

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of April 30, 2018

Among

SNC-LAVALIN GROUP INC.

(as *Borrower*)

- and -

BANK OF MONTREAL

(as *Administrative Agent*)

- and -

THE LENDERS PARTIES HERETO

(as *Lenders*)

\$2,600,000,000 REVOLVING FACILITY AND \$500,000,000 TERM FACILITY

\$3,000,000,000 UNCOMMITTED LC FACILITIES

**BANK OF MONTREAL, HSBC BANK CANADA, ROYAL BANK OF CANADA, BNP
PARIBAS, CANADIAN IMPERIAL BANK OF COMMERCE, CREDIT AGRICOLE
CORPORATE AND INVESTMENT BANK, NATIONAL BANK OF CANADA, THE BANK
OF NOVA SCOTIA AND THE TORONTO-DOMINION BANK**
(as *Lead Arrangers and Joint Bookrunners for the Revolving Facility*)

- and -

HSBC BANK CANADA AND ROYAL BANK OF CANADA

(as *Syndication Agents for the Revolving Facility*)

- and -

NATIONAL BANK OF CANADA, BANK OF MONTREAL AND THE BANK OF NOVA SCOTIA
(as *Lead Arrangers and Joint Bookrunners for the Term Facility*)

MCCARTHY TÉTRAULT LLP

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SECOND AMENDED AND RESTATED CREDIT AGREEMENT

THIS AGREEMENT is made as of April 30, 2018 among SNC-LAVALIN GROUP INC., a corporation incorporated under the laws of Canada (“SNC”), Bank of Montreal as administrative agent (in such capacity, the “Agent”), and each of the persons having executed this Agreement as a Lender.

RECITALS

- A. Pursuant to an amended and restated credit agreement dated May 15, 2017 (as amended prior to the date hereof, the “**2017 Credit Agreement**”), the Lenders party thereto have made available to SNC a 4-year revolving credit facility in the principal amount of \$2,600,000,000, a 3-year non revolving term loan in the principal amount of £75,000,000, a 4-year non revolving term loan in the principal amount of £75,000,000 and a 5-year non revolving term loan in the principal amount of £150,000,000.
- B. The 2017 Credit Agreement also provides for uncommitted bilateral credit facilities for the issuance of letters of credit up to an aggregate amount of \$3,000,000,000.
- C. The term loans referred to in Recital A have been repaid in full prior to the date of this Agreement.
- D. SNC has requested that the Lenders make available to it a new 5-year non-revolving term loan in the principal amount of \$500,000,000 to refinance a portion of the CDPQ Loan.
- E. SNC, the Agent and the Lenders wish to amend and restate in its entirety the 2017 Credit Agreement for the purposes of, among other things, (i) making available to SNC a new term loan in the amount of \$500,000,000, and (ii) making other amendments to the provisions of the 2017 Credit Agreement.

THEREFORE, the parties agree as follows:

1 - INTERPRETATION

1.1 Definitions

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

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

“**Acceptable Support Letter of Credit**” means a Letter of Credit in the same amount and currency and with a term equal to ten days more than the remaining term of the Letter of Credit to be collateralized (or with no term, if same is a Letter of Credit with no Term), issued by a financial institution having a senior unsecured debt credit rating of at least BBB from S&P (or the equivalent rating from Moody’s or another rating agency acceptable to the Issuing Lender or, as applicable, the Bilateral LC Issuer in favour of whom such Letter of Credit is proposed to be issued) at the time the Letter of Credit to be collateralized would be issued;

“**Acceptance**” means:

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

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

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

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

“**Additional Borrower**” means any Subsidiary of SNC who becomes an additional borrower under the Revolving Facility pursuant to Section 1.2;

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

“**Agent**” means Bank of Montreal or any successor agent appointed pursuant to Section 19.12;

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

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

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

“**Atkins Acquisition**” means the indirect acquisition in 2017 by SNC through SNC-Lavalin (GB) Holdings Limited of all Capital Stock of WS Atkins plc (now known as WS Atkins Limited);

“**Bilateral Letter of Credit**” has the meaning given to such term in Section 6.1;

“**Bilateral LC Issuer**” has the meaning given to such term in Section 6.1;

“**Bilateral LC Limit**” has the meaning given to such term in Section 6.2;

“**Borrower**” means each of SNC and any Additional Borrower;

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

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

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

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

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

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

“**Cash Equivalent Investments**” means:

- (a) obligations of or unconditionally guaranteed by the government of Canada or the United States of America or any agency of either of them backed by the full faith and credit of the government of Canada or the United States of America, as the case may be, maturing within 364 days of acquisition;
- (b) marketable direct obligations of the government of one of the provinces of Canada, one of the states of the United States of America, or any agency thereof, or of any county, department, municipality or other political subdivision of Canada or the United States of America, the payment of which constitutes a full

faith and credit obligation of such province, state, municipality or other political subdivision, maturing within 364 days of acquisition and which is accorded at the time of acquisition a bond rating classification of at least A by S&P or at least A-2 by Moody's or at least A by DBRS;

- (c) bonds, debentures, notes and other evidences of indebtedness maturing within 180 days of acquisition, which are freely tradable and are issued, guaranteed or insured by any Person residing in Canada or the United States of America and which is accorded at the time of acquisition a credit rating of at least A by S&P or at least A-2 by Moody's or at least A by DBRS;
- (d) commercial paper and bankers' acceptances maturing within 180 days from the date of issuance and issued by a Person residing in Canada or the United States of America which is accorded at the time of acquisition a short-term credit rating of at least A-1 by S&P or at least Prime-2 by Moody's or at least R-1 (low) by DBRS; and
- (e) certificates of deposit issued by a bank or a trust company maturing within 12 months of acquisition and other short term liquid investments that are readily convertible into a known amount of cash and which, in each case, are not subject to a significant change in value;

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

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

“CDPQ” means Caisse de dépôt et placement du Québec;

“CDPQ Loan” means the seven-year term loan in an aggregate principal amount of \$1,500,000,000 (to be reduced on or about the Effective Date to \$1,000,000,000 from the proceeds of the Term Facility) made available by CDPQ Revenu Fixe Inc., a 100% wholly-owned subsidiary of CDPQ, to Highway Holdings under a loan agreement dated as of April 20, 2017, as may be amended, supplemented and restated from time to time (including by an increase not exceeding \$200,000,000 in the amount of the loan and by an up to three-year extension of its final maturity);

“CDPQ Subordination Agreement” means the subordination executed on April 20, 2017 in favour of the lender under the CDPQ Loan (including a permitted assignee thereof) of the rights of the Agent and the Lenders under the Subsidiary Guarantee of Highway Holdings;

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

“**Compliance Certificate**” means, a certificate of a senior financial officer of SNC (as provided in Section 16.2(b)) in the form of Schedule C;

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

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

“**Corporate Chart**” means the corporate structure chart of SNC and its Subsidiaries together with the other information contemplated by Section 16.1(c), as set out in the last chart delivered to the Lenders pursuant to Section 16.1(c) and as may be updated pursuant to Section 16.1(c);

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

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

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

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

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

- (a) the aggregate face amount of such Acceptances; by
- (b) the price, where the price is determined by dividing one by the sum of one plus the product of:

- (i) the Discount Rate applicable to such Acceptances (expressed as a decimal); and
- (ii) a fraction, the numerator of which is the number of days in the period of such Acceptances and the denominator of which is 365;

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

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

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

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

“**Documentary Letter of Credit**” means a Letter of Credit customarily referred to as a documentary or commercial letter of credit;

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

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

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

activities of SNC such as, without limitation, the actions or investigations described in Schedule D;

- (b) decreased by the sum of, without duplication;
 - (i) unrealized foreign exchange gains;
 - (ii) gains incurred in connection with Dispositions (including of any Non-Recourse Subsidiary or Project Vehicle to the extent any such gains have been taken into account in the above calculation); and
 - (iii) gains incurred in connection with non-recurring items,

in each case determined in accordance with GAAP and taking into account on a *proforma* basis any Acquisition and any Disposition of a business (as provided in Section 1.4(c)) made during such period, provided however that:

(A) any cash Distributions made by a Non-Recourse Subsidiary or Project Vehicle (other than from a Permitted Monetization) to SNC or any Subsidiary of SNC (other than a Non-Recourse Subsidiary) will be included in calculating the Consolidated Net Income (to the extent not already so included) for the purposes of the calculation of EBITDA, but in each case taking into account on a *proforma* basis any Acquisition or Disposition of business (as provided in Section 1.4(c)) and also net of investments made during the relevant period in the Person having made such Distributions, except that such netting will not apply to Distributions made by a Non-Recourse Subsidiary or a Project Vehicle whose Project has reached substantial completion prior to said Distributions, and

(B) cash Distributions from Highway Holdings will be calculated net of investments made in Highway Holdings by SNC or its Subsidiaries and net of funds paid to Highway Holdings as interest expenses or otherwise under the Intercompany Loan, it being understood that such netting will be made (i) on a *proforma* basis after giving effect to the reduced interest payments resulting from the partial repayment of the Intercompany Loan from the proceeds of the Term Facility (namely, as if such partial repayment had been made on the date of disbursement of the CDPQ Loan), and (ii) without taking into account the repayment of principal on the Intercompany Loan from the proceeds of the Term Facility;

in each case, during the relevant calculation period;

“**Effective Date**” means the date on which this Agreement becomes effective pursuant to Section 10.1;

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

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

“**Event of Default**” means any of the events set out in Section 17.1;

“**Facilities**” means the Revolving Facility and the Term Facility;

“**Financial Covenant**” means the financial ratio to be maintained pursuant to Article 15;

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

“**Fronting Exposure**” means, with respect to any Issuing Lender, the aggregate maximum amount of the Letters of Credit that such Lender has agreed to issue and to have outstanding at any time under the Revolving Facility, as specified in the separate fronting exposure letter executed by such Issuing Lender in favour of SNC, provided that such maximum amount may be increased or decreased by agreement between SNC and such Issuing Lender without the consent of any other Lender and provided further for greater certainty that SNC will have sole discretion to agree to a decrease and such Issuing Lender will have sole discretion to agree to an increase;

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

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

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

“**Guarantee**” of a Person, means, without duplication, any obligation (however called) of such Person to pay, purchase, provide funds (whether by the advance of money, the purchase of or subscription for shares or other securities, the purchase of assets or services, the indemnification in respect of Letters of Credit issued, or otherwise) for the payment of, or to indemnify against the consequences of default in the payment of, or otherwise to be responsible for, any indebtedness or obligations of any other Person, and the verb “**Guarantee**” will be construed accordingly;

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

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

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

“**Hedging Creditor**” has the meaning given to such term in Section 11.7(a);

“**Highway Holdings**” means SNC-Lavalin Highway Holdings Inc., it being understood that such Person is a Project Vehicle;

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

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

- (a) any indebtedness shown in the consolidated statement of financial position of such Person as long-term debt or as short-term debt of such Person, including, whether or not so classified, indebtedness for the deferred purchase price of property (other than goods purchased in the ordinary course of business), obligations under Capital Leases or under or arising from any bond, promissory note or like instrument or any acceptance or note purchase facility or like arrangement, and reimbursement obligations of such Person with respect to bankers’ acceptances and Financial Letters of Credit as well as the negative mark-to-market value of Hedging Agreements (calculated on a net basis after aggregating the then position of all counterparties under such Hedging Agreements); and
- (b) any obligation of another Person of the type listed in clause (a) which is Guaranteed by such first Person or secured by a Lien on any asset of such first Person (whether or not such obligation is assumed by such first Person);

provided that for greater certainty reimbursement obligations in respect of surety or performance bonds or similar instruments do not constitute Indebtedness for Borrower Money;

“**Intercompany Loan**” refers to the loan, in an original principal amount of \$1,500,000,000 made by Highway Holdings to SNC on July 10, 2017 from the proceeds of the CDPQ Loan, which loan will be reduced on or about the Effective Date to \$1,000,000,000 from the proceeds of the Term Facility;

“**Intercompany Subordination Agreement**” means the amended and restated intercompany subordination agreement dated as of May 15, 2017 entered into among SNC, the Agent and the other parties contemplated in Section 11.6, as amended, restated or supplemented from time to time;

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

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

the whole in accordance with GAAP;

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

“**Issuing Lender**” means each of the Lenders named in Schedule B as being also an Issuing Lender and such other Lender selected by the Agent and SNC who is willing and has the capability to issue Letters of Credit;

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

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

“**Letter of Credit with no Term**” means a Letter of Credit with no term or which expires only when the beneficiary thereof releases the Issuing Lender from its obligations thereunder;

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

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

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

“**Majority Bilateral LC Issuers**” means Bilateral LC Issuers to whom outstanding obligations in respect of Bilateral Letters of Credit amount in the aggregate to more than 50% of all outstanding obligations to all Bilateral LC Issuers;

“**Majority Lenders**” means Lenders whose Commitments amount in the aggregate to more than 50% of the Commitments under the Facilities, provided that with respect to a matter which only affects the Lenders under the Revolving Facility or the Term Facility, the calculation of the Majority Lenders will exclude the Commitments of the Lenders under the unaffected Facility;

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

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

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

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

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

“Net Recourse Debt” means the Indebtedness for Borrowed Money of SNC, on a consolidated basis but other than the CDPQ Loan and Non-Recourse Indebtedness, less Cash and Cash Equivalent Investments (other than Cash and Cash Equivalent Investments of Non-Recourse Subsidiaries and Project Vehicles and Cash and Cash Equivalent Investments consisting or made from the proceeds of advances or down payments from clients of SNC or its Subsidiaries) provided that the above exclusion for the CDPQ Loan applies only to the extent that the CDPQ Loan has not been guaranteed by SNC or any of its Subsidiaries (except for the Guarantee described in Section 14.6(i));

“Non-Extending Lender” means a Lender who has declined a request for the extension of the Revolving Facility Maturity Date, as provided in Section 2.14(b);

“Non-Extending Lender’s Revolving Facility Maturity Date” means, with respect to any Non-Extending Lender, the Revolving Facility Maturity Date applicable to it as provided in Section 2.14;

“Non-Financial Letter of Credit” means any Letter of Credit the purpose of which is to guarantee the performance of non-financial obligations under contracts or undertakings, any bid guarantee (including a guarantee of bid submission requirements) and any counter-guarantee of any of the foregoing. In addition, a Letter of Credit which guarantees the obligations of a party under an engineering contract, a construction contract, an operation and maintenance contract, a

procurement contract or other similar contract will constitute a Non-Financial Letter of Credit even if the obligations guaranteed include (i) the repayment of advances or down payments or holdbacks, or (ii) other monetary obligations provided that they arise from the failure to perform non-financial obligations, such as liquidated damages or penalties;

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

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

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

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

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

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

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

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

- (a) Liens imposed or arising by operation of law, in each case, in respect of obligations which are not delinquent or have been postponed or are being contested in good faith and by appropriate proceedings to the extent in the latter case that adequate reserves are maintained in accordance with GAAP;
- (b) Liens incurred in the ordinary course of business by SNC or any Subsidiary and for the purpose of carrying on same that are not in connection with Indebtedness for Borrowed Money and which do not in the aggregate materially impair the use of or the income from the property covered thereby;
- (c) Liens to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of SNC or any Subsidiary, all in the ordinary course of its business;
- (d) Liens arising out of judgments or awards with respect to which SNC or any Subsidiary will in good faith be prosecuting an appeal or proceeding for review and with respect to which SNC or such Subsidiary will have secured a stay of execution pending the appeal or proceedings for review;
- (e) deposits to secure the performance of leases of property (whether immovable or moveable) of SNC or any Subsidiary in the ordinary course of business;
- (f) Purchase Money Security and Capital Leases;
- (g) any Lien granted by SNC or any Subsidiary to obtain the release of any Lien relating to construction activity by SNC or any Subsidiary in the normal course of business provided that such Lien only secures the repayment of the obligations originally secured by such released Lien and the legal costs relating thereto;
- (h) any Lien subsisting over any property, rights or assets of any Subsidiary prior to the date of becoming a Subsidiary and not created in contemplation of such event, provided however that (i) such Subsidiary becomes a Subsidiary of SNC as a result of a direct or indirect Acquisition made by SNC after the date of this Agreement and (ii) the obligations secured by such Lien have been incurred prior to such Acquisition;
- (i) any Lien on the assets (including accounts receivable) of a Project securing Non-Recourse Indebtedness incurred for purposes of financing such Project, the performance of one or more agreements (other than financing agreements) related to such Project or reimbursement obligations with respect to surety or performance bonds for such Project;

- (j) any Lien on Capital Stock of any Non-Recourse Subsidiary or any Project Vehicle securing Non-Recourse Indebtedness incurred for the purpose of financing the Project carried on, directly or indirectly, by such Non-Recourse Subsidiary or Project Vehicle or securing the performance of one or more agreements (other than financing agreements) related to such Project;
- (k) any Lien on the rights of SNC or a Subsidiary against a Non-Recourse Subsidiary or a Project Vehicle (including Indebtedness for Borrowed Money owed by such Non-Recourse Subsidiary or Project Vehicle to SNC or such Subsidiary) securing Non-Recourse Indebtedness incurred for the purpose of financing the Project carried on, directly or indirectly, by such Non-Recourse Subsidiary or Project Vehicle or securing the performance of one or more agreements (other than financing agreements) related to such Project;
- (l) any Lien on Capital Stock (or certain rights or cashflows related thereto) of any Non-Recourse Subsidiary or any Project Vehicle and any Lien on the assets of any Non-Recourse Subsidiary or Project Vehicle securing the obligations of SNC or any Subsidiary under a Permitted Monetization;
- (m) Lien on assets acquired or obtained for or associated solely to a Specific Contract (including on rights arising under a Specific Contract or amounts due on account of financing extended to clients by SNC or a Subsidiary in connection with a Specific Contract), where (i) such Lien is created to secure Indebtedness for Borrowed Money incurred for that Specific Contract or the financing thereof and (ii) the recourse of the Person or Persons providing such Indebtedness for Borrowed Money are limited to such assets;
- (n) Liens on bank accounts (including any credit balances of such bank accounts) subject to a Cash Pooling Arrangement granted to the bank with which such bank accounts are maintained to the extent such Liens only secure obligations under such arrangement;
- (o) any Lien granted to clients of SNC or any Subsidiary in the normal course of business in relation to contracts made by SNC or any Subsidiary with such clients;
- (p) Lien granted to SNC or any Guaranteeing Subsidiary by any Subsidiary;
- (q) Liens granted to secure the CDPQ Loan on all of the property and assets of Highway Holdings (other than the Intercompany Loan together with accrued interest thereon and all payments made thereunder) and shares in the share capital of Highway Holdings representing less than 30% in number of shares;
- (r) other Liens not referred to above;
- (s) any renewal or extension of any of the Liens referred to above affecting the same property as the Lien being so renewed or extended and securing obligations in a principal amount not in excess of the unpaid principal amount of the obligations secured thereby immediately prior to such renewal or extension;

provided that the aggregate amount secured by the Liens referred to in clauses (f), (g), (h), (o) and (r) above must not exceed at any time the sum of (i) 12.5% of SNC's consolidated equity attributable to the company shareholders as determined in accordance with GAAP and based on the most recent financial statements (annual or quarterly) of SNC delivered to the Agent, and (ii) \$50,000,000;

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

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

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

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

provided that for Prime Rate Loans made by any Swingline Lender, the reference to the Agent in paragraph (a) will be read as referring to such Swingline Lender;

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

"Project" means:

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

- (d) the ownership of or the holding of any interest in, any immovable or real estate property utilized by SNC or any of its Subsidiaries in the normal course of business; or
- (e) any combination of clauses (a), (b), (c) and (d) above;

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

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

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

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

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

“Revolving Facility” means the revolving credit facility made available to the Borrowers as provided in Section 2.1;

“Revolving Facility Maturity Date” means May 15, 2022 or such other date thereafter as may be agreed pursuant to an extension under Section 2.14, provided that (i) with respect to any Non-Extending Lender, the Revolving Facility Maturity Date will be the Non-Extending Lender’s Revolving Facility Maturity Date applicable to it under such section, (ii) if any of such dates falls on a day which is not a Business Day, then the relevant date will be the immediately preceding Business Day and (iii) where reference is made in this Agreement to the Revolving Facility Maturity Date and not all Lenders have the same Revolving Facility Maturity Date, the reference is then to the latest of such dates unless the term refers in the context to the Revolving Facility Maturity Date of a particular Lender;

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

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

“**Subsidiary Guarantee**” means a Guarantee by any Borrower or Subsidiary of SNC of the obligations of (i) each Borrower under this Agreement and under Bilateral Letters of Credit, and (ii) SNC or any Guaranteeing Subsidiary under Hedging Agreements with Hedging Creditors, substantially in the form the Subsidiary Guarantees executed concurrently with this Agreement by SNC and the Guaranteeing Subsidiaries named in Section 11.1;

“**Swingline Availability**” has the meaning given to that term in Section 2.8(a).

