lavalin since November 2013; Former Senior Vice-President, Communications and External Relations at Rio Tinto Alcan (Aluminium Producer and Supplier) from March 2009 to November 2013.
Chantal Sorel Quebec (Canada)	Executive Vice-President and Managing Director, Capital at SNC-Lavalin since August 2017; Former Managing Director, Capital at SNC-Lavalin from November 2015 to August 2017; Former Senior Vice-President, Business Development, Infrastructure Sector at SNC-Lavalin from December 2014 to November 2015; Former Vice-President and Project Director, McGill University Health Centre, Glen site at SNC-Lavalin from April 2012 to November 2014.
José J. Suárez Quebec (Canada)	President, Mining & Metallurgy Sector at SNC-Lavalin since April 2015; Former Executive Vice-President, Integrated Management Systems at SNC-Lavalin from June 2014 to April 2015; Former Managing Director, North America Mining Industry Lead and Global Mining Capital Projects Lead at Accenture (Management Consulting, Technology Services and Outsourcing) from May 2012 to June 2014.

Name and Place of Residence	Principal Occupations During the Preceding Five (5) Years
Alexander (Sandy) Taylor Quebec (Canada)	President, Nuclear Sector at SNC-Lavalin since January 2018; Former President, Power Sector at SNC-Lavalin from March 2014 to December 2017; Former Senior Group Vice-President, Head of Global Sales and Marketing, Process Automation (PA) Division at ABB Inc. (Power and Automation Technologies) from July 2013 to March 2014; Former Senior Group Vice-President, Global Oil, Gas and Petrochemicals Business Unit at ABB Inc. from May 2010 to July 2013.

As at December 31, 2017, the above directors and executive officers of the Company, as a group, held, either directly or indirectly, or exercised control over 111,138 common shares, representing approximately 0.06% of the common shares of the Company.

8. LEGAL PROCEEDINGS

SNC-Lavalin and its Capital investments are or can be party to litigation in the normal course of business. Since the Company engages in engineering and construction, and O&M activities for facilities and projects where design, construction or systems failures can result in substantial injury or damage to employees or others, the Company is exposed to substantial claims and litigation if there is a failure at any such project. Such claims could relate to, among other things, personal injury, loss of life, business interruption, property damage, pollution, and environmental damage and be brought by clients or third parties, such as those who use or reside near clients' projects. SNC-Lavalin can also be exposed to claims if it agreed that a project will achieve certain performance standards or satisfy certain technical requirements and those standards or requirements are not met. In many contracts with clients, subcontractors, and vendors, the Company agrees to retain or assume potential liabilities for damages, penalties, losses and other exposures relating to projects that could result in claims that greatly exceed the anticipated profits relating to those contracts. In addition, while clients and subcontractors may agree to indemnify the Company against certain liabilities, such third parties may refuse or be unable to pay.

The Company is subject to class actions in Quebec and Ontario commenced in 2012 on behalf of security holders (collectively, the "**Actions**"). The Actions are brought pursuant to the secondary market civil liability provisions in the various Canadian provincial and territorial securities statutes. The Actions allege the agent payments that were the subject of the Independent Review were bribes to public officials and that bribes were also offered in relation to the project in Bangladesh that forms part of the World Bank Settlement. Consequently, it is alleged that various of the Company's public disclosure documents issued between November 2009 and November 2011 included misrepresentations. The Actions seek damages, on behalf of all persons who acquired securities of SNC-Lavalin between November 6, 2009 and February 27, 2012, based on the decline in market value of SNC-Lavalin shares following the Company's February 28, 2012 news release and other public announcements.

The Ontario Action is presently completing the oral discovery stage. The Quebec Action is presently in abeyance while the Ontario Action proceeds.

Due to the inherent uncertainties of litigation, it is not possible to predict the final outcome of these lawsuits or determine the amount of any potential losses, if any, and SNC-Lavalin may, in the future, be subject to further class action lawsuits or other litigation. While SNC-Lavalin has directors' and officers' liability insurance insuring individuals against liability for acts or omissions in their capacities as directors and officers, the Company does not maintain any other insurance in connection with the Actions. The amount of coverage under the directors' and officers' policy is limited and such coverage may be an insignificant portion of any amounts the Company is required or determines to pay in connection with the Actions. In the event the Company is required or determines to pay amounts in connection with these lawsuits or other litigation, such amounts could be significant and may have a material adverse impact on SNC-Lavalin's liquidity and financial results.

On June 12, 2014, the Quebec Superior Court rendered a decision in "Wave 1" of the matter commonly referred to as the "Pyrrhotite Case" in Trois-Rivières, Quebec and in which SNC-Lavalin is one of numerous defendants. The Superior Court ruled in favour of the plaintiffs, awarding an aggregate amount of approximately $168 million in damages apportioned amongst the then-known defendants, on an in solidum basis (the "**Wave 1 claims**"). SNC-Lavalin, among other parties, filed a Notice to Appeal the Superior Court decision both on merit and on the apportionment of liability. Based on the current judgment, SNC-Lavalin's share of the damages would be approximately 70%, a significant portion of which the Company would expect to recover from its external insurers (such insurance coverage is itself subject to litigation). In addition to the appeal of the decision, recourses in warranty were filed against another party, which may result in reduction of SNC-Lavalin's share of the damages. The appeal hearing has started in October 2017 and will be completed in April 2018.

In parallel to the appeal and warranty recourses for Wave 1 claims, additional potential claims were notified and continue to be notified against numerous defendants, including SNC-Lavalin, in "Wave 2" of the Pyrrhotite Case. Wave 2 claims are currently undergoing discovery stage and it is still premature to evaluate SNC-Lavalin's total liability exposure in respect of same, if any. It is currently estimated that a significant portion of the damages claimed are in respect of buildings for which the concrete foundations were poured outside of SNC-Lavalin's liability period, as determined in the Wave 1 judgement. SNC-Lavalin expects some insurance coverage for claims filed up to March 31, 2015. In addition, SNC-Lavalin has undertaken warranty recourse against another party with respect to Wave 2 claims.

Due to the inherent uncertainties of litigation, it is not possible to (a) predict the final outcome of these and other related proceedings generally, (b) determine if the amount included in the Company's provisions is sufficient or (c) determine the amount of any potential losses, if any, that may be incurred in connection with any final judgment on these matters.

