



## Audit and Risk Committee Mandate

### 1. MISSION

The Audit and Risk Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of AtkinsRéalis Group Inc. (the “Company”) which assists the Board in providing oversight on the Company’s control environment and reporting and in overseeing the Company’s Enterprise Risk Management (“ERM”) framework, strategy, policies and governance. The Committee also monitors through reasonable measures whether the Company complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

### 2. COMPOSITION

The Committee is composed of not less than three (3) and not more than seven (7) Directors, all of whom must be “independent” as determined by the Board in compliance with Canadian securities legislation and regulations.

Furthermore, every Committee member must be financially literate or must become financially literate<sup>1</sup> within a reasonable period of time following appointment to the Committee.

At least one (1) member of the Human Resources Committee sits on the Committee and vice versa. At least one (1) member of the Safety, Project Oversight and Technology Committee sits on the Committee and vice versa.

Subject to the By-Laws of the Company, the Chair and members of the Committee are recommended by the Governance, Ethics and Sustainability Committee and appointed by the Board.

### 3. ACTIVITIES, DUTIES AND RESPONSIBILITIES

#### 3.1 Primary Accountability

- (A) The Committee assists the Board in the discharge of its responsibilities relating to the Company’s accounting policies, reporting practices and internal controls and financial and enterprise risk management in compliance with applicable legal and regulatory requirements.

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<sup>1</sup> In accordance with the definition of “financial literacy” set out in Section 1.6 of *Regulation 52-110 respecting Audit Committees* and as determined by the Board.



## 3.2 Financial Reporting

- (A) The Committee reviews and recommends to the Board for approval the Company's unaudited quarterly financial statements and accompanying notes and related press release.
- (B) Before their publication, the Committee reviews and recommends to the Board for approval the Company's audited annual financial statements and accompanying notes, related press release as well as the statement of management's responsibility for the financial statements and any significant accounting changes and disclosure of issues.
- (C) Before its publication, the Committee reviews and recommends to the Board for approval the Company's Management's Discussion and Analysis, with particular attention to the use and consistency of non-GAAP financial measures, and presentation of unusual or sensitive matters such as disclosure of related party transactions, significant non-recurring events, significant risks, changes in accounting policies, and estimates or reserves, and significant variances between comparative reporting periods.
- (D) Before its publication, the Committee reviews and recommends to the Board for approval the Company's Annual Information Form.
- (E) The Committee periodically receives reports and assesses the adequacy of the procedures in place for the Company's public disclosure of financial information extracted or derived from the Company's financial statements, including periodic external investor presentations, other than the public disclosure documents set out in paragraphs (B), (C), and (D) above.
- (F) Before their publication, the Committee reviews and recommends to the Governance, Ethics and Sustainability Committee for endorsement the Company's key reporting metrics included in its public disclosure documents, as well as the control framework and assurances in place to ensure their appropriateness.

## 3.3 Accounting Policies, Reserves and Tax Matters

- (A) The Committee reviews the appropriateness of the accounting policies used in the preparation of the Company's financial statements and, at least each year, reviews the key accounting policies and accounting treatments that are particular to the Company, and any proposed changes to such policies.
- (B) Each quarter, the Committee reviews the specific account balances on the Company's balance sheet which are used to flag areas of risk that are subject to greater accounting estimation and judgement (referred to internally as "policy escalations").



- (C) Each quarter, the Committee receives the legal report and reviews significant litigation matters and material developments in relation to the adequacy of the Company's reserves for litigation, claims or other contingencies and the appropriateness of related disclosure.
- (D) Each year, the Committee receives a report and reviews tax filing compliance, uncertain tax provisions and emerging tax issues.

### 3.4 Controls and Control Deviations / CEO/CFO Certification

- (A) The Committee reviews the quality and integrity of the Company's internal controls, disclosure controls and procedures and management information systems, with particular emphasis on accounting and financial controls, and recommends changes where appropriate.
- (B) The Committee reviews management's reporting on internal controls and disclosure controls and procedures, including:
  - (i) the disclosure of significant deficiencies in the design and operation of internal controls;
  - (ii) the disclosure of significant changes in internal controls; and
  - (iii) the disclosure of fraud involving management or an employee with significant impact on internal controls.
- (C) If deemed necessary, the Committee can request and have conducted special investigations, and has access to personnel, books, records and facilities of the Company at all times.
- (D) The Committee reviews the President and Chief Executive Officer's and Chief Financial Officer's annual certification plan ("CEO/CFO Certification"); receives CEO/CFO Certification of interim and annual filings to be made in accordance with *Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings*; and reviews the results of interim and annual CEO/CFO Certification testing.
- (E) The Committee reviews the application of the procedures established by the Company for the receipt, retention and treatment of complaints or concerns regarding accounting, internal controls or auditing matters either in respect of the Company or a subsidiary and, as requested by the Board. At least each quarter, the Committee receives a report on:
  - (i) issues, violations or complaints (including confidential and anonymous submissions) reported to the Company regarding accounting, internal controls, auditing or fraud<sup>2</sup>; and

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<sup>2</sup> As defined in *Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings*.