“**Swingline Lender**” means each of Royal Bank of Canada, Bank of Montreal and BNP Paribas as Lender, provided that SNC will be entitled with the consent of the Agent to replace any Swingline Lender by another Lender who has agreed to become a Swingline Lender;

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

“**Term Facility**” means the term facility made available to SNC as provided in Section 2.2;

“**Term Facility Maturity Date**” means the 5th anniversary of the disbursement of the Term Facility;

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

“**Tranche A**” means the tranche of the Revolving Facility in a principal amount of \$2,000,000,000 which is referred to as Tranche A in Section 2.1;

“**Tranche B**” means the tranche of the Revolving Facility in a principal amount of \$600,000,000 which is referred to as Tranche B in Section 2.1;

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

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

provided that if the US Base Rate so determined is less than zero percent on any day, then the US Base Rate on such day will be deemed to be zero percent and provided further that for US Base Rate Loans made by any Swingline Lender, the reference to the Agent in paragraph (a) will be read as referring to such Swingline Lender;

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

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

“**Wholly-Owned Subsidiary**” means any Subsidiary of SNC of which at least 95% (or 100% where Section 1.2 applies) of each class of Capital Stock is owned directly or indirectly by SNC.

1.2 Additional Borrowers

- (a) With the consent of all Lenders under the Revolving Facility, SNC may designate any of its Wholly-Owned Subsidiaries as an additional Borrower under the Revolving Facility (an “**Additional Borrower**”). Such designation will be effective and such Additional Borrower will become party to this Agreement upon the fulfillment of the conditions precedent to be agreed on by all Lenders under the Revolving Facility and SNC at the time of such consent.
- (b) If any Additional Borrower becomes party to this Agreement, each Borrower will be entitled to use Tranche A or Tranche B without the concurrence of or notice to any other Borrower.

1.3 Currency Conversions

- (a) Where any amount expressed in any currency has to be converted or expressed in another currency, or where its equivalent in another currency has to be determined (or *vice versa*), the calculation is made at the spot rate announced by the Bank of Canada in accordance with its normal practices at or around 16:30 pm on the previous Business Day for the relevant currency against the other currency (or *vice versa*). If the Bank of Canada does not announce such a rate, then the Agent, the Issuing Lender or the Bilateral LC Issuer concerned (as applicable) will use the spot rate available from the Bloomberg service, or if such rate is not available, its own spot rate or, if it does not have its own rate, a rate it determines to be reasonable;
- (b) For the purposes of the calculation of the standby fee payable pursuant to Section 7.5 or of any Letter of Credit fee payable in Dollars, the equivalent amount in Dollars of any Borrowings or related Letter of Credit outstanding during any month in a currency other than the Dollar will be calculated using the applicable spot rate in effect on the first Business Day of such month.

1.4 GAAP, Calculations and Historical Adjustments

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

- (b) In the event of a change in GAAP having a material effect on the application of the provisions of this Agreement which are of a financial nature, SNC and the Agent, at the request of either of them, will use reasonable efforts to negotiate amendments to the affected provisions in order to facilitate their application provided that all such amendments must preserve the original intent of the affected provisions and will be subject to Article 20;
- (c) If there is any Acquisition or Disposition of any business during any period in respect of which EBITDA has to be calculated, the historical financial results of the business that has been the subject of the Acquisition or Disposition will be included or excluded (as applicable) in the calculation of EBITDA for that period as if such Acquisition or Disposition had occurred on the first day of such calculation period. SNC may however, in its discretion, elect not to take into account the historical results of a business acquired or disposed of, provided that the aggregate EBITDA (calculated as provided in the definition of EBITDA, adapted accordingly) of all such business(es) acquired or disposed and not taken into account in the determination of EBITDA represents not more than \$25,000,000 in the aggregate on a net cumulative basis during the relevant calculation period.

1.5 Time

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

1.6 Headings and Table of Contents

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

1.7 Governing Law and Jurisdiction

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

1.8 Restatement and Previous Agreements

The 2017 Credit Agreement is hereby amended and restated in its entirety, without novation and without derogation of the rights and obligations of the parties thereunder (save as amended hereunder). However, from the Effective Date, this Agreement will evidence the agreement of the parties with respect to the matters which are the subject of the 2017 Credit Agreement and this Agreement and will supersede any previous agreement in connection with the Facilities and the Bilateral Letters of Credit.

1.9 Inconsistency

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

2 - THE FACILITIES

2.1 The Revolving Facility

The Lenders, individually, and not solidarily (and not jointly and severally), agree to make available to the Borrowers a revolving credit facility (the “**Revolving Facility**”). The Revolving Facility is comprised of two Tranches; Tranche A which is in an amount of \$2,000,000,000 and Tranche B which is in an amount of \$600,000,000. On the date hereof, the Commitment of each Lender under the Revolving Facility and each tranche thereof is as specified opposite its name in Schedule B and on the signature pages of this Agreement and the collective Commitments of the Lenders with respect to the Revolving Facility expressed in Dollars aggregate to \$2,600,000,000.

2.2 The Term Facility

The Lenders, individually, and not solidarily (and not jointly and severally), agree to make available to SNC a new term facility (the “**Term Facility**”) in an amount of \$500,000,000. On the date hereof, the Commitment of each Lender under the Term Facility is as specified opposite its name in Schedule B and on the signature pages of this Agreement and the collective Commitments of the Lenders with respect to the Term Facility aggregate to \$500,000,000.

2.3 Purpose of the Facilities

- (a) The Revolving Facility may be used by any Borrower for general corporate purposes, including to finance investments, acquisitions and Distributions. The Revolving Facility may not however be used to fund a hostile acquisition, namely, any private or public offer for the shares, securities or business of another Person whose governing body has not approved such offer.
- (b) The Term Facility must be used by SNC to repay, through Highway Holdings, a \$500,000,000 portion of the CDPQ Loan.

2.4 Availability of the Revolving Facility

- (a) The Revolving Facility will revolve and, accordingly, Borrowings may be obtained, repaid and re-obtained until the Revolving Facility Maturity Date.
- (b) Borrowings under Tranche A may be obtained in the form of:
 - (i) Prime Rate Loans;
 - (ii) Acceptances, subject to Article 3;
 - (iii) US Base Rate Loans;
 - (iv) Libor Loans in US Dollars, Euros and GBP, subject to Article 4; and

- (v) Non-Financial, Financial or Documentary Letters of Credit, subject to Article 5.
- (c) Borrowings under Tranche B may be obtained only in the form of Non-Financial or Documentary Letters of Credit, subject to Article 5.

2.5 Availability of the Term Facility

- (a) The Term Facility will be available by way of Prime Rate Loans or Acceptances, subject to Article 3. The Term Facility must be used in one single drawdown until May 4, 2018, after which any unused portion of the Term Facility will be cancelled.
- (b) The Term Facility will not revolve and amounts repaid or prepaid may not be reborrowed. Outstanding Borrowings may however be renewed or, if applicable, converted into the other form of permitted Borrowings under the Term Facility, as provided in Section 2.12.

2.6 Reallocation between Tranches

SNC may reallocate any number of outstanding Non-Financial Letters of Credit and Documentary Letters of Credit from any of Tranche A or B to the other (to the extent there is availability under the other Tranche), but not more than twice during any calendar year and upon giving a five-Business Day prior notice to the Agent.

2.7 Request for Borrowings

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

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

- (b) A notice of Borrowing given prior to the Effective Date will be treated on the Effective Date as being given under this Agreement if the notice is otherwise in compliance with Section 2.7 (a).
- (c) Borrowings by way of Letters of Credit may be obtained in accordance with Article 5.

2.8 Swingline Availability

- (a) The requirements of Section 2.7 applicable to Borrowings under the Revolving Facility do not apply to Prime Rate Loans or US Base Rate Loans under Tranche A obtained by SNC from any Swingline Lender by way of direct advances or overdrafts pursuant to procedures from time to time agreed on between SNC and such Swingline Lender, up to a maximum outstanding amount determined from time to time by such Swingline Lender but not exceeding \$35,000,000 for Royal Bank of Canada, \$35,000,000 for Bank of Montreal and \$10,000,000 for BNP Paribas (each a “**Swingline Availability**”). Any cheque or payment instruction or debit authorization from SNC and resulting in an overdraft in any account designated for such purpose by the applicable Swingline Lender will be deemed to be a request for such Borrowing (in a multiple of \$100,000 or US \$100,000) that is sufficient to cover the overdraft;
- (b) Such accounts may include accounts of SNC and its Subsidiaries in respect of which Cash Pooling Arrangements have been made with the applicable Swingline Lender, including any notional account reflecting any consolidation or netting of accounts made pursuant to such arrangements. The outstanding Borrowings owing to a Swingline Lender pursuant to this Section 2.8 will be calculated after giving effect to said arrangements;
- (c) The Agent and each Swingline Lender will cooperate in order to permit each of them to be advised upon their request of the outstanding Borrowings owing to the Swingline Lender concerned or under Tranche A at the end of any Business Day;
- (d) Any Swingline Lender may terminate its Swingline Availability (i) if an Event of Default has occurred, or (ii) upon giving a 45-day prior written notice to SNC. In any such case, the Agent will, upon the request of such Swingline Lender, make adjustments among the Lenders so that all Borrowings outstanding under the applicable Swingline Availability be allocated to all Lenders in the proportion of their respective Commitments under the Tranche A (including the Lender who is the Swingline Lender concerned). Without terminating its Swingline Availability and to the extent there is sufficient availability under Tranche A, any Swingline Lender may also from time to time request the Agent to make such adjustments, provided that the foregoing will not prevent SNC from using again thereafter such Swingline Availability. Each Lender must fund its share of each adjustment as required by Section 2.9;
- (e) All payments of principal and interest in respect of outstanding Borrowings made by any Swingline Lender under its Swingline Availability pursuant to Section 2.8 and not reallocated to all Lenders under an adjustment contemplated by Section 2.8(d) must be made to such Swingline Lender for its sole account;

- (f) With the consent of SNC, the Agent and each Swingline Lender, the aggregate maximum amount of all Swingline Availabilities (namely \$80,000,000) may be reallocated among the Swingline Lenders in proportions different from those set out in Section 2.8(a).

2.9 Funding

- (a) Each Lender will promptly pay to the Agent such Lender's share of any Borrowing made or to be made by the Agent on behalf of the Lenders under the Facilities and of any adjustment payable pursuant to Section 2.8(d). The Agent will promptly use the amounts received in respect of any adjustment to make the payments giving effect to such adjustment (including payments due to any Swingline Lender under any adjustment). The Agent will promptly provide the Lenders with such information as may be necessary in order for the Lenders to make payments to the Agent and fund their respective shares of any Borrowing and adjustment;
- (b) Any amount to be paid by a Lender to the Agent must be made available to the Agent at the Agent's Office by 2:00 p.m. on the applicable day. Any amount to be disbursed by the Agent to a Borrower will be made available to such Borrower by crediting an account of such Borrower at the Branch of Account or at any other place agreed on from time to time between such Borrower and the Agent.

2.10 Carve-Out in respect of Certain Swingline Lenders

Notwithstanding any other provisions of this Agreement, until a Swingline Lender (other than the Swingline Lender who is the Agent) has terminated its Swingline Availability under Section 2.8,

- (a) the available amount of Tranche A will be calculated deducting the maximum permitted amount of the Swingline Availability of such Swingline Lender, and
- (b) the Commitment of any Lender who is a Swingline Lender (other than the Lender who is the Agent) in respect of Borrowings under Tranche A and its share of such Borrowings and in all interest and fees payable thereunder will be calculated deducting such permitted maximum amount (subject to any adjustment to be made pursuant to this Agreement after the date of such termination).

2.11 Lender's Failure to Fund

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

2.12 Conversions and Renewals of Borrowings

- (a) The Borrower concerned may convert the whole or any part of outstanding Borrowings to another form of permitted Borrowings under the applicable Facility and renew Acceptances and Libor Loans under such Facility, provided that (i) Acceptances and Libor Loans may not be converted prior to the maturity of their respective periods and, (ii) Letters of Credit may not be converted;
- (b) Unless they are repaid, converted or renewed upon the maturity date of their respective periods, (i) Acceptances will then become Prime Rate Loans for the face amount of such Acceptances, and (ii) Libor Loans under Tranche A will then be renewed for a period of one month if they have not been the subject of a request for a renewal for a longer period pursuant to Section 2.7, except that they will become US Base Rate Loans on the date of acceleration pursuant to Section 17.2.
- (c) Unless they are repaid upon the maturity date of their respective periods, Libor Loans in Euros or GBP under Tranche A will then be renewed for a period of one month if they have not been the subject of a request for a renewal for a longer period pursuant to Section 2.7, except that they will become Prime Rate Loans on the date of acceleration pursuant to Section 17.2.
- (d) Sections 2.4, 2.5, 2.7(a), 2.9, 2.10 and 2.11, adapted accordingly, apply to a conversion or a renewal;
- (e) Any conversion to Borrowings in another currency will be effected by the repayment of the Borrowings to be so converted and by the re-borrowing of an equivalent amount in the other currency;

2.13 Lender's Obligation to Fund

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

2.14 Extension of the Revolving Facility Maturity Date

- (a) Each year (other than the year in which the Revolving Facility Maturity Date falls), SNC may request that the Revolving Facility be extended for a one-year period by giving to the Agent a written notice to that effect during the period between the delivery of the documents to be delivered pursuant to Section 16.1 for SNC's previous fiscal year and the end of the month of May. If Lenders whose Commitments under the Revolving Facility amount in the aggregate to more than 50% of all Commitments under the Revolving Facility agree in writing to the extension request within 60 days from the receipt of such notice, the Agent will notify SNC of same and the Revolving Facility Maturity Date will be extended with respect to such Lenders for a period of one year from the then current Revolving Facility Maturity Date. Otherwise, the Revolving Facility Maturity

Date will not be extended and the Borrowings under the Revolving Facility will be repayable on the then current Revolving Facility Maturity Date;

- (b) If the Revolving Facility Maturity Date is extended in accordance with Section 2.14(a) but without all of the Lenders under the Revolving Facility having agreed to the extension, the Agent will notify SNC of same, specifying the names of the Lenders who have not provided their consent (the “**Non-Extending Lenders**”). Until the 90th day following the date of such notification, SNC will be entitled to require that any Non-Extending Lender assign its rights under the Revolving Facility to a Person or Persons to whom an assignment would be permitted under Section 21.4 and who has (or have) agreed to assume the entirety of the Commitment of such Non-Extending Lender and to consent to the extension, provided that no such assignment and assumption will be effective unless the consideration payable to such Non-Extending Lender for the assignment(s) includes all amounts owed to such Non-Extending Lender in respect of the Revolving Facility and is paid to the latter by the assignee(s) (together with breakage costs if any). Section 21.4 will apply to any said assignment and assumption;
- (c) If the Commitment of any Non-Extending Lender has been assumed in accordance with Section 2.14(b) within the period of time therein specified, the Agent will notify the Lenders of same. However, if the Commitment of any Non-Extending Lender has not been assumed in accordance with Section 2.14(b) within such period of time,
 - (i) the Revolving Facility Maturity Date with respect to such Non-Extending Lender will remain the date which was the current Revolving Facility Maturity Date at the time of the request made under Section 2.14(a) (“**Non-Extending Lender’s Facility Maturity Date**”); and
 - (ii) the Agent will notify SNC and the Lenders of same and of the fact that the Borrowings owing to such Non-Extending Lender must be repaid and its Commitment under the Revolving Facility will be reduced to zero on its Non-Extending Lender’s Revolving Facility Maturity Date with respect to new Borrowings made thereafter;
- (d) A Non-Extending Lender will not be considered as a Lender for the purposes of any subsequent application of Section 2.14(a). In addition, a Non-Extending Lender will not participate in any Borrowing by way of Acceptances or Libor Loans under the Revolving Facility which has a period extending beyond such Non-Extending Lender’s Revolving Facility Maturity Date; in any such case, Borrowings that otherwise would have been made with a Non-Extending Lender by way of Acceptances or Libor Loans will be made by way of Prime Rate Loans or US Base Rate Loans, respectively. For greater certainty, a Non-Extending Lender will continue to participate in Letters of Credit issued prior to such Non-Extending Lender’s Revolving Facility Maturity Date but its share of same must be prepaid or collateralized on such date in accordance with Section 5.8;

- (e) If an extension request is not made during any given year or does not result in an extension, such fact will not preclude SNC from making an extension request during any subsequent year (other than the year of the Facility Maturity Date).