SNC-Lavalin maintains insurance coverage for various aspects of its business and operations. The Company's insurance programs have varying coverage limits and maximums, and insurance companies may seek to deny claims the Company might make. In addition, SNC-Lavalin has elected to retain a portion of losses that may occur through the use of various deductibles, limits and retentions under these programs. As a result, the Company may be subject to future liability for which it is only partially insured, or completely uninsured.

In addition, the nature of the Company's business sometimes results in clients, subcontractors, and vendors presenting claims for, among other things, recovery of costs related to certain projects. Similarly, SNC-Lavalin occasionally presents change orders and other claims to clients, subcontractors, and vendors. If the Company fails to document properly the nature of claims and change orders or is otherwise unsuccessful in negotiating reasonable settlements with clients, subcontractors and vendors, the Company could incur cost overruns, reduced profits or, in some cases, a loss for a project. A failure to recover promptly on these types of claims could have a material adverse impact on SNC-Lavalin's liquidity and financial results. Additionally, irrespective of how well the Company documents the nature of its claims and change orders, the cost to prosecute and defend claims and change orders can be significant.

Litigation and regulatory proceedings are subject to inherent uncertainties and unfavourable rulings can and do occur. Pending or future claims against SNC-Lavalin could result in professional liability, product liability, criminal liability, warranty obligations, and other liabilities which, to the extent the Company is not insured against a loss or its insurer fails to provide coverage, could have a material adverse impact on the Company's business, financial condition and results of operations.

The Company is also subject to other ongoing investigations that could subject the Company to criminal and administrative enforcement actions, civil actions and sanctions, fines and other penalties, some of which may be significant. These charges and investigations, and potential results thereof, could harm the Company's reputation, result in suspension, prohibition or debarment of the Company from participating in certain projects, reduce its revenues and net income and adversely affect its business.

In February 2012, the Board of Directors initiated an independent investigation (the "**Independent Review**"), led by its Audit Committee, of the facts and circumstances surrounding certain payments that were documented (under certain agreements presumed to be agency agreements) to construction projects to which they did not relate, and certain other contracts. On March 26, 2012, the Company announced the results of the Independent Review and related findings and recommendations of the Audit Committee to the Board of Directors and provided information to the appropriate authorities. The Company understands that investigations by law enforcement and securities regulatory authorities remain ongoing in connection with this information, which are described in greater detail below. The Company also continues to review compliance matters (including matters beyond the scope of the Independent Review), including to assess whether amounts may, directly or indirectly, have been improperly paid to persons owing fiduciary duties to the Company, and as additional information, if any, arises as a result thereof, the Company will continue to investigate and review such information as it has in the past.

Charges and RCMP Investigation

On February 19, 2015, the Royal Canadian Mounted Police (the "**RCMP**") and the Public Prosecution Service of Canada laid charges against the Company and its indirect subsidiaries SNC-Lavalin International Inc. and SNC-Lavalin Construction Inc. Each entity has been charged with one count of fraud under Section 380 of the Criminal Code (Canada) (the "**Criminal Code**") and one count of corruption under Section 3(1)(b) of the Corruption of Foreign Public Officials Act (Canada) (the "**CFPOA**"), (the "**Charges**"). These Charges follow the RCMP's formal investigation (including in connection with the search warrant executed by the RCMP at the Company on April 13, 2012) into whether improper payments were made or offered, directly or indirectly, to be made, to a government official of Libya to influence the award of certain engineering and construction contracts between 2001 and 2011. This investigation, also led to criminal charges being laid against two former employees of the Company. The Company understands that the charges laid against one or both of these former employees include bribery under the CFPOA, fraud, laundering the proceeds of crime and possession of property obtained by crime under the Criminal Code, and contravention of the Regulations Implementing the United Nations Resolutions on Libya in Canada. Due to the inherent uncertainties of these proceedings, it is not possible to predict the final outcome of the Charges, which could possibly result in a conviction on one or more of the Charges. The preliminary inquiry in respect of the Charges has been scheduled for a court hearing in September 2018. The Company cannot predict what, if any, other actions may be taken by any other applicable government or authority or the Company's customers or other third parties as a result of the Charges, or whether additional charges may be brought in connection with the RCMP investigation of these matters.

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

AMF Investigation; AMF Certification under the Quebec Act Respecting Contracting by Public Bodies

The Company understands that there is an ongoing investigation being conducted in the context of applicable securities laws and regulations by the securities regulator in the Province of Quebec, the Autorité des marchés financiers (the "**AMF**").

Certain subsidiaries of the Company require certification from the AMF, subject to periodic renewal, to contract with public bodies in the Province of Quebec, as required pursuant to the Act Respecting Contracting by Public Bodies. If an entity or any of its affiliates is convicted of certain specified offences under the Criminal Code or the CFPOA, AMF certification can be automatically revoked. In addition, the AMF has the discretionary power to refuse to grant an authorization or revoke or not renew an authorization if it determines that the enterprise concerned fails to meet the high standards of integrity that the public is entitled to expect from a party to a public contract or subcontract. Those subsidiaries of the Company that need to be certified by the AMF have obtained that certification.

World Bank Settlement

On April 17, 2013, the Company announced a settlement in connection with the previously announced investigations by the World Bank Group relating to a project in Bangladesh and a project in Cambodia, which includes a suspension of the right to bid on and to be awarded World Bank Group-financed projects by SNC-Lavalin Inc., a subsidiary of the Company, and its controlled affiliates for a period of 10 years (the "**World Bank Settlement**"). The suspension could be lifted after eight years, if the terms and conditions of the settlement agreement are complied with fully. According to the terms of the World Bank Settlement, the Company and certain of its other affiliates continue to be eligible to bid on and be awarded World Bank Group-financed projects as long as they comply with all of the terms and conditions imposed upon them under the terms of the World Bank Settlement, including an obligation not to evade the sanction imposed. The World Bank Settlement also requires that the Company cooperate with the World Bank on various compliance matters in the future. The World Bank Settlement has led to certain other multilateral development banks following suit, debarring SNC-Lavalin Inc. and its controlled affiliates on the same terms.