- (ii) investigations on internal controls and deviations to the Company's *Levels of Authority Policy*.

### **3.5 Independent Auditor**

- (A) The Committee formally considers the continuation of, or a change in, the independent auditor and reviews all issues related to a change of independent auditor, including any differences between the Company and the independent auditor that relate to the independent auditor's opinion or a qualification thereof or a comment by the independent auditor.
- (B) Each year, the Committee recommends an independent auditor to the Board, for approval by the shareholders of the Company.
- (C) The Committee reviews the annual confirmation of independence provided by independent auditor, and any relationships or services that may impact the objectivity and independence of the independent auditor.
- (D) The Committee reviews and approves budgeted and actual audit, audit-related and non-audit related fees and services provided by the independent auditor and considers whether the provision of services other than audit services is compatible with maintaining the independent auditor's independence.
- (E) The Committee periodically reviews and approves the audit/non-audit-related services policy.
- (F) Each year, the Committee receives a report on the mandate, organization, staffing, qualifications, independence, performance and effectiveness of the independent auditor.
- (G) The Committee reviews and approves the scope and timing of the independent auditor's reviews of the unaudited quarterly financial statements and of its annual audit plan.
- (H) The Committee oversees the work of the independent auditor engaged for the purpose of preparing or issuing an independent auditor's report or performing other audit, review or attest services for the Company, including the resolution of any disagreement between management and the independent auditor regarding financial reporting.
- (I) The Committee reviews (i) the content of the independent auditor's annual audit report to the Committee as well as the results of the independent audit, and (ii) the results of its quarterly reviews, and any significant recommendations from the independent auditor to strengthen the Company's internal controls.
- (J) Each year, the Committee reviews the risk of fraud with the independent auditor.



- (K) The Committee reviews any significant problems encountered by the independent auditor in performing its independent audit or quarterly reviews as well as the content of any management letter issued by the independent auditor to the Company, and management's response thereto.
- (L) The Committee reviews any significant unresolved issues between management and the independent auditor that could affect the financial reporting or internal controls of the Company.
- (M) The Committee reviews and approves the *Policy for the Hiring of Employees and Former Employees of Present and Former Independent Auditor of the Company* (see Attachment "A" hereto).
- (N) The Committee engages with the independent auditor on the required rotation of applicable audit partners in line with required regulation.

### **3.6 Internal Audit Function**

- (A) Each year, the Committee reviews and approves the charter, nature, scope of work and budget of the Internal Audit function, as well as the annual Internal Audit Plan and performance objectives, and discusses with the Internal Auditor the resources necessary to fulfil its mandate and responsibilities.
- (B) Each quarter, the Committee reviews the annual Internal Audit Plan status and receives a progress report on the Internal Audit mandates and a follow-up on current, outstanding and past due recommendations.
- (C) Each quarter, the Committee reviews the Internal Audit reports' conclusions and summary of findings.
- (D) The Committee engages with the Internal Audit function as necessary so that it is free of any influence that could adversely affect its ability to objectively assume its responsibilities.
- (E) The Committee reviews the succession plan for the Vice-President, Internal Audit as recommended by management.
- (F) The Committee approves the appointment and dismissal of the Vice-President, Internal Audit as well as their role and responsibilities, annual performance evaluation and compensation.
- (G) The Committee reviews any significant problems encountered by the Internal Auditor in performing its independent audit and any proposed course of action to impairments discovered after the completion of an Internal Audit mandate. If an impairment affecting the reliability or perceived reliability of the engagement's findings, recommendations, or



conclusions is identified, the Committee ensures that appropriate plans are in place or actions taken to maintain the audit process's integrity and reliability.

- (H) The Vice-President, Internal Audit is responsible for informing the Committee of any nonconformance with applicable International Internal Audit standards. The Committee is responsible for evaluating any such nonconformance and its impact on the Internal Audit function.
- (I) The Committee ensures that the Internal Audit function has an external quality assurance and improvement program in place. In collaboration with the Vice-President, Internal Audit and other members of management, as required, the Committee discusses and approves the scope and frequency of external quality assessments.

The Committee monitors progress, participates as required in the quality assessment, and receives results directly from the external assessor. The Committee reviews the results, approves action plans to address recommendations, and supports continuous improvement initiatives based on the action plans.