2.15 Increase of the Revolving Facility

- (a) At any time following the execution of this Agreement but no later than the 180th day preceding the Revolving Facility Maturity Date, SNC may, by notice to the Agent, request an increase up to \$375,000,000 in the amount of the Revolving Facility (an “**increase**”). The notice must specify:
 - (i) the amount of the proposed increase (which must be a multiple of \$25,000,000) and the proposed allocation of the increase between Tranche A and Tranche B (which must be a multiple of \$5,000,000), provided that the aggregate amount of all increases made pursuant to this Section 2.15 may not exceed \$375,000,000; and
 - (ii) the names of Persons who have accepted to participate in the increase.
- (b) SNC will have discretion to select the Person(s) who will participate in the increase provided that if any such Person is not already a Lender, such Person would qualify as a permitted assignee under Section 21.4 and its participation would meet the requirements of such Section 21.4 as if the participation were an assignment made hereunder.
- (c) Promptly after the giving of the notice of increase, the Agent, the Borrowers and the Persons who have accepted to participate in the increase will execute an amendment to this Agreement:
 - (i) providing that each Person who has accepted to participate in the increase will have a Commitment under the Revolving Facility equal to the amount of its participation in the increase (or an additional Commitment equal to such amount in the case of a Person who is already a Lender);
 - (ii) containing such other provisions as may be necessary to give effect to the increase, including as to adjustments among Lenders, the absence of a Default and the delivery of legal opinions.
- (d) For greater certainty, (i) nothing in this Section is intended to commit any Lender to participate or the Agent to arrange for a participation in an increase, and (ii) the aggregate amount of all increases made pursuant to this Section 2.15 may not exceed \$375,000,000. Notwithstanding any other provision of this Agreement, an amendment agreement giving effect to an increase will not require the consent of Lenders other than those, if any, participating in the increase and, if any Person participating in the increase is not already a Lender, the consents required under Section 21.4(d) in the case of an assignment of a Commitment and that Section will apply to such consents.

3 - ACCEPTANCES

3.1 Period and Amounts

Acceptances:

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

3.2 Disbursement

- (a) The amount to be disbursed to the Borrower concerned with respect to Acceptances discounted by the Lenders is the Discounted Proceeds of such Acceptances, less the acceptance fee payable pursuant to Section 7.6;
- (b) In the case of an issue of Acceptances for the purposes of replacing existing Borrowings, the Borrower concerned must, concurrently with such issue, pay to the Agent an amount equal to the aggregate amount of the Borrowings so replaced. The amount so paid to the Agent will be applied to the portion of the Borrowings which have been replaced by such Acceptances.

3.3 Power of Attorney

- (a) Upon any issue of Acceptances, each Lender is authorized to sign, complete, endorse and deliver on behalf of the Borrower concerned the Acceptances to be issued and to do all things necessary or useful in order to facilitate such issuance. Any Lender is also authorized to make the necessary arrangements for the negotiation and delivery of Acceptances intended to be sold on the money market;
- (b) In the case of an issue of Acceptances by way of promissory notes to the Lenders who do not customarily accept banker's acceptances (as provided in the definition of Acceptances), the Borrower concerned will be deemed to have issued the corresponding notes to such Lenders, without the necessity of physical execution and delivery of any note. The full amount of the notes deemed to be so issued will become payable to such Lenders on the maturity date thereof, as recorded in the books of the Agent.

3.4 Depository Bills

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

3.5 Availability

The availability of Acceptances (including by way of conversions or renewals) is at any time subject (i) to funds being available for such purpose in the Canadian money market and the CDOR Rate being available, and (ii) to the Agent not having been notified by a Lender or Lenders with a Commitment or Commitments representing in the aggregate more than 25% of all Commitments that the Discount Rate is less than its or their effective funding cost for Acceptances issued by a Borrower to be sold on the Canadian money market. The Agent will notify the Borrowers if Acceptances cease to be so available, either generally in the case of clause (i) or with the particular Lender(s) to which clause (ii) applies, as well as when availability resumes. For so long as Acceptances are not available with any particular Lender by reason of the foregoing, Borrowings with such Lender that otherwise would have been made by way of Acceptances will be made by way of Prime Rate Loans;

4 - LIBOR LOANS

4.1 Amounts and Periods

- (a) Libor Loans may be obtained for periods of one, two, three or six months (or such other periods which are less than six months and are acceptable to the Agent and available to all Lenders) but must mature on a Business Day which is not later than the Revolving Facility Maturity Date;
- (b) Libor Loans must be in a minimum amount of US\$5,000,000, €5,000,000 or £5,000,000 (as applicable) per Borrowing under the Revolving Facility.

4.2 Changed Circumstances

If the Agent is advised of a determination by:

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

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

5 - LETTERS OF CREDIT UNDER THE REVOLVING FACILITY

5.1 Availability

- (a) Letters of Credit may be issued under the Revolving Facility by any Issuing Lender in Dollars, US Dollars, Euros, GBP or any other currency acceptable to such Issuing Lender, for such transactions and on such terms and conditions as are proposed by the Borrower concerned and are reasonably acceptable to the Issuing Lender concerned and are consistent with the provisions of this Agreement;
- (b) Financial Letters of Credit are only available under Tranche A and Documentary Letters of Credit are available under both Tranche A and Tranche B but only up to an aggregate outstanding amount of \$100,000,000;
- (c) For greater certainty, a Letter of Credit may be requested by the Borrower concerned for the benefit of any Subsidiary of SNC and in any such case the Letter of Credit will constitute a Borrowing by such Borrower.

5.2 Maturity of Letters of Credit

No Letter of Credit may have at any time a remaining term that exceeds five (5) years from such time, except that Letters of Credit with longer remaining terms and Letters of Credit with no Term are available up to an aggregate outstanding amount expressed in Dollars at any time not exceeding \$200,000,000.

5.3 Request for Letters of Credit and Amendments or Renewals

- (a) The Borrower concerned may request the issuance of a Letter of Credit by delivering to any Issuing Lender, at least three (3) Business Days (or such shorter period as such Issuing Lender may agree to) prior to the proposed issuance, a request for such issuance substantially in the form of Schedule G. The request must be accompanied with the text of the proposed Letter of Credit;
- (b) Section 5.3(a), adapted accordingly, will apply to a request for an amendment to or the renewal of a Letter of Credit;
- (c) If a Letter of Credit contains a clause providing for its automatic renewal and if the Borrower concerned is unwilling to have such Letter of Credit being renewed, then the Borrower concerned must so notify the Issuing Lender concerned at least ten (10) Business Days before the latest date on which such Issuing Lender may give under such Letter of Credit the notice of non-renewal. This Section 5.3(c)

does not preclude the Issuing Lender concerned from giving a notice of non-renewal if the conditions precedent of Section 10.2 are not then met;

5.4 Grounds to Decline a Request

- (a) Any Issuing Lender may decline a request for the issuance of, an amendment to or the renewal of a Letter of Credit if (i) this would result in exceeding its Fronting Exposure, (ii) any Lender has become a Defaulting Lender or does not have a senior unsecured debt credit rating of at least BBB from S&P (or the equivalent rating from Moody's or another rating agency acceptable to such Issuing Lender), (iii) such Issuing Lender reasonably determines that giving effect to such request would be contrary to legal advice obtained by such Issuing Lender or could result in such Issuing Lender or any of its branches or Affiliates being in non-compliance with their internal policies in effect from time to time for the issuance of letters of credit or with Applicable Laws to which such Issuing Lender or any of its branches or Affiliates may be subject, or (iv) the Letter of Credit would have no term or a term (or remaining term) of more than five (5) years.
- (b) Except as provided in Section 5.4(a) an Issuing Lender has no discretion to decline a request for the issuance of, an amendment to or the renewal of a Letter of Credit that complies with the requirements of this Agreement if the conditions precedent of Section 10.2 are satisfied.

5.5 Information and Confirmation Requirements

- (a) Concurrently with a request under Section 5.3, the Borrower concerned will advise the Agent of the request and provide the latter with a copy of such request, without however the necessity of also providing the text of the Letter of Credit proposed to be issued;
- (b) Prior to the proposed issuance or renewal of a Letter of Credit (or of an amendment relating to any matter listed in Schedule G), the Issuing Lender concerned will advise the Agent of same and obtain confirmation from the Agent that there is sufficient availability under Tranche A or Tranche B (as applicable) to permit such issuance, renewal or amendment. After said issuance, renewal or amendment, such Issuing Lender will promptly advise the Agent of that fact, specifying the reference number of the relevant Letter of Credit;
- (c) Any Issuing Lender who has issued a Letter of Credit which is cancelled or has not been drawn before its expiry date or who gives a notice of non-renewal of a Letter of Credit containing an "automatic renewal" clause must promptly advise the Borrower concerned and the Agent of that fact.

5.6 Borrowings

Any Letter of Credit issued by an Issuing Lender under the Revolving Facility constitutes from the date of its issue an outstanding Borrowing by the Borrower having requested such issue, in a principal amount equal to the maximum amount of the obligation of such Issuing Lender under such Letter of Credit, allocated to each Lender in the proportion of its Commitment.

5.7 Payments under Letters of Credit

- (a) Any amount paid by any Issuing Lender under a Letter of Credit and not repaid on the same day (or already prepaid) by the Borrower concerned to such Issuing Lender will constitute (and will be converted into, as the case may be), as of the date of payment, a Prime Rate Loan (other than a payment made in US dollars, in which case the amount paid will constitute a US Base Rate Loan). Any such loan will be allocated among the Lenders *pro rata* to their respective Commitments under Tranche A. Each Lender must promptly fund such loan by remitting to the Agent (for the account of such Issuing Lender) the amount of its share of such loan. Any interest accrued on any such loan until such funding will be for the account of such Issuing Lender;
- (b) If there is no sufficient availability under Tranche A or if the right of the Borrowers to use the Revolving Facility has terminated, any Prime Rate Loan or US Base Rate Loan resulting from the application of Section 5.7(a) will be immediately repayable by the Borrower concerned to the Agent, without notice or demand, and the principal amount thereof will be considered as not having been paid when due for all purposes of this Agreement.

5.8 Prepayments or Collateralization

- (a) Any Borrower may, at any time, prepay any Letter of Credit issued at its request;
- (b) If Letters of Credit are outstanding on the Revolving Facility Maturity Date or on the date of acceleration pursuant to Section 17.2, the aggregate amount of such outstanding Letters of Credit must be prepaid by the Borrower concerned to the Agent on such date (for the account of the Issuing Lender concerned). Any cash collateral provided pursuant to Section 8.4 may be used to effect any such repayment;
- (c) If a Lender becomes a Non-Extending Lender, its share of the aggregate amount of all Letters of Credit which are outstanding on such Non-Extending Lender's Revolving Facility Maturity Date must be prepaid by the Borrower concerned to the Agent on such date (for the account of the applicable Issuing Lenders);
- (d) If a Lender who is also an Issuing Lender becomes a Non-Extending Lender, the aggregate amount of all Letters of Credit issued by it and outstanding on such Non-Extending Lender's Revolving Facility Maturity Date must be prepaid by the Borrower concerned to the Agent on such date (for the account of such Issuing Lender) without however duplication with any prepayment made pursuant to Sections 5.8(a) and 5.8(c);
- (e) If any Letter of Credit the amount of which has been prepaid by the Borrower concerned expires or is cancelled without having been drawn (or wholly drawn, as the case may be), the amount prepaid in respect of same will be reimbursed by the applicable Issuing Lender (to the extent of the undrawn portion thereof, as the case may be) but only if no indebtedness of the Borrowers under the Facilities is then due and payable; otherwise, any such amount will be remitted to the Agent to be applied to such indebtedness of the Borrowers;

- (f) Instead of making a prepayment contemplated by the other provisions of this Section 5.8, the Borrower concerned will have the option, with the prior consent of the applicable Issuing Lender (not to be unreasonably withheld or delayed) to collateralize the amount to be prepaid by an Acceptable Support Letter of Credit. Such collateralization must be effected on the date the prepayment would otherwise be due;
- (g) If a prepayment made under this Section 5.8 is subsequently cancelled or annulled, the funding obligations of the Lenders and the payment obligations of the Borrower concerned with respect to the related Letter of Credit will remain and Section 5.7 will apply (adapted accordingly). If however an Issuing Lender has accepted a collateralization pursuant to Section 5.8(f) with respect to an outstanding Letter of Credit issued by it, the Lenders will be released from their funding obligations in respect of same. Accordingly, if the issuer of the relevant Acceptable Support Letter of Credit fails to honour same, the Lenders will have no funding obligation in respect thereof;
- (h) Letter of Credit fees continue to be payable in respect of any outstanding Letter of Credit which has been prepaid or collateralized but at a rate thereafter equal to 20% of the rate that would otherwise have been applicable (but for the sole account of the applicable Issuing Lender in the case of a collateralization).

5.9 Indemnification

- (a) SNC will reimburse and indemnify the Agent, any Issuing Lender and the Lenders in respect of any reasonable cost or loss or damage incurred or suffered by any of them in connection with Letters of Credit or litigation relating thereto (including proceedings to restrain any Issuing Lender from making or to compel it to make a payment), including reasonable legal fees and other costs of litigation, except for any cost, loss or damage incurred or suffered by the party seeking the indemnification and resulting from its willful misconduct or gross negligence;
- (b) Each Lender, proportionately to its Commitment under the Revolving Facility, will indemnify the Agent and any Issuing Lender in respect of any cost, loss or damage for which the Agent or such Issuing Lender is entitled to indemnification under Section 5.9(a) and has not been so indemnified by SNC (without prejudice of such Lender's indemnification rights against SNC thereafter).

5.10 Independent Obligations

Letters of Credit constitute obligations and undertakings independent from any underlying obligation of the Borrower concerned or any other Person. Any Issuing Lender may honour any Letter of Credit in accordance with its terms, without notice to the Borrower concerned or any other Person and without inquiring on the right of the beneficiary thereof to make a demand thereunder and regardless of any defence of the Borrower concerned or another Person against such beneficiary or arising from the related underlying obligation. Any Issuing Lender may assume and consider that any demand or presentation under any Letter of Credit and any supporting document (including any statement in any of the foregoing) are genuine, true and accurate and have been authorized, and that any signature is genuine.

6 - BILATERAL LETTERS OF CREDIT OUTSIDE THE FACILITIES

6.1 Bilateral Letters of Credit

- (a) Any Lender may, in its sole discretion, issue Letters of Credit requested by a Borrower outside the Facilities (in such capacity, a “**Bilateral LC Issuer**”) in any currency agreed to by the Bilateral LC Issuer (any such Letter of Credit to which this Article 6 applies being a “**Bilateral Letter of Credit**”).
- (b) Section 5.3 (adapted accordingly) applies to any request for the issuance of a Bilateral Letter of Credit and any such request must specify that the requested Letter of Credit is a Bilateral Letter of Credit. This Article 6 also applies to amendments or renewals of Bilateral Letters of Credit.
- (c) For greater certainty, any Bilateral Letter of Credit may be issued at the request of the Borrower concerned for the benefit of any Subsidiary of SNC and in any such case the Bilateral Letter of Credit will constitute an outstanding obligation of the Borrower concerned to the Bilateral LC Issuer concerned.

6.2 Aggregate Maximum Amount of Bilateral Letters of Credit

SNC will ensure that the aggregate outstanding amount (expressed in Dollars) of all outstanding Bilateral Letters of Credit will not at any time exceed \$3,000,000,000 (the “**Bilateral LC Limit**”).

6.3 Benefit of Guarantees, Representations and Covenants

- (a) Any Bilateral LC Issuer will benefit from the provisions of the Subsidiary Guarantees in accordance with Article 11.
- (b) The representations and covenants of Articles 12, 13, 14, 15 and 16 also benefit the Bilateral LC Issuers.

6.4 Repayment of Bilateral Letters of Credit

Unless otherwise agreed between the Borrower concerned and the Bilateral LC Issuer concerned, any amount paid by a Bilateral LC Issuer under a Bilateral Letter of Credit and not repaid on the same day (or already prepaid) by the Borrower concerned to such Bilateral LC Issuer,

- (a) will be converted as of the same day in Dollars, if the payment was made in a currency other than the Dollar or the US Dollar; and
- (b) will be payable on demand by the Borrower concerned to such Bilateral LC Issuer and will bear interest from the date of such payment at an annual rate equal to the Prime Rate increased by 2% or if such amount was paid in US dollars, at an annual rate equal to the US Base Rate increased by 2%.

6.5 Bilateral Letter of Credit Fees

The Borrower concerned must pay a fee for each Bilateral Letter of Credit at the annual rate agreed between SNC (and, as the case may be, any Additional Borrower) and the Bilateral LC Issuer concerned in a separate agreement. Unless otherwise agreed between such parties, any such fee will be calculated on the face amount of each Bilateral Letter of Credit for any day same is outstanding and any such fee accrued in any quarter must be paid to the Bilateral LC Issuer concerned in arrears no later than the 30th day of the following quarter.