African Development Bank Settlement

On October 1, 2015, the Company announced a settlement with the African Development Bank relating to allegations of corruption in two African countries (the "**African Development Bank Settlement**"). The African Development Bank Settlement requires that the Company cooperate with the African Development Bank on various compliance matters in the future.

Canada's Integrity Regime

The Canadian government announced the Integrity Regime for procurement and real property transactions on July 3, 2015. The scope of offences which may cause a supplier to be deemed ineligible to carry on business with the federal government are broad and encompass offences under the Criminal Code, the Competition Act, and the CFPOA, among others. Some of the offences qualifying for ineligibility include bribery, fraud, money laundering, falsification of books and documents, extortion, and offences related to drug trafficking. A determination of ineligibility to participate in federal government procurement projects may apply for 10 years for listed offences. However, the Integrity Regime permits the ineligibility period to be reduced by up to five years if a supplier can establish that it has cooperated with law enforcement authorities or addressed the causes of misconduct.

If a supplier is charged with a listed offence (as is presently the case with the Company), it may under the Integrity Regime be ineligible to do business with the Canadian government while legal proceedings are ongoing.

If a supplier applies for a reduced ineligibility period, or if a supplier charged with a listed offence is notified that it could be ineligible to do business with the Canadian government, as a condition of granting the reduced ineligibility period or not suspending the supplier an administrative agreement may be imposed to monitor the supplier. Administrative agreements include conditions and compliance measures that the supplier must meet to remain eligible to contract with the federal government.

The Company has signed an administrative agreement with Public Services and Procurement ("**PSP**") of the Government of Canada under the Integrity Regime.

Failure of the Company to abide by the terms of any of its certification from the AMF, the World Bank Settlement, the African Development Bank Settlement and/or the PSP Administrative Agreement could result in serious consequences for the Company, including new sanctions, legal actions and/or suspension from eligibility to carry on business with the government or agency involved or to work on projects funded by them. The Company is taking steps that are expected to mitigate this risk.

Quebec's Voluntary Reimbursement Program (the "Program")

The Company participated in the Voluntary Reimbursement Program ("**Bill 26**") which was put into force by the Government of Quebec on November 2, 2015. The Program provided for a period of time within which the Government of Quebec and various municipalities, governmental agencies and others could assess whether settlement proposals by program participants should cover a governmental or municipal entity. The Company settled all issues that it notified under the Program, or which the Program brought to its attention, on a timely and substantiated basis.

Other Investigations

The Company understands that there are also investigations by various authorities ongoing in various jurisdictions with respect to the above and other matters. In addition, Pierre Duhaime and Riadh Ben Aïssa, former Company employees, have been charged by authorities in the Province of Quebec with various fraud offences allegedly in connection with a Company project in the Province of Quebec.

On October 1, 2014, Mr. Ben Aïssa entered guilty pleas to certain criminal charges in the Federal Criminal Court of Switzerland following a lengthy investigation by Swiss authorities and the detention of Mr. Ben Aïssa by Swiss authorities from April 2012 to October 2014. The Company was recognized as an injured party in the context of the Swiss proceedings and was awarded for certain offences for which Mr. Ben Aïssa has plead guilty a sum equivalent to CA$17.2 million translated using the exchange rates as at October 1, 2014 (representing the equivalent of 12.9 million CHF and US$2.0 million) plus interest. As at December 31, 2017, the Company has received all amounts due under this award.

The Company is currently unable to determine when any of the above investigations will be completed or whether other investigations of the Company by these or other authorities will be initiated or the scope of current investigations broadened. While the Company continues to cooperate and communicate with authorities in connection with all ongoing investigations as noted above, if regulatory, enforcement or administrative authorities or third parties determine to take action against the Company or to sanction the Company in connection with possible violations of law, contracts or otherwise, the consequences of any such sanctions or other actions, whether actual or alleged, could require the Company to pay material fines or damages, consent to injunctions on future conduct or lead to other penalties including temporary or permanent, mandatory or discretionary suspension, prohibition or debarment from participating in projects by certain administrative organizations (such as those provided for in the World Bank Settlement) or by governments (such as the Government of Canada and/or the Government of Quebec) under applicable procurement laws, regulations, policies or practices, each of which could, materially adversely affect the Company's business, financial condition and liquidity and the market price of the Company's publicly traded securities.

The outcomes of the above investigations or the Charges could also result in, among other things, (i) covenant defaults under various project contracts, (ii) third party claims, which may include claims for special, indirect, derivative or consequential damages, or (iii) adverse consequences on the Company's ability to secure or continue its own financing, or to continue or secure financing for current or future projects, any of which could materially adversely affect the Company's business, financial condition and liquidity and the market prices of the Company's publicly traded securities. In addition, the Charges, these investigations and outcomes of these investigations or Charges and any negative publicity associated therewith, could damage SNC-Lavalin's

reputation and ability to do business. Finally, the findings and outcomes of the Charges or these investigations may affect the course of the class action lawsuits (described above).

Due to the uncertainties related to the outcome of the Charges and each of the above investigations, the Company is currently unable to reliably estimate an amount of potential liabilities or a range of potential liabilities, if any, in connection with the Charges or any of these investigations.

The Company's senior management and Board of Directors have been required to devote significant time and resources to the investigations described above and ongoing related matters which have distracted and may continue to distract from the conduct of the Company's daily business, and significant expenses have been and may continue to be incurred in connection with these investigations including substantial fees of lawyers and other advisors. In addition, the Company and/or other employees or additional former employees of the Company could become the subject of these or other investigations by law enforcement and/or regulatory authorities in respect of the matters described above or other matters which, in turn, could require the devotion of additional time of senior management and the diversion or utilization of other resources.

Other Legal Proceedings

SNC-Lavalin becomes involved in various legal proceedings as a part of its ordinary course of business and this section describes certain important ordinary course of business legal proceedings. See also Section 14 "Risks and Uncertainties – Risks Related to Litigation, Regulatory Matters and Investigations"; of the Company's most recent Management's Discussion and Analysis; including the general cautionary language relating to the risks inherent to all litigation and proceedings against SNC-Lavalin, which is equally applicable to the legal proceedings described below.