### **3.7 Other Responsibilities and Issues**

- (A) The Committee periodically reviews the Company's *Disclosure and Insider Trading Policy* and makes recommendations to the Board regarding any required changes in light of applicable legal and regulatory requirements.
- (B) Each quarter, the Committee reviews the minutes of Disclosure Committee meetings and any issues raised by the Disclosure Committee.
- (C) The Committee reviews and recommends to the Board for approval the Disclosure Committee Charter as required and makes recommendations to the Board regarding any required changes.
- (D) Each year, the Committee reviews the Company's treasury policy and receives reports on the Company's credit rating and liquidity status.
- (E) Each year, the Committee receives a report on the Company's overall insurance coverage, including captive and directors' and officers' (D&O) and makes recommendations to the Board regarding any required changes.
- (F) If applicable, the Committee periodically reviews with management any proposed external market financial outlook.
- (G) The Committee periodically reviews the Company's related party transactions processes and makes recommendations to the Board regarding any required changes in light of applicable legal and regulatory requirements.



## 3.8 Enterprise Risk Management

- (A) Each year, the Committee reviews and recommends to the Board for approval the Company's *Risk Management Policy and Risk Appetite Statement*<sup>3</sup>.
- (B) Each quarter, the Committee reviews the Company's risk control matrix and enterprise risk register to provide oversight of the process.
- (C) Each quarter, the Committee reviews with management the Company's most significant risks, emerging risks and trends, and the associated disclosure documents.

## 4. ENTERPRISE RISK OVERSIGHT

In supporting the Board's role and responsibility with respect to the Company's risk management framework and in accordance with the Company's *Risk Management Policy*, the Committee provides oversight of the Company's management of risks associated with financial performance, financial controls, capital structure, capital assets and investments, guarantees, taxation and insurance. The Committee oversees the Company's management of risks which includes reporting systems that could significantly impact its ability to report financial results.

## 5. ORGANIZATION AND PROCEDURES

- (A) Meetings of the Committee are held at least quarterly and as required. The Chair of the Committee, the Chief Sustainability and Integrity Officer, the President and Chief Executive Officer, the Chair of the Board, the Chief Financial Officer, the Vice-President, Internal Audit, the independent auditor or any member of the Committee may request a meeting of the Committee. At each of the regularly scheduled meetings and special meetings of the Committee, an in camera session of the independent Directors is held.
- (B) The President and Chief Executive Officer appoints a member of the Executive Committee to be the Committee's prime interface ("Committee Lead").
- (C) The Chair of the Committee develops the agenda for each meeting of the Committee in consultation with the President and Chief Executive Officer, the Committee Lead and the Corporate Secretary. The Chair of the Committee presides at Committee meetings; in their absence, an alternate may be elected by the Committee.

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<sup>3</sup> The Company's *Risk Appetite Statement* includes the Company's position around risk-taking capacity, thresholds and tolerance levels.



- (D) The Corporate Secretary or, in the case where they are unable to attend, the Assistant Corporate Secretary, acts as secretary of the meeting and forwards all minutes of Committee meetings to each Committee member in a timely manner.
- (E) A majority of the members of the Committee constitute a quorum. The proceedings of the Committee are conducted in accordance with the By-Laws of the Company.
- (F) The Committee Lead, the Vice-President, Internal Audit and the independent auditor have direct access to the Committee. They receive notice of and are invited to attend all meetings of the Committee, if they choose to, as non-voting participants.
- (G) The President and Chief Executive Officer and the Chair of the Board each have direct access to the Committee. The President and Chief Executive Officer and Chair of the Board receive notice of and are invited to attend all meetings of the Committee as non-voting participants.
- (H) Each quarter, the independent auditor, the Vice-President, Internal Audit and the Chief Financial Officer each meets separately, in camera with the Committee.
- (I) The Committee has the authority to communicate directly with the independent auditor, the Vice-President, Internal Audit and the Chief Financial Officer, and may also communicate directly with any employee of the Company, as it deems necessary.
- (J) The Chair of the Committee reports to the Board at the next regularly scheduled Board meeting following a Committee meeting with respect to its activities and with such recommendations as are deemed appropriate in the circumstances.
- (K) The Committee may require the assistance of the Company's resources to research, investigate and report on matters within the Committee's responsibilities.
- (L) The Committee may engage outside advisors at the expense of the Company to research, investigate, advise and report on matters within the Committee's responsibilities. The Committee approves the outside advisor's retention terms, which includes their compensation, and supervises their work.
- (M) The Committee will annually review its mandate to ensure it continues to be appropriate, establish its annual working plan, and make recommendations thereon to the Board as required.

Nothing contained in this mandate shall be intended to assign to the Committee the Board's responsibility of ensuring the Company's compliance with applicable laws or regulations or expanding applicable standards of conduct or other obligations under any law or regulation for the Directors of the Company or the members of the Committee.

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**ATTACHMENT "A"**

**Policy for the Hiring of Employees and Former Employees of Present  
and Former Independent Auditor of the Company**

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

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