6.6 Prepayment of Bilateral Letters of Credit

Unless otherwise agreed between the Borrower concerned and the Bilateral LC Issuer concerned,

- (a) the Borrower concerned may at any time prepay any Bilateral Letter of Credit;
- (b) if any Bilateral Letter of Credit is outstanding after the occurrence of an Event of Default which is continuing and has not been waived by the Majority Bilateral LC Issuer, then the outstanding amount of such Bilateral Letter of Credit must be prepaid by the Borrower concerned to such Bilateral LC Issuer upon demand by the latter. For the purposes of the foregoing, the definition of Event of Default must be read as including in the events listed in Section 17.1 the failure by the Borrower concerned to make a payment or prepayment required under Section 6.4(b) or this Section 6.6(b);
- (c) instead of making a prepayment as contemplated by Section 6.5(a) or (b), the Borrower concerned will have the option, with the prior consent of the applicable Bilateral LC Issuers (not to be unreasonably withheld or delayed) to collateralize the amount to be prepaid by an Acceptable Support Letter of Credit. Such collateralization must be effected on the date the prepayment would otherwise be due;
- (d) if any Bilateral Letter of Credit the amount of which has been prepaid by the Borrower concerned expires or is cancelled without having been drawn (or wholly drawn, as the case may be), the amount prepaid in respect of same will be reimbursed by the applicable Bilateral LC Issuer (to the extent of the undrawn portion thereof, as the case may be) but only if no indebtedness of the Borrower concerned is then due and payable to such Bilateral LC Issuer (other than under the Facilities); otherwise, any such amount will be applied to such indebtedness of the Borrower concerned;
- (e) Section 5.8(g) and 5.8(h) (adapted accordingly) apply to amounts prepaid or collateralized

6.7 Indemnification and Letter of Credit Rules

The provisions of Sections 5.9(a), 5.10, 21.8(b) and 21.8(d), in each case adapted accordingly, apply to Bilateral Letters of Credit.

6.8 Scope of this Article 6

- (a) No Lender commits to become a Bilateral LC Issuer and no Bilateral LC Issuer commits to issue further Bilateral Letters of Credit or to amend or renew same;
- (b) For greater certainty, Bilateral Letters of Credit do not constitute Borrowings under the Facilities, and this Article 6 does not prevent any Borrower from obtaining from any Person (including any Lender) the issuance of Letters of Credit that are neither Letters of Credit under the Facilities nor Bilateral Letters of Credit.

6.9 Initial Bilateral Letters of Credit

From the Effective Date, (i) the Letters of Credit listed in the list (the “**Bilateral LC List**”) identified by reference to this Section 6.9 and delivered to the Lenders concurrently with the execution of this Agreement will be deemed to be Bilateral Letters of Credit issued by the Bilateral LC Issuer specified in respect thereto in the Bilateral LC List, and (ii) Article 6 will become applicable to such Letters of Credit. From the Effective Date, fees in respect of any Bilateral Letter of Credit listed in the Bilateral LC List will be at the rates agreed between the Bilateral LC Issuer concerned and SNC in the separate agreement referred to in Section 6.5 and, unless otherwise provided in such agreement, will be payable as specified in Section 6.5.

7 - FEES AND INTEREST

7.1 Agency Fee

SNC must pay to the Agent, for its own account, the annual agency fee specified in a separate agreement executed by SNC as of May 15, 2017.

7.2 Other Fees

SNC must pay to the Agent on the Effective Date the upfront fees provided for in the letter executed by SNC as of April 16, 2018, such fees to be distributed to the Lenders *pro rata* to their Commitments as at the Effective Date.

7.3 Letter of Credit Fees

The Borrower concerned must pay a fee for each Letter of Credit issued under the Revolving Facility. The fee for any Non-Financial Letter of Credit, Documentary Letter of Credit or Financial Letter of Credit will be at an annual rate equal to the Applicable Rate for such Letter of Credit. Fees are calculated on the face amount of each Letter of Credit and for any day same is outstanding. Any such fee accrued in any quarter must be paid to the Agent in arrears no later than the 30th day of the following quarter, for distribution to the Lenders *pro rata* to their Commitments under the Revolving Facility. Concurrently with the payment of any such fee, the Borrower concerned must also pay directly to the applicable Issuing Lender, for the sole account of such Issuing Lender, a fronting fee at the annual rate agreed on with such Issuing Lender, calculated as aforesaid.

7.4 Administrative Charges with respect to Letters of Credit

The Borrower concerned must pay to any Issuing Lender (i) administrative charges in connection with Letters of Credit at the rates and on terms at least as favourable or better than those generally applicable to the other customers of such Issuing Lender, and (ii) similar charges payable by such Issuing Lender to correspondent, advising or paying banks.

7.5 Standby Fees

- (a) SNC must pay to the Agent, for distribution to the Lenders *pro rata* to their Commitments under the Revolving Facility, a standby fee on the unused portion (expressed in Dollars) of the Revolving Facility. For purposes of the calculation of such unused portion, any Swingline Availability (other than with the Swingline Lender who is the Agent) will be deemed to be fully used;
- (b) SNC must pay directly to any Swingline Lender (other than with the Swingline Lender who is the Agent), for its sole account, a standby fee on the unused portion of its Swingline Availability (expressed in Dollars);
- (c) The standby fee under the Revolving Facility will be calculated daily at an annual rate equal to the Applicable Rate and any such fee accrued in any quarter will be payable in arrears no later than the 30th day of the following quarter. For greater certainty, the Commitment of any Lender who is a Swingline Lender (other than the Swingline Lender who is the Agent) will be calculated as provided in Section 2.10 for purposes of the *pro rata* referred to in Section 7.5(a);

7.6 Acceptance Fees

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

7.7 Interest on Prime Rate Loans

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

7.8 Interest on US Base Rate Loans

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

7.9 Interest on Libor Loans

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

7.10 Calculation of Interest

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

7.11 Interest on Arrears

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

8 - REPAYMENT, PREPAYMENT AND CANCELLATION

8.1 Repayment of the Revolving Facility and the Term Facility

- (a) The Borrowers must repay in full the outstanding Borrowings and pay all other amounts owing under the Revolving Facility on the Revolving Facility Maturity Date. Section 5.8 will however apply to Letters of Credit then outstanding under the Revolving Facility.
- (b) SNC must repay in full the outstanding Borrowings and pay all other amounts owing under the Term Facility on the Term Facility Maturity Date.

8.2 Mandatory Prepayment

- (a) The provisions of this Section 8.2 will apply as long as Borrowings are still outstanding under the Term Facility. In this Section:
 - (i) “**Mandatory Repayment Amount** means, with respect to any Triggering Sale, an amount equal to the greater of: (x) the result of: (A) the number of Opco Shares sold as part of such Permitted Sale (B) divided by

130,000,001, being the number of Opco Shares held by Highway Holdings (directly or indirectly) on the Effective Date (as adjusted for any subdivision, consolidation or reclassification of such Opco Shares after the Effective Date, excluding any stock dividend), (C) multiplied by \$1,500,000,000; and (y) the minimum repayment amount required for the Opco Implied Value of the Opco Shares that continue to be held by Highway Holdings after such Permitted Sale to be no less than 1.84x of the aggregate outstanding amount of the CDPQ Loan and the Term Facility following such repayment; but not exceeding the Net Sale Proceeds of such sale.

- (ii) **“Opco Implied Value”** means, in respect of any Opco Shares that continue to be held by Highway Holdings after a sale of part of the Opco Shares to a third party dealing at arms’ length with SNC and Highway Holdings, the Net Sale Proceeds that would be received by Highway Holdings from the sale of such Opco Shares that continue to be held by Highway Holdings, if such Opco Shares were sold at the same price, assuming the same withholdings, deductions, holdbacks, reserves and escrows and the same fees, costs and expenses and commissions and similar payments (as a percentage of such sale price) in connection with such sale and estimating the taxes that would be payable as a result of such sale.
 - (iii) **“Opco Shares”** refers to the Capital Stock held from time to time by Highway Holdings in 407 International Inc.
 - (iv) **“Triggering Sale”** means any sale to a third party dealing at arms’ length with SNC and Highway Holdings and permitted by Section 14.5(f) of Opco Shares, it being understood that the term Triggering Sale only includes the first 39,000,000 Opco Shares (as adjusted for any subdivision, consolidation or reclassification of such Opco Shares after the Effective Date, excluding any stock dividend) in the aggregate that may be sold after the Effective Date.
 - (v) **“Net Sale Proceeds”** means, with respect to any sale of Opco Shares, the sale proceeds from such sale actually received by Highway Holdings (excluding, for greater certainty, any withholding, deduction, holdback, reserve or amounts held in escrow) less the sum of (x) all financial, legal and other advisory fees, costs and expenses and commissions and similar payments payable by Highway Holdings to third parties in connection with such sale, and (y) all taxes reasonably estimated to be actually payable as a result of such sale; provided that if any amount withheld, deducted, held back, reserved or held in escrow from the sale proceeds from any such sale is subsequently received by Highway Holdings, such amount will be considered sale proceeds from such sale at such time.
- (b) Following any Triggering Sale of Opco Shares, SNC must make a repayment on the Term Facility, or cause Highway Holdings to make a repayment on the CDPQ Loan, in an aggregate amount equal to the Mandatory Repayment Amount, within three (3) Business Days of receipt of any Net Sale Proceeds thereof. SNC may

apply the repayments required by this Section 8.2(b), in its sole and absolute discretion, to the repayment of Borrowings under the Term Facility, the repayment of the CDPQ Loan or any combination thereof.

- (c) Any excess Net Sale Proceeds after effecting the mandatory prepayments contemplated in Section 8.2(b) may be applied by SNC, in its sole and absolute discretion, to the repayment of any Indebtedness for Borrowed Money or for other general corporate purposes, subject to the provisions of Section 14.5(f) being complied with; however, in no event, may any such excess Net Sale Proceeds be used to make a Distribution to shareholders of SNC.

8.3 Optional Prepayments under the Facilities

- (a) The Borrower concerned may at any time make prepayments on outstanding Borrowings other than Letters of Credit (but subject to Section 5.8) under either of the Facilities. Any such prepayment of Borrowings under the Revolving Facility will not affect such Borrower's right to re-borrow under the Revolving Facility up to its then maximum available amount. Any such prepayment must be in a minimum of \$5,000,000 or the equivalent in another currency.
- (b) Optional prepayments are not subject to the payment of any penalty or premium, but no optional prepayment may be made in respect of Acceptances or Libor Loans before the maturity date of their respective periods unless the provisions of Section 21.8(c) relating to breakage costs or losses (if applicable) are complied with.

8.4 Exchange Rate Fluctuations

If, at any time, due to fluctuations in the rate of exchange of a currency against another currency, the outstanding amount of the Borrowings under any Facility expressed in the currency of the amount of such Facility, exceeds the then maximum amount of such Facility, SNC must pay to the Agent, five (5) Business Days following a demand to that effect, the amount of such excess. However, no such demand will be made as long as the excess is not more than 5% of the maximum amount of the applicable Facility. Any such payment under the Revolving Facility will be applied first to outstanding Borrowings other than Letters of Credit and the remaining balance (if any) will be retained and held by the Agent as cash collateral to secure the obligations of the Borrowers under the applicable Facility. Promptly after having made a payment which will be retained (in whole or in part) as cash collateral, the Borrowers will execute in favour of the Agent and the Lenders a security agreement confirming the Lien so granted and will perfect such Lien.

8.5 Reduction of the Revolving Facility

SNC may, on giving not less than three (3) Business Days prior notice to the Agent, permanently reduce the aggregate amount of Tranche A or Tranche B by amounts in a multiple of \$1,000,000 but not less than \$10,000,000. Any such reduction will reduce the Commitment of each Lender under the Revolving Facility and on a pro rata basis. The notice of reduction must specify the amount of the reduction and the Business Day when the reduction is intended to become effective. No reduction will however be effective if, on the intended date of the

reduction, the outstanding Borrowings under Tranche A or Tranche B were to exceed the intended lesser amount of the Revolving Facility.

9 - PLACE AND CURRENCY OF PAYMENT

9.1 Payments to the Agent

Unless otherwise provided in this Agreement, (i) all payments to be made by a Borrower on account of any indebtedness owing to the Lenders hereunder must be made to the Agent at the Branch of Account, (ii) all payments made to the Agent on account of such indebtedness will be deemed to have been made to the Agent for the ratable benefit of the applicable Lenders, and (iii) any payment received by the Agent on account of any such indebtedness must be distributed among the applicable Lenders proportionately to their share of said indebtedness. Any partial payment on account of indebtedness due hereunder may be applied as reasonably determined by the Agent in a manner consistent with this Agreement. Any payment due by a Borrower may be charged to an account maintained by such Borrower with the Agent.

9.2 Time of Payments

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

9.3 Currency of Payments

Unless otherwise provided, (i) all amounts owing under any Borrowing are payable in the currency of such Borrowing, (ii) Letter of Credit fees are payable in Dollars, except that any such fee owing as a result of a Letter of Credit issued in US Dollars is payable in US Dollars, (iii) standby fees are payable in Dollars, and (iv) all other amounts are payable in Dollars.

9.4 Judgment Currency

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

10 - CONDITIONS PRECEDENT

10.1 Conditions Precedent to the Effectiveness of this Agreement

This Agreement will become effective on the date (the “**Effective Date**”) at which the Agent will confirm to SNC that the following documents have been received by the Agent:

- (a) a certificate of an officer of each Credit Party attesting that there has been no amendment to the constating documents of each of the Credit Parties since May 15, 2017, except for those amendments attached to such certificate;
- (b) good standing or equivalent certificates as to each Credit Party under the law of its constitution;
- (c) a copy of the documents evidencing the authority and attesting to the authenticity of the signatures of the Persons acting on behalf of each of the Credit Party;
- (d) a restatement of the Subsidiary Guarantees delivered prior to the date hereof pursuant to Article 11 executed by all Credit Parties on the date hereof;
- (e) a Compliance Certificate in the form of Schedule C and also containing confirmation that no event or circumstance having a Material Adverse Effect has occurred since December 31, 2017;
- (f) legal opinion from external counsel to each Credit Party addressed to the Agent and the Lenders, relating to the existence and capacity of the Credit Party, the due authorization, execution and delivery and the validity and enforceability of this Agreement and the Subsidiary Guarantees and such other matters as the Agent may reasonably request.

10.2 Conditions Precedent to All Borrowings

A Borrower may not obtain or convert or renew any Borrowing:

- (a) if the Agent has not received timely notice of such Borrowing, conversion or renewal;
- (b) if all representations herein are not true and correct in all material respects;
- (c) if, after giving effect to such Borrowing, conversion or renewal, the outstanding Borrowings, expressed in Dollars, would exceed the amount of the applicable Tranche or any amount limitation in Tranche A; or
- (d) if a Default has occurred and is continuing or would occur after giving effect to such Borrowing, conversion or renewal.

Each request or notice for a Borrowing or for the renewal or conversion of a Borrowing constitutes a certification by the Borrower concerned that no Default has occurred and is continuing (or would occur as a result of giving effect to the notice).

10.3 Waiver of Conditions Precedent

The conditions precedent provided for in Sections 10.1 and 10.2 are for the sole benefit of the Agent and the Lenders. The Agent and the Lenders may waive such conditions precedent, in whole or in part, with or without conditions, without prejudice to any other or future rights that they might have against the Borrowers and any other Person.

10.4 Effectiveness of this Agreement

If all of the conditions precedent provided for in Section 10.1 have not been previously fulfilled or waived on or before May 4, 2018, this Agreement will not come into effect.

11 – SUBSIDIARY GUARANTEES AND SUBORDINATIONS

11.1 Initial Guaranteeing Subsidiaries

A Subsidiary Guarantee must be provided by each of SNC, SNC-Lavalin Inc., Highway Holdings (the direct holder of the investment in 407 International Inc.), SNC-Lavalin (GB) Limited, Kentz Corporation Limited, Kentz US Holding Inc., Kentz Pty Ltd., SNC-Lavalin (GB) Holdings Limited, Kentz Canada Holdings Limited, WS Atkins Limited and Atkins Limited.

11.2 Other Guaranteeing Subsidiaries

- (a) SNC must ensure that, at all times, on the basis of the calculations made as of the end of the last fiscal quarter or year of SNC for which financial statements are required to be delivered pursuant to Sections 16.1 and 16.2, Subsidiary Guarantees from all Material Subsidiaries are in full force and effect. If, at any time, it appears that any Material Subsidiary has not provided a Subsidiary Guarantee, then SNC will promptly but no later than 30 days after such time cause such Material Subsidiary to execute and deliver to the Agent a Subsidiary Guarantee.
- (b) Notwithstanding clause (a) and regardless of whether any Additional Borrower meets the criteria of the definition of Material Subsidiary, any Additional Borrower must become a Guaranteeing Subsidiary.

11.3 Limitations on Certain Material Subsidiaries

Notwithstanding Section 11.2, if a Material Subsidiary is subject to any legal restrictions imposed by the laws of, or any legal principle having the force of law and applicable in, the jurisdiction of its incorporation or formation (other than legal restrictions or legal principles relating to voidable or reviewable transactions under laws relating to bankruptcy, insolvency or creditors' rights generally) and which

- (a) relates to the legal capacity of such Subsidiary to guarantee the obligations of the Borrowers as contemplated in a Subsidiary Guarantee;

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

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

11.4 Covenants Relating to Guaranteeing Subsidiaries

- (a) Except as otherwise permitted by this Agreement, any Guaranteeing Subsidiary must remain at all times a Wholly-Owned Subsidiary.
- (b) Highway Holdings must remain at all times the direct holder of SNC's investment in 407 International Inc., subject however to a Disposition of such investment permitted by Section 14.5(f).

11.5 Release of Subsidiary Guarantees

- (a) Upon request of SNC, the Agent will release a Guaranteeing Subsidiary of its obligations under the relevant Subsidiary Guarantee if (i) no Default has occurred and is continuing or would result from such release and (ii) SNC has provided to the Agent evidence reasonably satisfactory to the Agent that, directly or indirectly, it has or it will, concurrently with such release, Dispose of the Capital Stock of such Guaranteeing Subsidiary or such Guaranteeing Subsidiary has Disposed, or will Dispose of, all or substantially all of its assets, in each case, in accordance with and subject to the other provisions of this Agreement;
- (b) For greater certainty, a Guaranteeing Subsidiary may not be released from its Subsidiary Guarantee by reason only of such Subsidiary ceasing to be a Material Subsidiary.

11.6 Subordination of Intercompany Loans

SNC has procured (or, as applicable, will procure) that any of its Subsidiaries whose unconsolidated assets at the end of any fiscal quarter of SNC include loans or advances to the Credit Parties exceeding in the aggregate \$50,000,000 for such Subsidiary be (or, as applicable, become) party to, within 60 days from such time, the Intercompany Subordination Agreement, which provides that such loans and advances are subordinated and postponed (subject to any Cash Pooling Arrangement) to the payment of the obligations of the Credit Parties under the Facilities, the Hedging Agreements with Hedging Creditors and the Bilateral Letters of Credit.