While SNC-Lavalin cannot predict with certainty the final outcome or timing of the legal proceeding described below, based on the information currently available (which in some cases remains incomplete), SNC-Lavalin believes that it has strong defences to these claims and intends to vigorously defend its position.

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

9. AMENDED AND RESTATED SHAREHOLDER RIGHTS PLAN AGREEMENT

The Company entered into an Amended and Restated Shareholder Rights Plan Agreement dated as of March 2, 2017, with Computershare Investor Services Inc. as rights agent, which was subsequently ratified by the Company's shareholders on May 4, 2017 and filed under the Company's SEDAR profile on May 4, 2017 .

10. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

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

11. TRANSFER AGENT AND REGISTRAR

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

12. MATERIAL CONTRACTS

Other than those contracts entered into during the normal course of business, the only contracts that are material to the Company and that were entered into within the fiscal year ended December 31, 2017, or before such year and after January 1, 2002 that are still in effect, and which are required to be filed with Canadian securities regulatory authorities pursuant to applicable securities laws, are described below.

Co-Operation Agreement

On April 20, 2017, the Company, SNC-Lavalin (GB) Holdings Limited and Atkins entered into a co-operation agreement in connection with the Atkins Acquisition (the "**Co-Operation Agreement**"). See section 2 "General Development of the Business – Acquisition of WS Atkins PLC**"** of this Annual Information Form for a description of the Atkins Acquisition. Reference is made to the Co-Operation Agreement for a complete description and the full text of its provisions, which was filed with the Canadian securities regulatory authorities on April 21, 2017 and is available on the SEDAR website at **www.sedar.com**.

Subscription Agreement

On April 20, 2017, concurrently with the announcement of the Atkins Acquisition, the Company entered into a subscription agreement (the "**Subscription Agreement**") with the Caisse providing for the Private Placement. Reference is made to the Subscription Agreement for a complete description and the full text of its provisions, which was filed with the Canadian securities regulatory authorities on April 21, 2017 and is available on the SEDAR website at **www.sedar.com**.

CDPQ Loan

Key Terms and Conditions

On April 20, 2017, Highway Holdings entered into the CDPQ Loan agreement with CDPQ RF. For a summary of the key terms and conditions of the CDPQ Loan, see section 2 "General Development of the Business – Debt and Financing Agreements – CDPQ Loan" of this Annual Information Form. Reference is made to the CDPQ Loan agreement for a complete description and the full text of its provisions, which was filed with the Canadian securities regulatory authorities on April 21, 2017 and is available on the SEDAR website at **www.sedar.com**.

In connection with the Private Placement and the CDPQ Loan, the Company has undertaken that, for a period of seven years:

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

Security and Limited Recourse Guarantee

The obligations of Highway Holdings under the CDPQ Loan are secured by a hypothec over the universality of the assets of Highway Holdings, excluding the 407 International Inc. shares held by Highway Holdings. In addition, the Company provided a limited recourse guarantee in favour of CDPQ RF, which is secured by a pledge by SNC-Lavalin Inc. over 29.9% of the outstanding common shares of Highway Holdings. Such guarantee and pledge may be fully released, provided certain conditions are satisfied, if Highway Holdings elects to pledge, in favour of CDPQ RF, a certain number of the 407 International Inc. shares held by it.

Certain Governance Arrangements relating to Highway Holdings

In connection with the CDPQ Loan, a new class of limited voting, non-participating redeemable special shares of Highway Holdings was created, the outstanding shares of which are held as to 99% and 1%, respectively, by SNC-Lavalin Inc. and CDPQ RF. Certain protective provisions are attached to these special shares, effectively limiting the activities and transactions that Highway Holdings may carry out without first obtaining the unanimous consent of the holders of the special shares. In addition, CDPQ RF (in its capacity as holder of special shares) is entitled to designate one member to be appointed or elected to Highway Holdings' Board of Directors, and such designee has been duly elected as a director of Highway Holdings. The special shares will be automatically redeemed upon the earliest to occur of the repayment in full of all amounts due or outstanding under the CDPQ Loan and the satisfaction of certain conditions.

Investor's Rights Agreement

On July 3, 2017, concurrently with the closing of the Atkins Acquisition, the Company and the Caisse entered into an investor's rights agreement (the "**Investor's Rights Agreement**").

Among other things, the Investor's Rights Agreement provides the Caisse with the right, as long as it beneficially owns or exercises control or direction over, directly or indirectly, 10% or more of the Company's outstanding common shares, to recommend to SNC-Lavalin one nominee for election or appointment as a director, provided that the Caisse nominee shall have no material relationship with SNC-Lavalin or the Caisse, and that his or her nomination shall be subject to a favourable recommendation of SNC-Lavalin's Governance and Ethics Committee. In addition, the Company has agreed that it will consult with the Caisse prior to the appointment of any new Chairman of the Board of Directors.

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

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

- Subject to applicable securities laws and the rules of the TSX, the Caisse has the right to request that the Company repurchase its common shares directly or indirectly held by the Caisse representing up to 25% of any purchase to be made by the Company under any normal course issuer bid; and

- The Caisse has been granted "piggyback" (but not demand) qualification rights allowing it, as long as it directly or indirectly holds more than 12% of the Company's issued and outstanding common shares, to include its pro rata share of common shares sold in certain public offerings of common shares, subject to customary underwriter cutback demands and provisions.

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

Credit Facilities

On May 15, 2017, the Company amended the Revolving Facility and merged it with the Term Facility to form one single Credit Agreement. For a summary of the key terms of the Revolving Facility, the Term Facility and

the Credit Agreement, see section 2 "General Development of the Business – Debt and Financing Agreements" of this Annual Information Form.

Reference is made to the Credit Agreement for a complete description and the full text of its provisions, which was filed with the Canadian securities regulatory authorities on May 16, 2017 and is available on the SEDAR website at **www.sedar.com**.

13. EXPERTS

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

14. AUDIT COMMITTEE

Mandate of the Audit Committee

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

Composition of Audit Committee

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

Relevant Professional Qualifications and Experience of Audit Committee Members

Each of the members of the Company's Audit Committee has professional qualifications or business experience, or both, that are relevant to the performance of his/her responsibilities as a member of the Audit Committee (for additional disclosure regarding the qualifications and experience of these directors, see the "Information on our Director Nominees" and the "Board Committee Reports – Report of the Audit Committee" sections of the 2017 management proxy circular of the Company relating to the May 3, 2018 annual meeting of shareholders of the Company - the "**Management Proxy Circular**").