This requirement will not however apply to Equinox Indemnity Company Inc. and WS Atkins Insurance (Guernsey) Limited and their respective successors (including any Person resulting from an amalgamation, merger or similar transaction between such companies), provided that (i) no such company or Person will have outstanding Indebtedness for Borrowed Money other than to SNC or other Subsidiaries of SNC, and (ii) any such Person will become and remain a direct Wholly-Owned Subsidiary of SNC.

11.7 Hedging Agreements and Bilateral Letters of Credit

- (a) The Agent will act as agent for the Lenders and their Affiliates in their capacity as creditors under Hedging Agreements (the “**Hedging Creditors**”) and as Bilateral LC Issuers for all purposes of the Subsidiary Guarantees, including the enforcement or release thereof. For such purposes, the provisions of Articles 18, 19 and 20 (adapted accordingly) will also apply to the Hedging Creditors and the Bilateral LC Issuers. However, until termination and repayment in full of the Facilities and the termination and repayment of all obligation under Article 6, the claims of the Hedging Creditors and those of the Issuing Lenders who no longer have any Commitment will not be taken into account in any situation where a decision regarding the Subsidiary Guarantees has to be made by the Lenders, including any enforcement or release thereof.
- (b) The rights of the Lenders, the Hedging Creditors and the Bilateral LC Issuers under the Subsidiary Guarantees will rank *pari passu*, but only up to an aggregate amount not exceeding the Bilateral LC Limit for all claims of the Bilateral LC Issuers. Any excess will rank after the claims of the Lenders under the Facilities and the claims of the Hedging Creditors.
- (c) For the purposes of the Credit Documents, (i) each Hedging Creditor will calculate its claim under any Hedging Agreement in accordance with normal market practices (using the mark-to-market method whenever applicable) and after giving effect to any close-out, netting arrangement or right of set-off provided by contract or permitted by law, and (ii) each Bilateral LC Issuer will calculate its claim arising from a Bilateral Letter of Credit using the maximum amount then reimbursable or prepayable by the Borrower concerned in respect of such Letter of Credit.
- (d) The Hedging Agreements guaranteed by the Subsidiary Guarantees will consist of (i) Hedging Agreements made by SNC or any Guaranteeing Subsidiary (other than Highway Holdings) with any counterparty who is (or was) a Lender under any Facility or an Affiliate of such Lender at the time of the entering into of such Hedging Agreement, and (ii) Hedging Agreements made by SNC prior to this Agreement with a counterparty who is a Lender or an Affiliate thereof as at the date of this Agreement. For greater certainty, the Subsidiary Guarantees (to the extent not released) will continue to secure the obligations of SNC or Guaranteeing Subsidiary concerned to any Hedging Creditor under Hedging Agreements after termination and repayment in full of the Facilities or after such Hedging Creditor has ceased to be a Lender.

- (e) The Agent will be entitled at any time to assume that the only Lenders or Affiliates thereof with a Hedging Creditor or Bilateral LC Issuer status are those who have notified the Agent before such time of such status and their decision to benefit from Subsidiary Guarantees.

11.8 Documents relating to Subsidiary Guarantees

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

12 - REPRESENTATIONS AND WARRANTIES

SNC represents and warrants that:

12.1 Existence and Capacity

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

12.2 Corporate Action

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

12.3 Validity of the Credit Documents

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

12.4 Authorizations and No-Conflict

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

- (a) requires any authorization to be obtained or registration to be made by any Credit Party (except those already obtained or made and those not yet required to be obtained or made); or

- (b) conflicts with, contravenes or gives rise to any default under (i) any of the constating documents or by-laws of any Credit Party or the resolutions of its directors, shareholders, members or partners, (ii) the provisions of any indenture, instrument, material agreement or undertaking to which any Credit Party is a party or by which such Credit Party or any of its assets are bound, or (iii) any Applicable Law.

12.5 Litigation

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

12.6 Financial Statements

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

12.7 No Default

No Default is outstanding.

12.8 Compliance with Laws

Each of SNC and its Subsidiaries is in compliance (i) with all Applicable Laws (other than ABTL Laws), the non-compliance with which could reasonably be expected to have a Material Adverse Effect, and (ii) in all material respects with ABTL Laws. Notwithstanding the foregoing, in the event SNC or any of its Subsidiaries were found to have violated ABTL Laws or other Applicable Laws with respect to any action, fact or circumstance having given rise to the actions or investigations described in Schedule D, same will not constitute a breach of the representation and warranty contained in this Section 12.8 so long as SNC or the relevant

Subsidiary punctually pays the condemnation, fine or penalty resulting from such violation or complies with the related final judgment, award or settlement, as the case may be.

12.9 Insurance

SNC and its Subsidiaries maintain the insurance required to be maintained under Section 13.7 and such insurance policies are presently in effect.

12.10 Pension Plans

- (a) Each Pension Plan of SNC and its Subsidiaries is in substantial compliance with all Applicable Laws relating to pensions and benefits and Taxes, except for any non-compliance that, singly or in the aggregate, could not reasonably be expected to have a Material Adverse Effect;
- (b) As of the date of the last completed actuarial evaluation, no Pension Plan of SNC and its Subsidiaries had any unfunded liability determined in accordance with all Applicable Laws and using assumptions and methods that are appropriate in the circumstances and in accordance with generally accepted actuarial principles and practices in the relevant country where such Pension Plan is registered, except for any such unfunded liability that is being amortized in accordance with Applicable Laws. All contributions, including any special payments to amortize any unfunded liability, required to have been made in accordance with all Applicable Laws and the terms of each Pension Plan have been made;
- (c) No event has occurred and no condition exists with respect to any Pension Plan that has resulted or is reasonably likely to result in any Pension Plan being ordered or required to be wound up pursuant to any applicable pension benefits Laws or having its registration revoked or refused for the purposes of any Applicable Laws relating to pension or benefits or Taxes or being placed under the administration of any relevant pension benefits regulatory authority or being required to pay any Taxes or penalties under any Applicable Laws relating to pensions or benefits or Taxes except, in each case, if such event or condition could not reasonably be expected to have a Material Adverse Effect;
- (d) No event has occurred and no condition exists that has resulted, or could reasonably be expected to result, in SNC or any of its Subsidiaries being required to pay, repay or refund any amount (other than contributions required to be made or benefits or expenses required to be paid in the ordinary course) to or on account of any Pension Plan as a current or former member thereof where such requirement to pay, repay or refund could reasonably be expected to have a Material Adverse Effect.

12.11 No Liens

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

12.12 Intellectual Property

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

12.13 Taxes and Fines

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

12.14 Environment

- (a) Each of SNC and its Subsidiaries is in compliance with all Environmental Laws;
- (b) The assets of each of SNC and its Subsidiaries are owned, leased, managed, controlled or operated in compliance with all Environmental Laws;
- (c) There are no existing, pending or, to the best knowledge of SNC threatened, claims, complaints, notices or requests for information received by SNC or any of its Subsidiaries with respect to any alleged violation by any such Person or or alleged liability of any such Person under any Environmental Law relating to any of the assets of any such Person, or orders from any Governmental Authority which have been received by SNC or any of its Subsidiaries requiring any work, repair, or construction by any such Person with respect to any of the assets of any such Person;
- (d) Except in compliance with Environmental Law, no Hazardous Materials have been generated, received, handled, used, stored, treated or shipped at or from, and there has been no Release of Hazardous Materials at, on, from or under any of the assets of SNC or any of its Subsidiaries;

- (e) Except in compliance with Environmental Law, as far as SNC is aware, none of the lands and premises comprising any of the assets of SNC and its Subsidiaries has been used for the disposal of waste or as a landfill or waste disposal site; and
- (f) Neither SNC nor any of its Subsidiaries has directly transported or directly arranged for the transportation of any Hazardous Materials to any location, except in compliance in all material respects with Environmental Law,

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

12.15 Hedging Agreements

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

12.16 Fiscal Year

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

12.17 Time of and Reliance on Representation

- (a) The representations and warranties of Sections 12.1 to 12.16, with the exception of those specified to be made as of the date of this Agreement, will also be deemed to be made:
 - (i) on the date of each Borrowing (including by way of the issuance of any Letter of Credit), of each renewal or conversion of a Borrowing and of any notice or request for a Borrowing; and
 - (ii) on the last day of each fiscal quarter and each fiscal year of SNC if and so long as any Letter of Credit or other Borrowing under this Agreement is outstanding,as if made at and as of each such date, with reference to the facts and circumstances then existing.
- (b) All representations and warranties contained in any certificate or material delivered pursuant to any Credit Document will be deemed to have been relied upon by the Agent and the Lenders notwithstanding any investigation made by any one of them.

13 - AFFIRMATIVE COVENANTS

SNC covenants and agrees that:

13.1 Payment Obligations

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

13.2 Maintenance of Corporate Existence

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

13.3 Conduct of Business

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

13.4 Compliance with Laws

SNC and its Subsidiaries will at all times (i) comply with all Applicable Laws (other than ABTL Laws) the non-compliance with which could reasonably be expected to have a Material Adverse Effect, and (ii) comply in all material respects with ABTL Laws. Notwithstanding the foregoing, in the event SNC or any of its Subsidiaries were found to have violated ABTL Laws or other Applicable Laws with respect to any action, fact or circumstance having given rise to the actions or investigations described in Schedule D, same will not constitute a breach of this Section 13.4 so long as SNC or the relevant Subsidiary punctually pays the condemnation, fine or penalty resulting from such violation or complies with the related final judgment, award or settlement, as the case may be.

13.5 Payment of Taxes and Fines

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

13.6 Books and Records

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

13.7 Insurance

SNC and its Subsidiaries will insure their civil liability and professional liability (including, without limitation, their liability vis-à-vis third parties against sudden and accidental pollution) in such amounts and in such manner as are usually maintained by other companies in the same general lines of business as those of SNC and its Subsidiaries. SNC and its Subsidiaries will also insure and keep insured or cause to be insured or kept insured their buildings, plants, and other properties which are of an insurable nature against loss or damage by fire and against such other hazards, in such amounts and in such manners as usually maintained by other companies in the same general lines of business as those of SNC and its Subsidiaries. All such policies will be maintained with such reputable insurance companies as SNC or the relevant Subsidiary may select. SNC will punctually pay or cause to be paid the premiums and other sums of money payable for that purpose.

13.8 Pari Passu Ranking

SNC and each other Credit Party will procure that its obligations under the Credit Documents do and will rank at least *pari passu* with all its other present and future unsecured, unsubordinated obligations, except for obligations having mandatory priority under Applicable Laws and, with respect to Highway Holdings, the subordination contained in the CDPQ Subordination Agreement.

13.9 Know-Your-Client Information

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

13.10 Further Assurances

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

14 - NEGATIVE COVENANTS

SNC covenants and agrees that:

14.1 Nature of Business

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

14.2 Use of Proceeds

SNC will not allow any Facility or the proceeds thereof to be used in contravention with Applicable Laws or in a manner not permitted by Section 2.3.

14.3 Liens

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

14.4 Reorganization and Amalgamation

- (a) SNC will not nor will any of its Wholly-Owned Subsidiaries (other than any Non-Recourse Subsidiaries) wind up, liquidate or dissolve its business, affairs or assets or enter into any transaction of reorganization, amalgamation, merger or consolidation (or agree to do any of the foregoing at any future time), save for any of the above transactions among SNC and its Wholly-Owned Subsidiaries (provided that each Borrower's existence be preserved) or among any Wholly-Owned Subsidiaries of SNC and, if any of the above transactions results in a Disposition, if such Disposition is permitted by Section 14.5;
- (b) None of the Guaranteeing Subsidiaries will wind up, liquidate or dissolve its business, affairs, or assets or enter into any transaction of reorganization, amalgamation, merger or consolidation with any other Wholly-Owned Subsidiary of SNC, unless the resulting or acquiring Wholly-Owned Subsidiary expressly assumes all obligations of such Guaranteeing Subsidiary under the relevant Subsidiary Guarantee (except where such assumption is deemed to have occurred by the sole operation of law);
- (c) None of the above transactions may be accomplished if a Default would occur as a result of such transaction.

14.5 Disposition of Assets

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

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

- (d) Disposition of assets consisting of a Permitted Lien;
- (e) Disposition of assets between SNC and any of its Subsidiaries or between such Subsidiaries provided that a Disposition of assets by a Guaranteeing Subsidiary shall be in favour of SNC or a Subsidiary that is or becomes a Guaranteeing Subsidiary; except that the Borrower may exclude from the requirement of this proviso Dispositions of assets in favour of Subsidiaries which do not exceed in the aggregate \$50,000,000 in any fiscal year;
- (f)
 - (i) Disposition of Capital Stock of any Non-Recourse Subsidiary or any Project Vehicle at a price at least equal to the fair market value thereof or pursuant to a Permitted Monetization provided, however that, notwithstanding any other provision of this Agreement, neither SNC nor any of its Subsidiaries may, directly or indirectly, make or permit any Disposition or any form of monetization of Capital Stock of 407 International Inc. or of its assets (in each case, a “**Transaction**”), unless:
 - (A) SNC has an Investment Grade Rating Status from two Rating Agencies immediately before the relevant Transaction and has obtained written confirmation from each of them that it will retain after the Transaction the same Credit Rating it had before the Transaction, and the proceeds of such Transaction are not used for Distributions by SNC provided that, if, at such time, SNC has a Credit Rating from only one (1) Rating Agency, as long as such Rating Agency is either S&P or Moody’s, then the requirement under this clause (A) shall be limited to an Investment Grade Rating Status from such Rating Agency, or
 - (B) the net proceeds of the Transaction after any prepayment required to be made pursuant to Section 8.2, any payment still required on the CDPQ Loan and any reserve on account of taxes are applied in full or partial satisfaction of any settlements or judgments in respect of any of the class actions or investigations referred to in Schedule D and, to the extent that there remain net proceeds after any such application and that the litigation and investigations referred to in Schedule D have not then all been settled or satisfied, such proceeds are reserved and set aside to be applied in full or partial discharge of the remaining litigations and investigations, provided that the Transactions permitted in this clause (B) are limited to not more than 30% (on a cumulative basis) of the aggregate number of Capital Stock of 407 International Inc. owned by Highway Holdings on the date of the Effective Date.
 - (ii) Clause (i) does not apply to a sale of Capital Stock of 407 International Inc. or of its assets (or a sale of the Capital Stock of Highway Holdings) made in accordance with the “Sale Process” provisions of the CDPQ Subordination Agreement.
- (g) Dispositions at fair market value not contemplated in any of the foregoing paragraphs provided that the aggregate book value of the assets so Disposed of by SNC and its Wholly-Owned Subsidiaries (other than Non-Recourse Subsidiaries)

must not exceed \$100,000,000 per fiscal year of SNC, calculated net of the reinvestments of the proceeds of any such Disposition in the business (including related assets) of SNC or its Wholly-Owned Subsidiaries in the twelve-month period following said Disposition.

14.6 Indebtedness of Subsidiaries

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

- (a) Indebtedness for Borrowed Money under the Credit Documents and under Hedging Agreements with Hedging Creditors;
- (b) Indebtedness for Borrowed Money of Subsidiaries specified in Schedule H and any refinancings, refundings, renewals, replacements or extensions thereof; provided that the aggregate principal amount of all such Indebtedness for Borrowed Money is not increased at the time of any such refinancing, refunding, renewal, replacement or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing, refunding, renewal, replacement or extension;
- (c) Indebtedness for Borrowed Money of any Person that becomes a Subsidiary of SNC or is merged or consolidated into a Subsidiary of SNC after the date of this Agreement, which Indebtedness for Borrowed Money is existing at the time such Person becomes a Subsidiary of SNC or at the time of such merger or consolidation, as the case may be (other than Indebtedness for Borrowed Money incurred solely in contemplation of such Person becoming a Subsidiary of SNC);
- (d) Indebtedness for Borrowed Money owed to SNC or to other Subsidiaries of SNC;
- (e) reimbursement obligations of a Wholly-Owned Subsidiary in respect of Letters of Credit issued for the account of such Wholly-Owned Subsidiary in the ordinary course of such Subsidiary's business;
- (f) Indebtedness for Borrowed Money in respect of Capital Leases, Purchase Money Security and other Permitted Liens;
- (g) daylight loans forming part of tax planning transactions to the extent that such daylight loans are reimbursed or set off on the day they are incurred;
- (h) overdrafts or negative balances of bank accounts to the extent that these overdrafts or negative balances are set off through a Cash Pooling Arrangement;
- (i) Indebtedness for Borrowed Money under the CDPQ Loan not exceeding \$1,000,000,000, after giving effect to the repayment contemplated under Section 2.3(b) (plus any increase to the CDPQ Loan of up to \$200,000,000), a Guarantee by SNC-Lavalin Inc. of the obligations of Highway Holdings under the CDPQ Loan to the extent the recourses under that Guarantee are limited to shares of

Highway Holdings and, if shares of 407 International Inc. are transferred to SNC-Lavalin Inc., to the shares so transferred.

- (j) Guarantees by Guaranteeing Subsidiaries of bonds or debentures issued by SNC or other Indebtedness for Borrowed Money incurred by SNC;
- (k) Indebtedness for Borrowed Money under any Permitted Monetization Transaction; and
- (l) unsecured Indebtedness for Borrowed Money not to exceed at any time an aggregate outstanding principal amount of \$100,000,000.

14.7 Distributions

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

14.8 Change of Year-End

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

14.9 Hedging Agreements

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

15 - FINANCIAL COVENANT

15.1 Net Recourse Debt to EBITDA Ratio

SNC will maintain at all times, on a rolling twelve (12) month and consolidated basis, a Net Recourse Debt to EBITDA ratio:

15.1.1 as long as there are Borrowings outstanding under the Term Facility, of not more than 3.75:1; and

15.1.2 once the Term Facility is repaid in full, of not more than 3.25:1, provided that such ratio may, upon notice of SNC, be increased to 3.50:1 for the twelve (12) month period immediately following a Material Acquisition.

16 - INFORMATION COVENANTS

16.1 Annual Reporting

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

- (a) audited consolidated statement of financial position, income statement and statement of cash flows of SNC, as at the end of such year, together with

comparative figures for the preceding year, and accompanied by the opinion of SNC's auditors on audited statements, which opinion must state that each such audited consolidated financial statements were prepared in accordance with GAAP, and that the audit by such auditors in connection with such financial statements has been made in accordance with generally accepted auditing standards;

- (b) the unaudited unconsolidated statement of financial position, income statement and statement of cash flows of each of the Guaranteeing Subsidiaries with unconsolidated Total Assets of more than \$50,000,000 as at the end of such year, together with comparative figures for the preceding year and prepared in accordance with GAAP;
- (c) an updated Corporate Chart showing all Subsidiaries of SNC then existing (with the percentage of their Capital Stock owned directly or indirectly by SNC) and an updated list of all Non-Recourse Subsidiaries and of all Project Vehicles in which SNC or any of its Subsidiaries has a material investment; and
- (d) the budget of SNC (on a consolidated basis) for its current fiscal year (including statement of financial position, income statement and statement of cash flows).

16.2 Quarterly Reporting

- (a) SNC will deliver to the Agent, as soon as available and in any event within 60 days after the end of the first, second and third quarters of each fiscal year of SNC, the unaudited consolidated statement of financial position, income statement and statement of cash flows of SNC for each such quarterly periods, all in reasonable detail (with comparative figures for the equivalent quarterly period of the preceding fiscal year in respect of income statement and statement of cashflows and for the last year-end in respect of statement of financial position), prepared in accordance with GAAP;
- (b) SNC will deliver to the Agent, as soon as possible and in any event within 60 days after the end of the first, second and third quarters and 120 days after the end of the fourth quarter of each fiscal year, a Compliance Certificate signed by a senior financial officer of SNC:
 - (i) stating that such officer has reviewed this Agreement and that, after due enquiry, such officer has no knowledge of any Default or, if such officer has such knowledge, specifying such Default and the nature thereof; and
 - (ii) setting forth the calculations or providing the information permitting to monitor compliance with the Financial Covenant, the Permitted Liens limitation of the last paragraph of the definition of Permitted Liens, the covenants of Sections 11.2 and 11.6, the Disposition of Assets limitations of Sections 14.5(e), 14.5(f) and 14.5(g) and the indebtedness limitation of Section 14.6(l).

16.3 Reporting from Time to Time

SNC will furnish to the Agent:

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

16.4 Notice of Material Acquisition or Disposition

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

16.5 Notice of Litigation and Other Matters

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

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

16.6 Documentation

Any document to be furnished to the Agent by SNC must be sent by electronic mail or, if not possible, must be supplied in a sufficient number of copies for each Lender and two for the Agent, and promptly after receipt by the Agent, must be forwarded to the Lenders or posted to their attention on Syndtrak or a similar service. SNC's delivery obligation under Sections 16.1, 16.2(a) and 16.3 may be satisfied by the publication by SNC of the relevant financial statements and information within the specified time on SNC's website at <http://investors.snclavalin.com/en/> or such other address as SNC may notify to the Agent.

17 - EVENTS OF DEFAULT AND REMEDIES

17.1 Events of Default

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

- (a) Failure to Pay. If any Borrower does not pay, when due, any amount in principal payable by it under any Credit Document or does not pay within five (5) Business Days after becoming due another amount payable by it under the Credit Documents, provided that, in the case of a payment other than a payment of principal, interest or fees, an Event of Default under this Subsection will not occur until five (5) Business Days after the Borrowers have been given notice by the Agent of the date, currency and amount of the relevant other payment;
- (b) Negative Covenants. If SNC fails to carry out or observe the provisions of any Negative Covenant set out in Article 14 and such failure remains uncured for a period of five (5) Business days following written notice of such default by the Agent to SNC;
- (c) Financial Covenant. If SNC breaches the Financial Covenant set out in Article 15;
- (d) Reporting. If SNC fails to deliver the financial statements or documents required to be delivered pursuant to Sections 16.1 or 16.2 and such failure remains uncured for a period of ten (10) Business Days following written notice of such default by the Agent;
- (e) Other Breaches. If any Borrower or any Guaranteeing Subsidiary fails to carry out or observe any covenant or provision of any Credit Document (other than a failure described in Sections 17.1(a) through 17.1(d) above) to be observed or performed by it and such failure remains uncured for a period of thirty (30) days following written notice of such default by the Agent to SNC;
- (f) Representations and Warranties. If any representation or warranty made by any Borrower or any Guaranteeing Subsidiary in any Credit Document or in any document or certificate furnished to the Lenders pursuant thereto proves at any time to have been materially incorrect in any material respect, as at the date made or deemed to have been made or repeated;
- (g) Insolvency Event.
 - (i) If any Borrower or any Guaranteeing Subsidiary fails to pay its debts generally as such debts become due, or admits in writing its inability to pay its debts generally as they become due, or makes a general assignment for the benefit of its creditors, or is adjudicated insolvent or bankrupt; or
 - (ii) If any Borrower or any Guaranteeing Subsidiary files a petition in bankruptcy, a proposal or a notice of intention under the *Bankruptcy and Insolvency Act* (Canada), applies for or proposes an arrangement or compromise under *the Companies' Creditors Arrangement Act* (Canada) or commences any similar proceeding under any reorganization,

arrangement or readjustment, composition or liquidation law of any jurisdiction, or appoints or applies for the appointment of a receiver, trustee, monitor, liquidator or sequestrator in respect of itself or any substantial part of its property (collectively, “**proceedings**”); or

- (iii) If there is commenced against any Borrower or any Guaranteeing Subsidiary any such proceeding relating to it or any substantial portion of its property and such proceeding remains undismissed for a period of sixty (60) days; or
- (iv) If any Borrower or any Guaranteeing Subsidiary consents to or approves or accepts any such proceeding commenced against it or any substantial portion of its property;
- (h) Cross-Default. If SNC, or any one of its Wholly-Owned Subsidiaries (other than any Non-Recourse Subsidiary) fails to pay at maturity or when otherwise due, or, in the event a period of grace is provided, within any such applicable period of grace, any Indebtedness for Borrowed Money (other than Non-Recourse Indebtedness) and the amount of such Indebtedness for Borrowed Money, then due and payable by SNC or any one or more of such Subsidiaries, is more than \$100,000,000 in the aggregate (or the equivalent amount in another currency); or if SNC or any one of its Wholly-Owned Subsidiaries (other than any Non-Recourse Subsidiary) fails to comply with any material term, covenant, agreement evidencing any Indebtedness for Borrowed Money (other than Non-Recourse Indebtedness), and as a result of such failure such Indebtedness for Borrowed Money is accelerated and demanded for payment prior to its scheduled maturity for an amount of more than \$100,000,000 in the aggregate (or the equivalent amount in another currency);
- (i) Judgments. If a final judgment or award is rendered against SNC or any of its Wholly-Owned Subsidiaries for an amount in excess of \$100,000,000 (or the equivalent amount in another currency), calculated after giving effect to any insurance coverage, and such judgment or award remains unsatisfied forty five (45) days after having become enforceable;
- (j) Cessation of Business. If any Borrower or any Guaranteeing Subsidiary ceases, or threatens to cease, to carry on all or a substantial part of its business, except, in the case of any Guaranteeing Subsidiary, as may be permitted under this Agreement;
- (k) Termination of Subsidiary Guarantees. If any Guaranteeing Subsidiary gives notice of termination of, or otherwise attempts to terminate or deny its liability under any such Subsidiary Guarantee;
- (l) Control of SNC. If a Person or a group of Persons acting jointly or in concert acquire shares carrying the right to exercise more than 50% of the total voting power attached to all classes of the outstanding voting Capital Stock of SNC.

17.2 Remedies

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

- (a) terminate the right of any Borrower to use the Facilities;
- (b) declare all indebtedness of the Borrowers under the Credit Documents to be immediately payable and demand immediate payment of the whole or part thereof; and
- (c) exercise all of the rights and remedies of the Agent and the Lenders including their rights and remedies under any Credit Document;

provided that all indebtedness of the Borrowers under the Credit Documents will automatically become due and payable without any notice upon the occurrence of any Event of Default specified in Section 17.1(g) and provided further that Section 5.8 will apply with respect to Letters of Credit which are outstanding after acceleration pursuant to this Section 17.2.

18 - EQUALITY AMONG LENDERS

18.1 Distribution among Lenders

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

18.2 Guarantees and Liens

No Lender or Affiliate thereof may take any Guarantee or Lien in connection with the Facilities, Hedging Agreements or Bilateral Letters of Credit except in accordance with this Agreement.

18.3 Direct Payment to a Lender

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

18.4 Adjustments

If, at any time, the ratio of Borrowings owing to a Lender under a Facility to the aggregate amount of all outstanding Borrowings under such Facility is not proportional to such Lender's Commitment under such Facility, expressed as a percentage, the Agent may (and will, after termination of the applicable Facility) make from time to time such adjustments as may be

necessary in order that the outstanding Borrowings under the applicable Facility are in the proportions of the Commitments under such Facility and the Lenders will make all such payments as the Agent may direct to give full effect to such adjustments. The Borrowers will be bound by such adjustments.

19 - THE AGENT AND THE LENDERS

19.1 Appointment of the Agent

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

19.2 Restrictions on the Powers of the Lenders

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

19.3 Guarantees, Subordination and Releases

The Agent is authorized to act on behalf of the Lenders in connection with any Subsidiary Guarantee, any Intercompany Subordination Agreement and the CDPQ Subordination Agreement, and to execute in their name any such agreement. The Agent is also authorized to execute any release of a Subsidiary Guarantee in the circumstances contemplated by Section 11.5.

19.4 Action by Agent

The duties of the Agent are limited to those specifically conferred upon it in the Credit Documents. Except as otherwise provided, the Agent is not required to exercise any discretion or to take any action under the Credit Documents, unless the Agent has been so required by the Majority Lenders (or by all Lenders where the consent of all Lenders is required). In no event will the Agent be required to exercise any right or power if, in its judgment, doing so would contravene any Credit Document or applicable law or where the Agent determines that the indemnity provided in Section 19.6 may not be available or adequate.

19.5 Enforcement Measures

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

19.6 Indemnification

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

19.7 Reliance on Reports

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

19.8 Liability of the Agent

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

19.9 Liability of Lenders

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

19.10 Rights of the Agent as Lender

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

19.11 Competition

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

19.12 Successor Agent

The Agent may resign by giving a prior 30-day notice thereof to SNC and to the Lenders. The Agent may also be replaced by the Majority Lenders following the failure by the Agent to perform its obligations under this Agreement. The replacement of the Agent will be effective upon the appointment by the Majority Lenders (after consultation with SNC) of a successor Agent from among the Lenders. Promptly after being so appointed, any successor Agent must give notice thereof to the Borrowers and the Lenders. From the effective date of its appointment, any successor Agent will be vested with all the rights, powers and duties of the Agent under the Credit Documents.

20 - DECISIONS, DEFAULTING LENDERS AND BAIL-IN

20.1 Decisions by Majority Lenders or Majority Bilateral LC Issuers

Subject to the other provisions of this Article 20:

- (a) The provisions of the Credit Documents affecting the Lenders under the Facilities may be amended or waived, and consents thereunder may be given only in a writing executed by the Agent, with the approval of the Majority Lenders, and in the case of an amendment, also executed by the Credit Party with whom the amendment is made.
- (b) The provisions of the Credit Documents affecting the Bilateral LCs Issuers may be amended or waived, and consents thereunder may be given only in a writing executed by the Majority Bilateral LCs Issuers, and in the case of an amendment, also executed by the Credit Party with whom the amendment is made.
- (c) A waiver, an amendment or a consent which affects the Lenders under the Facilities and the Bilateral LC Issuers and which is approved only:
 - (i) by the Majority Lenders under the Facilities is binding upon the Lenders under the Facilities but not upon the Bilateral LC Issuers; or
 - (ii) by the Majority Bilateral LC Issuers is binding upon the Bilateral LC Issuers but not upon the Lenders under the Facilities.
- (d) Any calculation of the Majority Bilateral LC Issuers will be made based on outstanding obligations under or arising from Bilateral Letters of Credit at the time the relevant waiver, amendment or consent is approved (net of any amount prepaid in accordance with Section 6.4). The Bilateral LC Issuers will cooperate among them to facilitate any such calculation.
- (e) All amounts in a currency other than the Dollar and used to calculate the Majority Lenders or the Majority Bilateral LC Issuers will be expressed in their Dollar equivalent.

20.2 Unanimous Decisions by the Lenders

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

- (a) any increase in the amount of any Facility;
- (b) any postponement of the due date (other than pursuant to Section 2.14) or any subordination, reduction, release of any amount payable hereunder, or any change in the currency of payment of any such amount;
- (c) the reduction of any interest rate, discount rate or fee or any change in Schedule A which would have the same economic effect;
- (d) a change in the definition of Material Subsidiary or in Article 11 (except for Sections 11.6 and 11.8 and for an increase in the Bilateral LC Limit);
- (e) the release of any Subsidiary Guarantee otherwise than in accordance with this Agreement;
- (f) a change in the definition of “Majority Lenders”; and
- (g) the provisions of Sections 1.2 and 2.3, the conditions precedent listed in Section 10.1, an Event of Default described in Section 17.1(a) or Section 17.1(g), the provisions of Articles 18, 19, and 20 and the provisions of Sections 21.3 and 21.8.

provided that if an amendment, a waiver or a consent approved under this Section also relates to a matter listed in Section 20.4 and has not also been approved under Section 20.4 it will be binding only upon the Lenders under the Facilities.

20.3 Amendments Requiring the Consent of the Affected Party

No amendment affecting the rights and obligations of the Agent, any Swingline Lender or any Issuing Lender may be made without the consent of the Agent, the Swingline Lender or the Issuing Lender concerned (as applicable). No increase, extension or change in the currency of the Commitment of any Lender may be made without the consent of such Lender.

20.4 Unanimous Decisions by the Bilateral LC Issuers

Except as otherwise expressly provided in this Agreement, any amendment, waiver or consent that relates to any of the following matters must be made or given in a writing executed by all Bilateral LC Issuers, and in the case of an amendment, also executed by the Borrowers:

- (a) a change in the definition of Material Subsidiary or in Article 11 (except for Sections 11.6 and 11.8 and for an increase in the Bilateral LC Limit);
- (b) the release of any Subsidiary Guarantee otherwise than in accordance with this Agreement;

- (c) a change in the definition of “Majority Bilateral LC Issuers”; and
- (d) the provisions Section 17.1(g), the provisions of Article 20 and the provisions of Sections 21.3 and 21.8.

provided that if an amendment, a waiver or a consent approved under this Section is not also approved under Section 20.2 it will be binding only upon the Bilateral LC Issuers.

20.5 Instructions to the Agent for the Subsidiary Guarantees

- (a) The Agent will be entitled to rely on and to follow instructions relating to any matter concerning the enforcement of any Subsidiary Guarantee that are given by Lenders and Bilateral LC Issuers to whom outstanding obligations under the Facilities and Bilateral Letters of Credit amount in the aggregate to more than 50% of all outstanding obligations to all Lenders under the Facilities and to all Bilateral LC Issuers.
- (b) The Agent will be entitled to determine and calculate the outstanding obligations under Bilateral Letters of Credit based on information provided by the Bilateral LC Issuers at the time of such instructions. The Agent may make any such determination or calculation disregarding the outstanding obligations to any Bilateral LC Issuer who does not timely provide such information to the Agent after being requested to do so and in such case the outstanding obligations to such Bilateral LC Issuer will be deemed to be zero.

20.6 Defaulting Lenders

- (a) Where a Lender has become in default (a “**Defaulting Lender**”), the Agent will notify SNC and each Lender of that fact after having acquired actual knowledge of same. For the purposes of this Agreement, a Lender will be deemed to be in default if (i) such Lender has failed to fund its share of any requested or outstanding Borrowing hereunder (including any related adjustment), (ii) such Lender has notified SNC, the Agent, any Swingline Lender or any Issuing Lender that it does not intend to comply with its funding obligations hereunder or has made a public statement to such effect (except if such position is based on the existence of a Default), (iii) such Lender becomes subject to a “Bail-In Action” (as defined in Section 20.8) or (iv) if any of the events listed in Section 17.1(g) occurs in respect of such Lender or a Person who Controls such Lender.
- (b) At any time following the date of a notification under Section 20.6(a), SNC will be entitled to require that each such Defaulting Lender assign its rights under the Facilities to a Person who would be a permitted assignee under Section 21.4 who has agreed to assume the Commitment of such Defaulting Lender. However, no such assignment and assumption will be effective unless the consideration payable to such Defaulting Lender for the assignment includes all amounts owed to such Defaulting Lender in respect of the Facilities and is paid to the latter by the assignee (together with breakage costs if any) provided that payment in respect of any outstanding Letter of Credit issued by such Defaulting Lender may be effected as contemplated in Section 5.8(f), adapted accordingly; Section 21.4 will apply (adapted accordingly) to the said assignment and assumption and any

Defaulting Lender will take all such actions as are required to promptly effect same.

- (c) Notwithstanding any other provision of this Agreement, from the time a Lender becomes a Defaulting Lender:
- (i) such Defaulting Lender will not be entitled to vote on any issue (other than on a reduction of a principal amount payable to it and any increase or extension of its Commitment) and, subject to the foregoing exceptions, the entirety of its Commitment will be disregarded in the calculation of all Majority Lenders' or Lenders' unanimous decisions;
 - (ii) standby fees and Letter of Credit fees will not accrue and be payable in respect of such Defaulting Lender's Commitment provided that Letter of Credit fees relating to such Defaulting Lender's obligations that are reallocated pursuant to clause (iv) below will be payable to the Lenders to whom such obligations have been reallocated;
 - (iii) such Defaulting Lender will not participate in any new Borrowing and its Commitment will be disregarded in the calculation of the pro rata share of the Lenders in any new Borrowing;
 - (iv) the funding obligations of the Defaulting Lender under Section 2.9 in respect of Borrowings made by any Swingline Lender and under Section 5.7 in respect of payments made by any Issuing Lender under Letters of Credit will be reallocated among the other Lenders under the Revolving Facility and will be calculated excluding the Defaulting Lender's Commitment from the *pro rata* share of the funding obligations of the other Lenders under the Revolving Facility, but only to the extent such reallocation and calculation does not cause the outstanding Borrowings owing to any non-Defaulting Lender to exceed the amount of its Commitment under the Revolving Facility and provided that no such reallocation will release the Defaulting Lender from its obligations hereunder;
 - (v) if a reallocation contemplated in clause (iv) above cannot be effected (in full or in part), SNC will (y) repay to any Swingline Lender the portion of any outstanding Borrowings under Section 2.8 which has not been so reallocated, and (z) prepay, or provide cash collateral to secure the unallocated portion of the funding obligations referred to in Section 5.7 in respect of Letters of Credit;
 - (vi) any Swingline Lender or any Issuing Lender may decline to provide Borrowings under Section 2.8 or issue Letters of Credit under Article 5 (as applicable) if it has an exposure to a Defaulting Lender as a result of any reallocation pursuant to clause (iv) not being fully effected; and
 - (vii) the Agent will be entitled to withhold any amount that would otherwise be distributed or payable to a Defaulting Lender and to apply (in the order determined by the Agent) any such amount to the obligations of such

Defaulting Lender hereunder or to outstanding Borrowings owing to the non-Defaulting Lenders.