Benita M. Warmbold (Chair) has more than 30 years of experience in the finance industry. She is the former Senior Managing Director and CFO of the CPPIB, a position she held from December 2013 to July 2017. Prior to that, she was Senior Vice-President and Chief Operations Officer from 2008 to 2013. CPPIB is a professional investment management organization responsible for investing funds on behalf of the Canada Pension Plan. Before joining CPPIB, she served as Managing Director and CFO for Northwater Capital Management Inc. from 1997 to 2008. She previously held senior positions with Canada Development Investment Corporation and KPMG. Ms. Warmbold is currently a director of Crestone Peak Resources (chair of its Audit and Risk Committee), Methanex Corporation (member of its Audit, Finance and Risk Committee), the Canadian Public Accountability Board and the Women's College Hospital (vice-chair) and is also a member of the Board of Trustees of Queen's University and acts as vice-chair of the Audit and Risk Committee and the Capital Asset and Finance Committee. She is also a former chair of the Audit Committee of Canada Development Investment Corporation. She holds an Honours Bachelor of Commerce degree from Queen's University, is a Fellow of the Institute of Chartered Accountants of Ontario and has been granted the ICD.D designation by the Institute of Corporate Directors.

Jean Raby is the CEO of Natixis Global Asset Management, S.A. (global asset management). He was previously Chief Financial Officer of SFR Group (telecommunications operator) from May to November 2016. Prior to his role at SFR Group, Mr. Raby was Executive Vice-President, Chief Financial and Legal Officer of Alcatel-Lucent S.A. from September 2013 to February 2016. Following the acquisition of Alcatel-Lucent by Nokia Corporation, he served as adviser to the CFO of Nokia from March to April 2016. Mr. Raby has more than 25 years of experience in investment banking, law and finance. Prior to his role at Alcatel-Lucent, he spent 16 years in roles of increasing responsibility at the investment banking division of Goldman Sachs & Co., in Paris, France, where he became Co-CEO of the division in France in 2006 (then CEO in 2009), and in Russia where he became Co-CEO of this company's activities in Russia and the Commonwealth of Independent States in 2011. He retired from Goldman Sachs & Co. at the end of 2012. In his early career, Mr. Raby was a corporate lawyer with the law firm Sullivan & Cromwell in New York (1989-1992) and in Paris (1992-1996). Mr. Raby is a member of the board of Université Laval. He holds a law degree from Université Laval, a Master of Philosophy in International Relations from University of Cambridge in the U.K., and a Master of Laws from Harvard Law School. Mr. Raby is also a member of the New York State Bar Association.

Alain Rhéaume is the Co-Founder and Managing Partner of Trio Capital Inc. and has over 25 years of senior management experience in the private and public sectors. He worked for the Ministry of Finance of the Quebec Government from 1974 to 1996, acting as Associate Deputy Minister, Financial Policies and Operations from 1988 to 1992, and from 1992 to 1996 as Deputy Minister. In 1996, Mr. Rhéaume joined Microcell Telecommunications Inc. as CFO. He was subsequently promoted to President and CEO of Microcell PCS (2001-2003) and President and COO of Microcell Solutions Inc. (2003-2004). Until June 2005, Mr. Rhéaume was Executive Vice-President of Rogers Wireless Inc. and President of Fido Solutions Inc. (a division of Rogers Wireless Inc.), roles he assumed when Microcell Telecommunications Inc. was acquired by Rogers. Mr. Rhéaume is the chair of the Audit Committee of Resolute Forest Products Inc. and a member of its Finance Committee. He is also a member of the Audit Committee of Boralex Inc. Mr. Rhéaume is a former chairman and public director of the Canadian Investor Protection Fund, a former public director of the Canadian Public Accountability Board and a former Audit Committee member of five publicly-traded corporations. Mr. Rhéaume graduated from Université Laval with a License in Business Administration (Finance and Economics).

Eric D. Siegel is the former President and CEO of Export Development Canada (EDC), a position he held from 2007 until his retirement in December 2010. Mr. Siegel joined EDC in 1979. In 1997, he was appointed Executive Vice-President and in 2005, COO, assuming overall leadership for EDC's business development and transacting groups until his appointment as President and CEO in 2007. He is currently a director of Citibank Canada and a member of its Audit Committee as well as a member of the Dean's Advisory Council of York University's Schulich School of Business. Mr. Siegel graduated from the University of Toronto with a Bachelor of Arts degree in history and economics and from York University with a Master of Business Administration.

Pre-Approval Policies and Procedures

The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditor's independence. The Audit Committee has adopted a procedure whereby the Chair of the Audit Committee shall pre-approve any non-audit services totalling segments of $50,000 or less per occurrence, up to a total of $500,000 per year, and shall be required to report on this at the first scheduled Committee meeting following such pre-approval. Any amounts exceeding the $500,000 threshold must be pre-approved by the Committee, as set out in the terms of the Audit Committee's mandate (see Schedule "A" to this Annual Information Form).

Auditor's Fees

The aggregate fees paid, including the Company's pro-rata share of the fees paid by its joint ventures and other investees, for professional services rendered by Deloitte LLP and its affiliates, for the year ended December 31, 2017 and the year ended December 31, 2016, are presented in the following table:

	Year Ended December 31, 2017	Year Ended December 31, 2016
Audit fees[(1)]	$4,699,757	$8,070,206
Audit-related fees[(2)]	$727,038	$990,504
Tax fees[(3)]	$951,582	$701,720
Other fees[(4)]	$469,692	$128,671
Total[(5)]	**$6,848,069**	**$9,891,101**

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

The decrease of $3,370,449 from $8,070,206 in 2016 to $4,699,757 in 2017 is mainly due to timing in the payment of 2015 fees paid in 2016 compared to the 2016 fees paid in 2017.

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

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

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

(5) The aggregate fees paid to Deloitte LLP, irrespective of the Company's proportionate interests in its joint ventures and other investees, totaled $7,089,391 in 2017 and $10,507,663 in 2016.

15. CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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

expectations and plans, and in obtaining a better understanding of the Company's business and anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

Forward-looking statements made in this Annual Information Form are based on a number of assumptions believed by the Company to be reasonable on February 21, 2018. The assumptions are set out throughout the Company's 2017 Management's Discussion and Analysis (particularly, in the sections entitled "Critical Accounting Judgments and Key Sources of Estimation Uncertainty" and "How We Analyze and Report our Results" in the Company's 2017 Management's Discussion and Analysis). If these assumptions are inaccurate, the Company's actual results could differ materially from those expressed or implied in such forward-looking statements. In addition, important risk factors could cause the Company's assumptions and estimates to be inaccurate and actual results or events to differ materially from those expressed in or implied by these forward-looking statements. These risks include, but are not limited to: (a) the outcome of pending and future claims and litigation could have a material adverse impact on the Company's business, financial condition and results of operation; (b) on February 19, 2015, the Company was charged with one count of corruption under the Corruption of Foreign Public Officials Act (Canada) (the "CFPOA") and one count of fraud under the Criminal Code (Canada), and is also subject to other ongoing investigations which could subject the Company to criminal and administrative enforcement actions, civil actions and sanctions, fines and other penalties, some of which may be significant. These charges and investigations, and potential results thereof, could harm the Company's reputation, result in suspension, prohibition or debarment of the Company from participating in certain projects, reduce its revenues and net income and adversely affect its business; (c) further regulatory developments could have a significant adverse impact on the Company's results, and employee, agent or partner misconduct or failure to comply with anti-bribery and other government laws and regulations could harm the Company's reputation, reduce its revenues and net income, and subject the Company to criminal and administrative enforcement actions and civil actions; (d) a negative impact on the Company's public image could influence its ability to obtain future projects; (e) fixed-price contracts or the Company's failure to meet contractual schedule or performance requirements or to execute projects efficiently may increase the volatility and unpredictability of its revenue and profitability; (f) the Company's revenue and profitability are largely dependent on the awarding of new contracts, which it does not directly control, and the uncertainty of contract award timing could have an adverse effect on the Company's ability to match its workforce size with its contract needs; (g) the Company's backlog is subject to unexpected adjustments and cancellations, including under "termination for convenience" provisions, and does not represent a guarantee of the Company's future revenues or profitability; (h) SNC-Lavalin is a provider of services to government agencies and is exposed to risks associated with government contracting; (i) the Company's international operations are exposed to various risks and uncertainties, including unfavourable political environments, weak foreign economies and the exposure to foreign currency risk; (j) there are risks associated with the Company's ownership interests in Capital investments that could adversely affect it; (k) the Company is dependent on third parties to complete many of its contracts; (l) the Company's use of joint ventures and partnerships exposes it to risks and uncertainties, many of which are outside of the Company's control; (m) the competitive nature of the markets in which the Company does business could adversely affect it; (n) the Company's project execution activities may result in professional liability or liability for faulty services; (o) the Company could be subject to monetary damages and penalties in connection with professional and engineering reports and opinions that it provides; (p) the Company may not have in place sufficient insurance coverage to satisfy its needs; (q) the Company's employees work on projects that are inherently dangerous and a failure to maintain a safe work site could result in significant losses and/or an inability to obtain future projects; (r) the Company's failure to attract and retain qualified personnel could have an adverse effect on its activities; (s) work stoppages, union negotiations and other labour matters could adversely affect the Company; (t) the Company relies on information systems and data in its operations. Failure in the availability or security of the Company's information systems or in data security could adversely affect its business and results of operations; (u) any acquisition or other investment may present risks or uncertainties; (v) divestitures and the sale of significant assets may present risks or uncertainties; (w) possible failure to realize anticipated benefits of the acquisition and difficulties in the integration of Atkins; (x) increased indebtedness as a result of the Atkins Acquisition; (y) dependence on subsidiaries to help repay indebtedness as a result of the Atkins Acquisition; (z) security under the SNC-Lavalin Highway Holdings Loan being called at an inopportune time; (aa) ability to pay dividends; (bb) additional significant integration costs may be incurred following Atkins Acquisition; (cc) Atkins' pension-related obligations; (dd) a deterioration or weakening of the Company's financial position could have a material adverse effect on its business and results of operations; (ee) the Company may have significant working capital

requirements, which if unfunded could negatively impact its business, financial condition and cash flows; (ff) an inability of SNC-Lavalin's clients to fulfill their obligations on a timely basis could adversely affect the Company; (gg) the Company may be required to impair certain of its goodwill, and it may also be required to write down or write off the value of certain of its assets and investments, either of which could have a material adverse impact on the Company's results of operations and financial condition; (hh) global economic conditions could affect the Company's client base, partners, subcontractors and suppliers and could materially affect its backlog, revenues, net income and ability to secure and maintain financing; (ii) fluctuations in commodity prices may affect clients' investment decisions and therefore subject the Company to risks of cancellation, delays in existing work, or changes in the timing and funding of new awards, and may affect the costs of the Company's projects; (jj) inherent limitations to the Company's control framework could result in a material misstatement of financial information; and; (kk) environmental laws and regulations expose the Company to certain risks, could increase costs and liabilities and impact demand for the Company's services. The Company cautions that the foregoing list of factors is not exhaustive. For more information on risks and uncertainties, and assumptions that could cause the Company's actual results to differ from current expectations, please refer to the sections "Risks and Uncertainties", "How We Analyze and Report Our Results" and "Critical Accounting Judgments and Key Sources of Estimation Uncertainty" in the Company's 2017 Management's Discussion and Analysis filed with the securities regulatory authorities in Canada, available on SEDAR at **www.sedar.com** or on the Company's website at **www.snclavalin.com** under the "Investors" section.

The forward-looking statements herein reflect the Company's expectations as at February 21, 2018, when the Company's Board of Directors approved this document, and are subject to change after this date. The Company does not undertake to update publicly or to revise any such forward-looking statements whether as a result of new information, future events or otherwise, unless required by applicable legislation or regulation.

16. ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the 2017 Management Proxy Circular relating to the May 3, 2018 annual meeting of shareholders of the Company.

Additional financial information, including comparative financial statements for the Company's most recently completed financial year, is contained in the Company's most recent Management's Discussion & Analysis.