- (d) A Lender who becomes a Defaulting Lender will retain such status until the Agent, any Issuing Lender and any Swingline Lender notify such Defaulting Lender that they are satisfied that all existing defaults in respect of such Lender have been remedied and that such Lender has the financial ability to perform its obligations hereunder. Concurrently with such notification, the Agent will make such adjustments among the Lenders as are necessary to give effect to the foregoing and to the fact that Section 20.6(c) has ceased to apply in respect of the Lender concerned, provided that no retroactive adjustments will be made (including with respect to interest and fees).
- (e) For greater certainty, (i) the default by a Lender to perform its obligations hereunder will not relieve any other Lender from its obligations hereunder (including to fund Borrowings in the proportion of its Commitment), and (ii) an assignment of the Commitment of a Defaulting Lender will not relieve such Defaulting Lender from its obligations to indemnify any other party from the consequences of its default.

20.7 Dissenting and Downgraded Lenders

- (a) Where an amendment or waiver referred to in Section 20.2 has been approved by Lenders whose Commitments amount in the aggregate to not less than 75% (but less than 100%) of the Facilities, the Agent will notify SNC and each Lender of such fact and will identify the Lenders approving of such amendment or waiver and the Lenders disapproving of such amendment or waiver (each, a “**Dissenting Lender**”).
- (b) At any time following the date of a notification under Section 20.7(a), SNC will be entitled to require that each such Dissenting Lender assign its rights under the Facilities to another Lender (or a Person who would be a permitted assignee under Section 21.4) who has agreed to assume the Commitment of such Dissenting Lender and to consent as the case may be to the amendment or waiver, provided that no such assignment and assumption will be effective unless the consideration payable to such Dissenting Lender for the assignment includes all amounts owed to such Dissenting Lender in respect of the Facilities and is paid to the latter by the assignee (together with breakage costs if any), provided that payment in respect of any outstanding Letter of Credit issued by such Dissenting Lender may be effected as contemplated in Section 5.8(f), adapted accordingly; Section 21.4 will apply (adapted accordingly) to the said assignment and assumption.
- (c) Notwithstanding Section 20.7(b), SNC will not be entitled to require the replacement of a Dissenting Lender after the expiry of a 45-day time period following the date of the notification under Section 20.7(a) relating to such Dissenting Lender.
- (d) If a Lender does not have a senior unsecured debt credit rating of at least BBB from S&P (or the equivalent rating from Moody’s or another rating agency

acceptable to SNC), SNC will be entitled to exercise the right contemplated in Section 20.7(b) (adapted accordingly) at any time during which such Lender does not have such a debt credit rating.

20.8 Bail-In Provisions

- (a) For the purposes of Section 20.8:
- (i) **“Bail-In Action”** means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.
 - (ii) **“Bail-In Legislation”** means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.
 - (iii) **“EEA Financial Institution”** means (x) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (y) any entity established in an EEA Member Country which is a parent of an institution described in clause (x) of this definition, or (z) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (x) or (z) of this definition and is subject to consolidated supervision with its parent;
 - (iv) **“EEA Member Country”** means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.
 - (v) **“EEA Resolution Authority”** means anybody which has authority to exercise any Write-Down and Conversion Powers.
 - (vi) **“Write-Down and Conversion Powers”** means the write-down and conversion powers of any EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country (which powers are described in the EU Bail-In Legislation Schedule referred to in the definition of Bail-In Legislation).
- (b) Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any the parties thereto, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Credit Document, may be subject to the write-down and conversion powers of an EEA Resolution Authority and consents to, and agrees to be bound by:
- (i) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liability which may be payable to it by any party hereto that is an EEA Financial Institution; and

- (ii) the effects of any Bail-in Action on any such liability, including, if applicable:
 - (x) a reduction in full or in part or cancellation of any such liability;
 - (y) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments will be accepted by it in lieu of any rights with respect to any such liability under any Credit Document; or
 - (z) any variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

21 - MISCELLANEOUS

21.1 Books and Accounts

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

21.2 Determination

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

21.3 Prohibition on Assignment by Borrowers

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

21.4 Assignments and Participations

- (a) A Lender (the “**Assignor**”) may assign, in whole or in part, its Commitment and related Borrowings to any other Lender or another Person who makes, purchases or otherwise invests in commercial loans in the ordinary course of its business (the “**Assignee**”). The assignment must be made in writing substantially in the form of Schedule I. The Assignor must pay to the Agent, for its own account, an assignment fee of \$5,000. When the assignment becomes effective, the Assignee will become a Lender and will benefit from the rights and be liable for the obligations of the Assignor, proportionately to the assigned Commitment, and, to the same extent, the Assignor will be released from its obligations.

- (b) Except if an Event of Default has occurred and is continuing, a partial assignment will be in a minimum amount of \$25,000,000 and no partial assignment of a Commitment may be made if the residual amount of the total Commitment of the Assignor or if the total Commitment of the Assignee is less than \$25,000,000. Any partial assignment with respect to the Revolving Facility will be applied pro rata to each tranche thereof.
- (c) Concurrently with any assignment in favour of an Assignee who is not, at the time of the assignment, party to this Agreement, each Credit Party who has provided a Guarantee must (if so requested by the Agent) acknowledge that the Assignee is entitled to the benefit of such Guarantee.
- (d) Each assignment by a Lender is subject to the prior consent of the Agent, any Swingline Lender and any Issuing Lender and, if made at a time when no Event of Default is continuing, to the prior consent of SNC. Such consents will not be unreasonably withheld or delayed. Any withholding of consent by any party due to such party not being satisfied with the credit quality or credit rating of the proposed Assignee will be deemed to be reasonable and, in all cases, any Assignee must have a senior unsecured debt credit rating of at least BBB from S&P (or the equivalent rating from Moody's or another rating agency acceptable by the parties whose consents are required).
- (e) Sections 21.4(a) to 21.4(d) do not apply (i) to a participation that a Lender may grant to another financial institution or investor, provided that no such participation will release any Lender from its obligations under the Credit Documents nor will increase the obligations of the Borrowers hereunder, and (ii) to an assignment made for the purposes of giving effect to Sections 18.3 and 18.4.
- (f) All assignments and participations made at a time no Event of Default has occurred and is continuing must be at no cost to the Borrowers.
- (g) If a Lender who is an Issuing Lender assigns the whole or part of its Commitment, its Fronting Exposure will be cancelled or reduced proportionally (as applicable) at the time the assignment becomes effective. Such Lender will however retain all of its rights and obligations hereunder in its capacity as Issuing Lender with respect to Letters of Credit which are outstanding at the time of such assignment (including its entitlement to fronting fees for such Letters of Credit). If such assignment relates to (i) the whole of the Commitment of such Lender, its right to prepayment under Section 5.8 with respect to such Letters of Credit will be determined without regard to any subsequent extension of the Revolving Facility Maturity Date then applicable to it, and (ii) such Lender will no longer be entitled to vote on any issue and its consent will not be needed on matters on which the consent of an Issuing Lender is required.
- (h) If a Lender assigns the whole of its Commitment, such Lender will cease at the time the assignment becomes effective to be a Bilateral LC Issuer with respect to any Letter of Credit that such Lender may issue thereafter. However, such Lender will retain all its rights and obligations in its capacity as Bilateral LC Issuer with respect to all Bilateral Letters of Credit previously issued by it under Article 6 and outstanding, including its voting rights under Article 20.

21.5 No Waiver

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

21.6 Irrevocability of Notices of Borrowings

SNC may not cancel a request or a notice for a Borrowing, conversion, renewal, reduction or prepayment, unless applicable breakage costs are paid, as provided in by Section 21.8.

21.7 Set-off

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

21.8 Indemnification

- (a) SNC must pay on demand the amount of all reasonable costs and expenses (including reasonable legal and other professional fees) incurred by the Agent in connection with any Facility and the preparation, negotiation, execution, syndication and administration of the Credit Documents, as well as the reasonable costs and expenses incurred by the Agent or the Lenders in connection with the enforcement of, or the preservation of any rights under, any Credit Document.
- (b) If any law, regulation, administrative decision, guideline, decision or instruction of any competent authority (including any modification or interpretation of any of the foregoing) enacted, issued, made or becoming effective after the date hereof (i) increases the cost of any Facility for any Lender or (ii) reduces the income receivable by any Lender from any Facility (including, without limitation, by reason of the imposition of reserves, taxes or requirements as to the capital adequacy of such Lender but in no event by reason of taxes on the overall net income of a Lender), such Lender may send to SNC a statement indicating the amount of such additional cost or reduction of income accompanied by a certificate of an officer of said Lender setting out the basis of calculation of such amount; in the absence of manifest error, this statement shall be conclusive evidence of the amount of such additional cost or reduction of income and SNC must pay forthwith said amount to such Lender.
- (c) SNC must pay on demand the amount of breakage costs or any loss suffered by a Lender as a result of an event contemplated in Section 21.6 or of the conversion or repayment of a Borrowing before the maturity date of its period, irrespective of the cause of such conversion or repayment (including a repayment before maturity resulting from a demand for payment after the occurrence of an Event of Default). In the absence of manifest error, a statement prepared by such Lender

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

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

21.9 Sharing of Information

- (a) The Lenders will not without the prior written consent of SNC disclose confidential information obtained from the Credit Parties but may share with each other any such information and any other information held by them regarding the Credit Parties or relating to matters contemplated by the Credit Documents or the Hedging Agreements. The Lenders may also provide any of the foregoing non-public information on a confidential and need-to-know basis to any Person which is an assignee or a prospective assignee of Commitments or a participant or a prospective participant in any Facility or a counterparty or prospective counterparty to any Hedging Agreement.
- (b) The Agent may disclose to any agency or organization that assigns standard identification numbers to credit Facilities such basic information describing the Facilities as is necessary to assign unique identifiers (and, if requested, supply a copy of this Agreement), it being understood that the Person to whom such disclosure is made will be informed of the confidential nature of such information and instructed to make available to the public only such information as such person normally makes available in the course of its business of assigning identification numbers. In addition, the Agent may provide to Loan Pricing Corporation or other recognized publishers of information for circulation in the loan market information of the type customarily provided by financial institutions to Loan Pricing Corporation.

21.10 Corrections of Errors

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

21.11 Communications

Each of the Agent and the Lenders is entitled to rely in its dealings with any Borrower upon any instruction or notice which it believes in good faith to have been given by a Person

authorized to give such instruction or notice or to make the applicable transaction on behalf of such Borrower.

21.12 Counterparts

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

21.13 Waiver of Jury Trial

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

22 - NOTICES

22.1 Sending of Notices

Unless otherwise provided, any notice to be given to a party under this Agreement will be given in writing and will be given by personal delivery, by a reputable delivery service, by telecopier or (except for any notice pursuant to Article 17) by electronic mail, addressed to the recipient at its address specified in Schedule J in the case of any Borrower or the Agent or at its address provided to the Agent in the case of the other parties or, in each case, at such other address as may be notified by such party to the others pursuant to this Article. Any notice given by the Agent to any Lender may also be given by posting same on Syndtrack or any similar service to which such Lender has been given access.

22.2 Receipt of Notices

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

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

SNC-LAVALIN GROUP INC., as Borrower

Per: (signed) Sylvain Girard
Sylvain Girard
Executive Vice-President and Chief
Financial Officer

Per: (signed) Stéphanie Vaillancourt
Stéphanie Vaillancourt
Senior Vice-President and Treasurer

BANK OF MONTREAL, as Agent

Per: (signed) Bruno Jarry
Bruno Jarry
Director

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

COMMITMENTS

Tranches A: \$158,846,153.85
Tranche B: \$47,653,846.15
Term Facility: \$64,333,000.00

Tranches A: \$158,846,153.85
Tranche B: \$47,653,846.15
Term Facility: \$64,334,000.00

Tranches A: \$158,846,153.85
Tranche B: \$47,653,846.15
Term Facility: \$64,333,000.00

LENDERS

BANK OF MONTREAL, as Lender

Per: (signed) Bruno Jarry
Bruno Jarry
Director

NATIONAL BANK OF CANADA, as Lender

Per: (signed) Alexandre Huot
Alexandre Huot
Director

Per: (signed) Dominic Albanese
Dominic Albanese
Director

THE BANK OF NOVA SCOTIA, as Lender

Per: (signed) David Loewen
David Loewen
Director

Per: (signed) Daniel Zolov
Daniel Zolov
Associate Director

COMMITMENTS

Tranches A: \$158,846,153.85
Tranche B: \$47,653,846.15
Term Facility: \$40,000,000.00

Tranches A: \$158,846,153.85
Tranche B: \$47,653,846.15
Term Facility: \$40,000,000.00

Tranches A: \$158,846,153.85
Tranche B: \$47,653,846.15
Term Facility: \$40,000,000.00

LENDERS

CANADIAN IMPERIAL BANK OF COMMERCE,
as Lender

Per: (signed) Charles St-Germain
Charles St-Germain
Managing Director

Per: (signed) Anissa Rabia-Zeribi
Anissa Rabia-Zeribi
Executive Director

**CRÉDIT AGRICOLE CORPORATE AND
INVESTMENT BANK (CANADA BRANCH),**
as Lender

Per: (signed) Xavier Roux
Xavier Roux
Senior Country Officer

HSBC BANK CANADA, as Lender

Per: (signed) Jossia Belisle
Jossia Belisle
Director

Per: (signed) Yann le Montreer
Yann le Montreer
Director

COMMITMENTS

Tranches A: \$158,846,153.85
Tranche B: \$ 47,653,846.15
Term Facility: \$40,000,000.00

Tranches A: \$158,846,153.85
Tranche B: \$47,653,846.15
Term Facility: \$40,000,000.00

Tranches A: \$158,846,153.85
Tranche B: \$47,653,846.15
Term Facility: \$0.00

Tranches A: \$158,846,153.85
Tranche B: \$47,653,846.15
Term Facility: \$0.00

LENDERS

ROYAL BANK OF CANADA, as Lender

Per: (signed) Khalil Ben Achour
Khalil Ben Achour
Authorized Signatory

THE TORONTO-DOMINION BANK, as Lender

Per: (signed) Mel Saklatvala
Mel Saklatvala
Director

Per: (signed) Oana Frumosu
Oana Frumosu
Director

BNP PARIBAS, as Lender

Per: (signed) Edouard Sinor
Edouard Sinor
Managing Director

Per: (signed) Jean Rolin
Jean Rolin
Director

EXPORT DEVELOPMENT CANADA,
as Lender

Per: (signed) Michael Lambe
Michael Lambe
Senior Associate

Per: (signed) Jeff Patterson
Jeff Patterson
Manager

COMMITMENTS

Tranches A: \$71,153,846.15
Tranche B: \$21,346,153.85
Term Facility: \$19,000,000.00

Tranches A: \$71,153,846.15
Tranche B: \$21,346,153.85
Term Facility: \$19,000,000.00

Tranches A: \$71,153,846.15
Tranche B: \$21,346,153.85
Term Facility: \$19,000,000.00

LENDERS

BANK OF AMERICA N.A., CANADA BRANCH,
as Lender

Per: (signed) James K.G. Campbell
James K.G. Campbell
Director

SUMITOMO MITSUI BANKING CORPORATION,
CANADA BRANCH, as Lender

Per: (signed) Steve Nishimura
Steve Nishimura
Managing Director
Corporate Banking

MUFG BANK, LTD., CANADA BRANCH,
as Lender

Per: (signed) Thomas Isidean
Thomas Isidean
Vice President

Per: (signed) Amos Simpson
Amos Simpson
Managing Director

COMMITMENTS

Tranches A: \$39,615,384.61
Tranche B: \$11,884,615.39
Term Facility: \$10,000,000.00

*ATB Financial will be deemed to have the same credit ratings as the Province of Alberta so long as it is an agent of the Crown of Alberta.

Tranches A: \$39,615,384.61
Tranche B: \$11,884,615.39
Term Facility: \$10,000,000.00

Tranches A: \$39,615,384.61
Tranche B: \$11,884,615.39
Term Facility: \$10,000,000.00

LENDERS

ATB FINANCIAL,
as Lender*

Per: (signed) Jeff Blank
Jeff Blank
Director
Project Finance

Per: (signed) Mona Sidhu
Mona Sidhu
Associate Director

CITIBANK, N.A. CANADIAN BRANCH,
as Lender

Per: (signed) Azita Taravati
Azita Taravati
Authorized Signatory

FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC, as Lender

Per: (signed) Olivier Lacaille
Olivier Lacaille
Vice-président, Financement corporatif
Vice President, Corporate Banking

Per: (signed) Dominique Parizeau
Dominique Parizeau
Directeur général
Gestion du Portefeuille, Grandes
Entreprises
Managing Director
Portfolio Management, Corporate
Banking

COMMITMENTS

Tranches A: \$39,615,384.61
Tranche B: \$11,884,615.39
Term Facility: \$10,000,000.00

Tranches A: \$39,615,384.61
Tranche B: \$11,884,615.39
Term Facility: \$10,000,000.00

LENDERS

MIZUHO BANK, LTD., as Lender

Per: (signed) Brad C. Crilly
Brad C. Crilly
Managing Director

UNITED OVERSEAS BANK, as Lender

Per: (signed) Jane Taylor
Jane Taylor
VP, Corporate Banking

**SCHEDULE A
APPLICABLE MARGIN OR RATE**

Pricing grids

Tranche A of the Revolving Facility and the Term Facility

Rating or equivalent	Prime or US Base Rate	Libor / Acceptance Fee	Standby Fee under Tranche A	Financial LC Fee*	Non-Financial and Documentary LC Fee
≥ A-	■	■	■	■	■
BBB+	■	■	■	■	■
BBB	■	■	■	■	■
BBB-	■	■	■	■	■
≤BB+	■	■	■	■	■

Redacted – Pricing information

* If the aggregate outstanding amount of all Letters of Credit issued under the Revolving Facility and all Bilateral Letters of Credit exceeded ■ at the end of any quarter for which a Compliance Certificate has been delivered, then a fee reduction of ■ will apply for the quarter during which the Compliance Certificate has been delivered.

Redacted – Pricing information

Tranche B of the Revolving Facility

Rating or equivalent	Standby Fee	Non-Financial and Documentary LC Fee
≥ A-	■	■
BBB+	■	■
BBB	■	■
BBB-	■	■
≤BB+	■	■

Redacted – Pricing information

DETERMINATION OF APPLICABLE MARGIN OR RATE

- The rates of the margins applicable to Prime Rate Loans, US Base Rate Loans, Libor Loans and the rates of the Acceptance fees, standby fees, Financial Letter of Credit fees Non-Financial Letter of Credit fees and Documentary Letter of Credit fees under the Facilities (the “**Rates**”) will be determined as set forth in this Schedule.

2. During any day where SNC has two Credit Ratings from the Rating Agencies, the applicable Rates will be those which correspond to the Credit Ratings in effect at the close of business on such day, as specified in the above grids. If, on any day, the two Credit Ratings are not at the same level, then the higher Credit Rating will apply except that if the two Credit Ratings are two (or more than two) levels apart, the Credit Rating which is one level above the lower will apply.
3. If on any day, SNC has only one Credit Rating, then the applicable Rates will be those which correspond to such Credit Rating on the close of business of such day, provided such Credit Rating is from Moody's or S&P.
4. If, on any day, SNC does not have a Credit Rating from any of Moody's or S&P then the applicable Rates will be those which correspond to a Credit Rating of lower than BB+.
5. Interest, Letter of Credit fees and standby fees will be calculated, for any day, using the applicable Rate in effect on the relevant day. Acceptance fees will be calculated using the Rate in effect on the date such fees are payable. Any change of Rate will give rise to adjustments to Acceptance fees previously calculated if the period of calculation extended beyond the date of the change. The adjustments will apply to the number of days remaining to accrue from the date of the change. The adjustments will be calculated by the Agent and be payable by the Borrowers or the Lenders (as applicable) three Business Days after demand from the Agent.

**SCHEDULE B
TABLE OF COMMITMENTS**

Lender	Tranche A (C\$)	Tranche B (C\$)	Total Revolving Facility Percentage	Term Facility (C\$)	Total Term Facility Percentage
Bank of Montreal (also Issuing Lender)	\$ 158,846,153.85	\$ 47,653,846.15	7.9%	\$64,333,000.00	12.9%
National Bank of Canada (also Issuing Lender)	\$ 158,846,153.85	\$ 47,653,846.15	7.9%	\$64,334,000.00	12.9%
The Bank of Nova Scotia (also Issuing Lender)	\$ 158,846,153.85	\$ 47,653,846.15	7.9%	\$64,333,000.00	12.9%
Canadian Imperial Bank of Commerce (also Issuing Lender)	\$ 158,846,153.85	\$ 47,653,846.15	7.9%	\$40,000,000.00	8.0%
Crédit Agricole Corporate and Investment	\$ 158,846,153.85	\$ 47,653,846.15	7.9%	\$40,000,000.00	8.0%

Lender	Tranche A (C\$)	Tranche B (C\$)	Total Revolving Facility Percentage	Term Facility (C\$)	Total Term Facility Percentage
Bank (Canada Branch) (also Issuing Lender)					
HSBC Bank Canada (also Issuing Lender)	\$ 158,846,153.85	\$ 47,653,846.15	7.9%	\$40,000,000.00	8.0%
Royal Bank of Canada (also Issuing Lender)	\$ 158,846,153.85	\$ 47,653,846.15	7.9%	\$40,000,000.00	8.0%
The Toronto-Dominion Bank (also Issuing Lender)	\$ 158,846,153.85	\$ 47,653,846.15	7.9%	\$40,000,000.00	8.0%
BNP Paribas (also Issuing Lender)	\$ 158,846,153.85	\$ 47,653,846.15	7.9%	\$0.00	0.00%
Export Development Canada	\$ 158,846,153.85	\$ 47,653,846.15	7.9%	\$0.00	0.00%
Bank of America	\$ 71,153,846.15	\$ 21,346,153.85	3.6%	\$19,000,000.00	3.8%

Lender	Tranche A (C\$)	Tranche B (C\$)	Total Revolving Facility Percentage	Term Facility (C\$)	Total Term Facility Percentage
N.A., Canada Branch					
Sumitomo Mitsui Banking Corporation, Canada Branch	\$ 71,153,846.15	\$ 21,346,153.85	3.6%	\$19,000,000.00	3.8%
MUFG Bank, Ltd., Canada Branch	\$ 71,153,846.15	\$ 21,346,153.85	3.6%	\$19,000,000.00	3.8%
ATB Financial	\$ 39,615,384.61	\$ 11,884,615.39	2.0%	\$10,000,000.00	2.0%
Citibank, N.A. Canadian Branch (also Issuing Lender)	\$ 39,615,384.61	\$ 11,884,615.39	2.0%	\$10,000,000.00	2.0%
Fédération des caisses Desjardins du Québec	\$ 39,615,384.61	\$ 11,884,615.39	2.0%	\$10,000,000.00	2.0%
Mizuho	\$ 39,615,384.61	\$ 11,884,615.39	2.0%	\$10,000,000.00	2.0%

Lender	Tranche A (C\$)	Tranche B (C\$)	Total Revolving Facility Percentage	Term Facility (C\$)	Total Term Facility Percentage
Bank, Ltd.					
United Overseas Bank Limited	\$ 39,615,384.61	\$ 11,884,615.39	2.0%	\$10,000,000.00	2.0%
Total	\$2,000,000,000.00	\$600,000,000.00	100.00%	\$500,000,000.00	100.00%

Note: The amount and percentage shown above in respect to each Lender who is also a Swingline Lender (other than the Lender who is the Agent) will be adjusted pursuant to Section 2.10 as long as such Lender's Swingline Availability is in effect.

** Percentages have been rounded and are not exact*

**SCHEDULE C
COMPLIANCE CERTIFICATE**

[Date]

[Name and address of Agent]

In its capacity as agent under the Credit Agreement defined below (the “Agent”)

RE: Compliance Certificate under the Credit Agreement

Reference is made to the second amended and restated credit agreement (the “**Credit Agreement**”) entered into between the Agent, the Lenders party thereto and SNC-Lavalin Group Inc., as borrower (and collectively with any other Person who becomes a Borrower under the Credit Agreement, the “**Borrowers**”) on April 30, 2018. Capitalized terms used but not defined herein have the meaning given to them in the Credit Agreement.

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

I also certify that, on the last day of the financial quarter of SNC ended on [●]:

1. the Net Recourse Debt to EBITDA ratio of SNC, on a rolling twelve (12) month period, calculated in the manner set forth in the Credit Agreement, was [●] to 1.00 (the maximum permitted being 3.75:1, subject to Section 15.1.2 of the Credit Agreement);
2. the Material Subsidiaries consisted only of the Guaranteeing Subsidiaries [**and [●]**];
3. the outstanding amount of all obligations secured by Liens permitted under subsections (f), (g), (h), (o) and (r) of the definition of “Permitted Liens” was \$[●];
4. each Subsidiary of SNC whose assets include loans and advances to Credit Parties exceeding \$50,000,000 in the aggregate has executed an or has become party to the Intercompany Subordination Agreement [**except for the following Subsidiaries: [●]**];
5. the aggregate amount of unsecured Indebtedness for Borrowed Money of the Wholly-Owned Subsidiaries (other than Non-Recourse Subsidiaries) permitted under Section 14.6(l) is \$[●];
6. the aggregate amounts of the Dispositions of assets to which the covenants of Section 14.5(e) apply and made since the beginning of the current fiscal year of SNC were \$ [●];
7. the aggregate amounts of the Dispositions of assets to which the covenant of Section 14.5(g) apply and made since the beginning of the current fiscal year of SNC were \$ [●];
8. the information contained in the most recent Corporate Chart, including the list of all Non-Recourse Subsidiaries and all Project Vehicles, delivered pursuant to Section 16.1(c)

of the Credit Agreement. was still accurate in all material respects [, **except for such changes as are described in an annex hereto and we attach an updated Corporate Chart reflecting such changes**]¹; and

9. the aggregate outstanding amount of all outstanding Bilateral Letters of Credit, expressed in Dollars, was \$[●].
10. the aggregate outstanding amount of all outstanding Letters of Credit issued under the Revolving Facility and of all outstanding Bilateral Letters of Credit, expressed in Dollars, was \$[●].

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

[Name]
[Title]

Note: The details to be given are the following:

A. With respect to Net Recourse Debt:

- the aggregate amount of Indebtedness for Borrowed Money of SNC, indicating separately the negative mark-to-market value of Hedging Agreements (calculated on a net basis after aggregating the then position of all counterparties under such Hedging Agreements) and the aggregate amount of outstanding Financial Letters of Credit;
- the aggregate amount of Non-Recourse Indebtedness to exclude from the foregoing;
- the aggregate amount of Cash and Cash Equivalent Investments;
- the aggregate amount of Cash and Cash Equivalent Investments of Non-Recourse Subsidiaries and Project Vehicles or made with advances or down payments from clients.

B. With respect to EBITDA:

- the Consolidated Net Income of SNC;
- the net income coming from Non-Recourse Subsidiaries and Project Vehicles (to be excluded from the Consolidated Net Income of SNC as if SNC had no investment or other interest in these subsidiaries or vehicles);
- all of the items described in paragraphs (a) and (b) of the definition of EBITDA; and
- adjustments made to the above to take into account the integration or exclusion of the historical results of a business further to its acquisition or disposition.

SCHEDULE D LITIGATION AND INVESTIGATIONS

The following actions and investigations which are referred to in Note 34 to the audited consolidated financial statements of SNC for the year ended December 31, 2017:

- 1) Two class actions commenced in the Ontario Superior Court and Quebec Superior Court, respectively, seeking damages on behalf of persons who acquired SNC's securities between November 6, 2009 and February 27, 2012.
- 2) Charges laid against SNC and its indirect subsidiaries SNC-Lavalin International Inc. and SNC-Lavalin Construction Inc. on February 19, 2015 by the Royal Canadian Mounted Police (the "RCMP") and the Public Prosecution Service of Canada. Each entity has been charged with one count of fraud under section 380 of the Criminal Code(Canada) and one count of corruption under Section 3(1)(b) of the Corruption of Foreign Public Officials Act (Canada), (the "Charges"). These Charges follow the RCMP's formal investigation (including in connection with the search warrant executed by the RCMP at SNC 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 and certain other matters.
- 3) Investigations relating to SNC regarding the projects referred to in SNC's press release of March 26, 2012 which led to charges being laid against the former Chief Executive Officer and the former Executive Vice-President of SNC in connection with the MUHC Project.
- 4) An ongoing investigation relating to SNC by the Autorité des marchés financiers (Québec), as described in the judgment of the Quebec Court of Appeal 500-09-023270-135.

The following investigation which will be referred to in Note 12 to the unaudited consolidated quarterly financial statements of SNC for the quarter ended March 31, 2018:

- 5) RCMP investigation referred to as "Project Agrafe" relating to alleged payments in connection with a 2002 contract for the refurbishment of the Jacques Cartier bridge by SNC-Lavalin, and which led to charges being laid against the former head of the Canada Federal Bridges Corporation in 2016 and a subsequent guilty plea by such individual in 2017.

SCHEDULE E
LIST OF PROJECTS

Okanagan Lake Concession Limited Partnership
Rainbow Hospital Partnership (Restigouche Hospital, New Brunswick)
Infrastructure Famille Santé Inc. (Ste-Justine Hospital, Montreal)
Rideau Transit Group GP (Ottawa Light Rail Transit)
Evergreen Project (Light Rail Rapid Transit, British Columbia)
407 East Development Group General Partnership
407 International Inc.
Chinook Roads Partnership
Groupe Immobilier Santé McGill (McGill University Health Centre)
TC Dôme S.A.S.
Astoria Project Partners II LLC
InTransit BC Limited Partnership
Myah Tipaza S.p.A.
Piramal Roads Infra Private Limited (now named Highway Concession One)
Shariket Kahraba Hadjret En Nouss S.p.A.
InPower BC General Partnership (John Hart Generating Replacement Facility)
Pacific Future Energy Corporation
Signature on the Saint-Laurent Group General Partnership
Crosslinx Transit Solution General Partnership

SCHEDULE F
NOTICE OF BORROWING
[CONVERSION OR RENEWAL]

[Date]

[Name and address of Agent]

In its capacity as agent under the Credit Agreement defined below (the “Agent”)

RE: Notice of Borrowing [Conversion or Renewal]

Reference is made to the second amended and restated credit agreement (the “**Credit Agreement**”) entered into between the Agent, the Lenders party thereto and SNC-Lavalin Group Inc., as borrower (and collectively with any other Person who becomes a Borrower under the Credit Agreement, the “**Borrowers**”) on April 30, 2018. Capitalized terms used but not defined herein have the meaning given to them in the Credit Agreement.

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

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

[We certify that the Borrowing will be used in accordance with Section 2.3 of the Credit Agreement.]

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

[Name of Borrower concerned]

By: _____

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

SCHEDULE G
REQUEST FOR THE ISSUANCE OF A LETTER OF CREDIT

[Name and address of the Applicable Issuing Lender or Bilateral LC Issuer. Where the application is made under the Revolving Facility, a copy of same must be provided to the Agent.]

Reference is made to the second amended and restated credit agreement (the “**Credit Agreement**”) dated on as of April 30, 2018 entered into between SNC-Lavalin Group Inc., as borrower (and collectively with any other Person who becomes a Borrower under the Credit Agreement, the “**Borrowers**”), the Lender named above (and also as Issuing Lender), Bank of Montreal as Agent and the other Lenders party thereto. Capitalized terms used but not defined herein have the meaning given to them in the Credit Agreement.

We request the issuance of the following **[Letter of Credit under the Revolving Facility] [Bilateral Letter of Credit]**:

- (i) **[specify the applicable Tranche if the Letter of Credit will be issued under the Revolving Facility];**
- (ii) type of Letter of Credit: **[specify whether the Letter of Credit will be a Non-Financial, Financial or Documentary Letter of Credit],**
- (iii) name of the beneficiary:
- (iv) amount, currency and term:
- (v) **[specify whether the Letter of Credit will contain an “automatic renewal” clause, namely a clause providing for its renewal on its stated maturity in the absence of a prior notice of non-renewal by the Issuing Lender and also specify the time-limit for giving in such case a notice of non-renewal]**
- (vi) **[provide any other relevant information]**

We attach a draft of the Letter of Credit requested to be issued. On the date hereof, we certify that the representations and warranties set forth in the Credit Agreement are still true and correct in all material respects and that no Default has occurred and is continuing or would result from the requested Letter of Credit.

[Name of Borrower concerned]

By: _____

Note: This form (adapted accordingly) may also be used for a request for an amendment or renewal.

**SCHEDULE H
LIST OF CERTAIN DEBTS**

Currency: Canadian Dollar

Balance of purchase price payable relating to acquisitions of businesses

	<i><u>As of Dec 31, 2017</u></i>
Legal Entity Acquired	Balance
Marthe Engenharia	2,653,000 ⁽¹⁾
Minerconsult	1,867,000 ⁽²⁾
Total	4,520,000

(1) Included in "Other current financial liabilities" in the statement of financial position as at December 31, 2017.

(2) Included in the "Other non-current financial liabilities" in the statement of financial position as at December 31, 2017.

SCHEDULE I
FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

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

WHEREAS a second amended and restated credit agreement (as amended and supplemented from time to time, the “**Credit Agreement**”) has been entered into as of April 30, 2018 among the Agent, the Lenders party thereto and SNC-Lavalin Group Inc., as borrower (and collectively with any other Person who becomes a Borrower under the Credit Agreement, the “**Borrowers**”).

WHEREAS the Assignor is a Lender under the Credit Agreement;

WHEREAS, as provided in the Credit Agreement, the Assignor has a Commitment under the Revolving Facility in an amount of \$ _____, and under the Term Facility in an amount of \$ _____;

WHEREAS a Lender may assign, in whole or in part, its Commitment with respect to any Facility to another Person pursuant to Section 21.4 of the Credit Agreement;

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

NOW, THEREFORE, the parties hereto agree as follows:

1. Definitions

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

2. Assignment

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

3. Assumption

The Assignee hereby accepts such assignment and assumes all of the obligations of the Assignor (the “**Assigned Obligations**”) under the Credit Agreement to the extent of the Assigned Amounts, including, for greater certainty, the corresponding portion of Tranche A and Tranche B of the Revolving Facility as well as the Term Facility made available to the Borrowers by the Assignor and still in effect on the Effective Date (as hereinafter defined).

4. Effective Date

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

5. Rights and Obligations of the Parties

Upon the execution and delivery of this Agreement by the Assignor and the Assignee, the consent hereto by the Borrowers (if required under the Credit Agreement), the Agent, the Swingline Lenders and the Issuing Lenders:

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

6. Payments

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

7. Non-Reliance on Assignor

The Assignor makes no representation in connection with, and will have no responsibility with respect to the solvency or financial condition or statements of any Credit Party or of

any other Person, or the validity and enforceability of the Credit Documents. The Assignee acknowledges that it has, independently and without reliance on the Assignor, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and will continue to be responsible for making its own independent appraisal of the financial condition of any Credit Party or of any other Person.

8. Representations

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

9. Warranty

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

10. Existing Lender

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

11. Governing Law

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

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

[ASSIGNOR], as Lender

[ASSIGNEE]

By: _____
Title:

By: _____
Title:

SCHEDULE J
ADDRESSES FOR NOTICE PURPOSES

BANK OF MONTREAL, as Agent

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

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

For financial reporting:

Joanne Bourassa
Agency Deal Specialist
BMO Financial Group
Corporate Lending Operations
3rd Floor
234 Simcoe St.
Toronto, Ontario M5T 1T4

Fax: 416-598-6320
E-mail: joanne.bourassa@bmo.com

For all other purposes:

Bruno Jarry
Director, Corporate Banking
129 Saint-Jacques St., 11th Floor
Montréal, Québec H2Y 1L6
Fax: 514-282-5920
E-mail: bruno.jarry@bmo.com

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

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

With a copy to:

generalcounsel@snclavalin.com
corporatesecretary@snclavalin.com
secretairecorporatif@snclavalin.com
treasurer@snclavalin.com