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

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SCHEDULE "A"

Mandate of the Audit Committee

The Audit Committee is a committee of the Board of Directors of SNC-Lavalin Group Inc. (the "Corporation") which assists the Board in supervising the Corporation's financial controls and reporting. The Audit Committee also monitors through reasonable measures whether the Corporation complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

1. COMPOSITION

The Audit Committee shall be composed of not less than three (3) and not more than seven (7) Directors, all of whom must be "independent" as determined by the Board including in light of Canadian securities legislation and regulations.

Furthermore, every Committee member must be financially literate or must become financially literate within a reasonable period of time following appointment to the Committee (provided, however, in the latter case, that the Board of Directors determines that the fact that the Committee member is not initially financially literate will not materially adversely affect the ability of the Committee to act independently and fulfill its mandate). An individual is financially literate if he/she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements. It is the Board that shall determine whether a Director who is to be appointed as member of the Committee satisfies the above criteria of financial literacy.

At least one (1) member of the Human Resources Committee shall sit on the Audit Committee and vice versa. At least one (1) member of the Safety, Workplace and Project Risk Committee shall sit on the Audit Committee and vice versa.

Subject to the By-Laws of the Corporation, the Chair and members of the Committee shall be recommended by the Governance and Ethics Committee and appointed by the Board. The appointment of the Chair of the Committee shall be considered annually by the Governance and Ethics Committee. If desired, a new Chair of the Committee shall be recommended by the Governance and Ethics Committee for appointment by the Board.

To the extent possible, taking into account the regulatory and internal requirements with respect to the personal expertise of the members of the Committee (e.g., financial literacy), there will be a system of regular rotation of Directors on the Committee. Rotation should be staggered to ensure continuity from year to year.

2. RESPONSIBILITIES

The duties and responsibilities of the Committee shall include the following:

<u>Primary Accountability</u>

(a) assist the Board of Directors in the discharge of its responsibilities relating to the Corporation's accounting policies, reporting practices and internal controls, in compliance with applicable legal and regulatory requirements;

Financial Reporting

(b) review and recommend approval by the Board before publication of the Corporation's unaudited quarterly financial statements and accompanying notes and related press release; review the independent auditor's report on its quarterly review;

(c) review and recommend approval by the Board before publication of the Corporation's audited annual financial statements and accompanying notes, related press release as well as significant accounting changes and disclosure of issues; review the independent auditor's report on its annual audit and summary financial statements;

(d) review and recommend approval by the Board before publication of the Corporation's Management's Discussion and Analysis with particular attention to the presentation of unusual or sensitive matters such as disclosure of related party transactions, significant non-recurring events, significant risks, changes in accounting principles, and estimates or reserves, and all significant variances between comparative reporting periods;

(e) review all financial information to be included in annual information forms, annual reports, management proxy circulars, prospectuses, other offering memoranda and other documents containing similar financial information and recommend approval by the Board of Directors before their public disclosure or filing with regulatory authorities;

(f) review the statement of management's responsibility for the financial statements as signed by senior management and to be included in any published document;

(g) review specific financial matters and issues on a quarterly basis; at least annually review the results of the impairment testing;

Accounting Policies

(h) review and ensure the appropriateness of the accounting policies used in the preparation of the Corporation's financial statements, including an annual review of the key accounting policies and accounting treatments that are particular to the Corporation, and consider any proposed changes to such policies;

Risk and Uncertainty

(i) review on a quarterly basis any litigation, claim or other contingency, including tax assessments, that could have a material effect upon the financial position or operating results of the Corporation, and ensure appropriate disclosure thereof; review on an annual basis tax filing compliance (corporate and employee) and reserve for legal claims;

(j) ensure through reasonable means that financial, accounting, auditing, control and reporting risks are identified and that the appropriate measures to mitigate and manage such risks are implemented;

(k) monitor progress on corrective and mitigation actions;

Controls and Control Deviations / CEO/CFO Certification

(l) monitor the quality and integrity of the Corporation's internal controls, disclosure controls and procedures and management information systems, with particular emphasis on accounting and financial controls, recommending changes where appropriate;

(m) supervise management's reporting on internal controls and disclosure controls and procedures, including: (i) disclosure of significant deficiencies in the design and operation of internal controls, (ii) disclosure of significant changes in internal controls, and (iii) disclosure of fraud involving management or an employee with significant impact on internal controls;

(n) conduct special investigations, if deemed necessary, having at all times access to personnel, books, records and facilities of the Corporation;

(o) review the Chief Executive Officer's ("CEO") and Chief Financial Officer's ("CFO") annual certification plan; receive CEO/CFO certification of interim and annual filings to be made in accordance with National Instrument 52-109; review the results of interim and annual CEO/CFO certification testing;

Independent Auditor

(p) formally consider the continuation of, or a change in, the independent auditor and review all issues related to a change of independent auditor, including any differences between the Corporation and the auditor that relate to the auditor's opinion or a qualification thereof or a comment by the auditor;

(q) recommend to the Board of Directors an independent auditor, which the Committee shall have established is independent, for approval by the shareholders of the Corporation; review the annual confirmation of independence provided by independent auditor and engage in dialogue with the independent auditor with respect to any relationships or services that may impact the objectivity and independence of the independent auditor;

(r) review and approve **audit, review or attest services** to be provided by the independent auditor and the fees thereof, consider any impact of the provision of any such services on its independence and determine appropriate funding for payment of its fees. With respect to **non-audit services**, the Chair of the Committee shall pre-approve any **non-audit services** totalling segments of $50,000 or less per occurrence, up to a total of $500,000 per year, and shall be required to report on this at the first scheduled Committee meeting following such pre-approval. Any amounts exceeding the above $500,000 threshold must be pre-approved by the Committee;

(s) establish with the independent auditor the Committee's expectations of the independent auditor, including that the independent auditor shall report directly to the Committee and shall be accountable to the Committee and to the Board of Directors as representative of the Corporation's shareholders, and perform an annual review of the mandate, organization, staffing, qualifications, independence, performance and effectiveness of the independent auditor;

(t) review and approve the scope and timing of the independent auditor's reviews of the unaudited quarterly financial statements and of its annual audit plan;

(u) supervise the work of the independent auditor engaged for the purpose of preparing or issuing an independent auditor's report or performing other audit, review or attest services for the Corporation;

(v) review with the independent auditor (i) the contents of its annual audit report as well as the results of the independent audit, and (ii) the results of its quarterly reviews, and any significant recommendations from the independent auditor to strengthen the internal controls of the Corporation;

(w) review any significant problems encountered by the independent auditor in performing the audit as well as the contents of any management letter issued by the independent auditor to the Corporation, and management's response thereto;

(x) review any unresolved significant issues between management and the independent auditor that could affect the financial reporting or internal controls of the Corporation;

(y) resolve any disagreements between management and the independent auditor regarding financial reporting;

(z) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former independent auditor of the Corporation;

(aa) ensure the respect of applicable requirements regarding the rotation of applicable partners of the independent auditor, as required;

Internal Audit Function

(bb) annually review and approve the charter, nature, scope of work and budget of the Internal Audit function as well as the annual audit plan and ensure that the Internal Audit function has the necessary resources to fulfill its mandate and responsibilities;

(cc) quarterly review the audit plan status, including a progress report on the Internal Audit mandates and a follow-up on past due recommendations;

(dd) review Internal Audit reports issued on a quarterly basis, including management responses, and ensure that the necessary steps are taken to follow up on report recommendations;

(ee) review Internal Audit reports on systemic internal control issues resulting from investigations on fraud and irregularities;

(ff) ensure the independence and effectiveness of the Internal Audit function, including by requiring that the function be free of any influence that could adversely affect its ability to objectively assume its responsibilities, by ensuring that it reports directly to the Committee and is accountable to the Committee and to the Board, and by meeting regularly with the Vice-President, Internal Audit without management being present in order to discuss, among others, the questions he/she raises regarding the relationship between the Internal Audit function and management and access to the information required;

(gg) approve the appointment and dismissal of the Vice-President, Internal Audit as well as approve his/her performance evaluation and compensation;

Other Responsibilities and Issues

(hh) review and recommend approval by the Board of the Corporation's Disclosure Policy which addresses the disclosure of financial results, declarations of dividends and material change information to its shareholders, the securities commissions, the Toronto Stock Exchange, financial analysts and stockbrokers and the general public; annually review such Policy to ensure that it conforms with applicable legal and regulatory requirements and make recommendations to the Board regarding any required changes; adopt and annually review the Disclosure Committee charter;

(ii) monitor the implementation of the Corporation's information technology ("I.T.") security and disaster recovery plan, periodically review this plan and make recommendations to the Board regarding any required changes;

(jj) review of treasury policy and portfolio;

(kk) annually review a report on the Corporation's overall insurance coverage, including captive and directors' and officers' (D&O), review such report and make recommendations to the Board regarding any required changes, including any changes to relevant By-Laws of the Corporation with respect to D&O indemnification;

(ll) monitor the application of the procedures established by the Committee for: (a) the receipt, retention and treatment of complaints or concerns received by the Corporation regarding accounting, internal accounting controls or auditing matters, and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters. To this end, the Committee shall quarterly review the report of the Chair of the Ethics and Compliance Committee with respect to: (i) issues, violations or complaints reported to the Corporation regarding accounting, internal accounting controls, auditing or fraud (as the latter term is defined in Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings), and (ii) all instances where management overrode or departed from prescribed policies and procedures relating to accounting, internal accounting controls, auditing or fraud (as the latter term is defined in Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings), in accordance with the Corporation's Management Override Policy; and

(mm) receive reports on and review any other items deriving from the foregoing, either in respect of the Corporation or a subsidiary or any other entity in which the Corporation has a significant interest, as requested by the Board.

3. ORGANIZATION AND PROCEDURES

(a) Members of the Committee are appointed and removed by the Board.

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

(c) The Chair of the Committee shall develop the agenda for each meeting of the Committee in consultation with the President and Chief Executive Officer, the Chief Financial Officer, the Vice-President, Internal Audit and the Corporate Secretary. The agenda and appropriate material shall be provided to the members of the Committee in a timely manner prior to any meeting of the Committee.

(d) The Chief Financial Officer, the Vice-President, Internal Audit and the independent auditor shall have direct access to the Committee. They shall receive notice of and attend all meetings of the Committee as non-voting participants.

(e) The President and Chief Executive Officer and the Chairman of the Board shall have direct access to the Committee. They shall receive notice of and be invited to attend all meetings of the Committee as non-voting participants.

(f) The independent auditor, the Vice-President, Internal Audit and the Chief Financial Officer shall each meet separately, in camera with the Committee, at least quarterly.

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

(h) The Chair of the Committee shall preside at Committee meetings; in his/her absence, an alternate may be elected by the Committee.

(i) A majority of the members of the Committee constitute a quorum.

(j) The Corporate Secretary or, in the case where he/she is unable to attend, the Assistant Corporate Secretary, shall act as Secretary of the meeting.

(k) The proceedings of the Committee shall be conducted in accordance with the By-Laws of the Corporation.

(l) All minutes of Committee meetings will be forwarded by the Corporate Secretary to each Committee member in a timely manner.

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

(n) The Committee will require the assistance of Corporation resources to research, investigate and report on matters within the Committee's responsibilities. The Chief Financial Officer will appoint a member of management to be the prime interface, and to coordinate the Committee's information requirements.

(o) The Committee may from time to time and in appropriate circumstances, normally but not necessarily in consultation with the Chairman of the Board and the President and Chief Executive Officer, engage outside advisors at the expense of the Corporation to research, investigate and report on matters within the Committee's responsibilities, approve their retention terms, supervise their work and set their compensation.

(p) The Committee will annually review its mandate to ensure it continues to be appropriate, establish its forward agenda and make recommendations thereon to the Governance and Ethics Committee as required.

(q) The Committee will annually assess its performance and that of its members and make recommendations thereon to the Governance and Ethics Committee as required.

Nothing contained in this mandate shall expand applicable standards of conduct or other obligations under any law or regulation for the Directors of the Corporation or the members of the Committee.

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ATTACHMENT "A"

(to the mandate of the Corporation's Audit Committee)

Policy for the Hiring of Employees and Former Employees of Present

and Former Independent Auditor of the Corporation

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

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

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