SNC • LAVALIN

MANAGEMENT PROXY CIRCULAR
AND NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

March 16, 2015

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GLOSSARY OF TERMS

AltaLink AltaLink Holdings, L.P.

Board or Board of Directors SNC-Lavalin Group Inc.'s board of directors

CCO Chief Compliance Officer

CEO Chief Executive Officer

CFO Chief Financial Officer

Chairman / Chair Chairman of the Board / Chairs of the Board Committees

Common Shares SNC-Lavalin Group Inc.'s common shares

Company SNC-Lavalin Group Inc.

Comparator Group Group of companies comparable to SNC-Lavalin Group Inc.

Computershare Computershare Investor Services Inc.

Directors Members of the Board of Directors of SNC-Lavalin Group Inc.

E-DSUs Executive Deferred Share Units

E-DSUP Executive Deferred Share Unit Plan

EMRIP Executive Management Retirement Income Plan

EPS Earnings Per Share

ESOP Employee Share Ownership Plan

Harvest Harvest Retirement Savings Program

Harvest Plus Harvest Plus Retirement Savings Program

HR Committee Human Resources Committee of the Board

HSS&E Committee Health & Safety, Security and Environment Committee of the Board which was in place until January 1, 2015

Kentz Kentz Corporation Limited

Meeting SNC-Lavalin Group Inc.'s annual meeting of shareholders to be held on May 7, 2015

MIP Management Incentive Program

MSOP Management Share Ownership Program

NEOs Named Executive Officers

PRRC Project Risk Review Committee of the Board which was in place until January 1, 2015

PSUs Performance Share Units

PSUP Performance Share Unit Plan

RSUs Restricted Share Units

RSUP Restricted Share Unit Plan

Say on Pay Non-binding advisory vote on the Corporation’s approach to executive compensation

Senior Officers Group composed of the President and CEO, the CFO, the Senior Executive Vice-Presidents (Group Presidents) and the Executive Vice-Presidents reporting directly to the President and CEO, as determined by the HR Committee

SG&A Selling, General and Administrative expenses

Stock Option Plan Any of SNC-Lavalin Group Inc.’s four (4) effective Stock Option Plans established in 2007, 2009, 2011 & 2013

INVITATION TO SHAREHOLDERS

Dear Fellow Shareholders:

On behalf of the Board of Directors, management and employees of SNC-Lavalin Group Inc., we are pleased to invite you to this year's annual meeting of shareholders, which will be held in the Imperial room of the Théâtre St-James, located at 265 St-Jacques Street West, Montreal, Quebec, H2Y 1M6, Canada, on Thursday, May 7, 2015, at 11:00 a.m. (Eastern Time).

I am pleased to report to you on behalf of my colleagues on the Board of Directors. It was an honour to be selected as Chairman of the Board in replacement of Ian A. Bourne on March 16, 2015. Ian's leadership both as interim CEO and as Chairman of the Board provided stability to the Company in a very challenging period. His contribution has been significant and his fellow directors and the SNC-Lavalin team thank him.

2014 was another year of achievements and challenges. Robert G. Card, our President and CEO, outlined many of them in his annual letter enclosed with this Management Proxy Circular.

In 2014, your Board of Directors was actively involved in overseeing major strategic initiatives such as the sale of the Company's interest in AltaLink to Berkshire Hathaway Energy, the acquisition of Kentz and the restructuring plan announced in the Fourth Quarter of 2014. We recognize that recovery from the events leading to the changes in 2012 has taken longer to resolve than we had anticipated. We are dissatisfied with the performance of our core engineering and construction (E&C) business which caused the Company to significantly miss its 2014 profit targets.

Again in 2014, we used working groups of Directors to deal with specific situations and initiatives. These groups provide the opportunity for deeper Board involvement and direction than might otherwise be achievable in the normal course of Board activities.

Our focus on compliance and ethics has been unwavering. We continued to work on Board governance because we believe it is a critical element of achieving success as a Company. The progress and changes are described in the Committee Reports of this Management Proxy Circular.

Claude Mongeau will be retiring from the Board coincident with the 2015 annual meeting of shareholders. Claude has made major contributions to the Company as a Director in Board meetings and on various Committees over the past eleven years. I particularly want to recognize his service since 2003; his insights and support during the last three years have been invaluable.

In closing, I want to recognize the efforts of our management team and thank you, our shareholders, for your continued support.

I look forward to seeing you at the 2015 annual meeting of shareholders and to continuing to report on our progress in the future.

Yours truly,

Lawrence N. Stevenson *(signed)*
Chairman of the Board

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

SNC • LAVALIN

To the shareholders of SNC-Lavalin Group Inc. (the "Company"):

NOTICE IS HEREBY GIVEN THAT the annual meeting of the shareholders (the "Meeting") of the Company will be held in the Imperial room of the Théâtre St-James, located at 265 St-Jacques Street West, Montreal, Quebec, H2Y 1M6, Canada, on Thursday, May 7, 2015, commencing at 11:00 a.m., Eastern Time, for the following purposes:

1. to receive the consolidated financial statements of the Company for the year ended December 31, 2014 and the auditor's report thereon;
2. to elect the Directors for the ensuing year;
3. to appoint the auditor for the ensuing year and to authorize the Directors of the Company to determine the auditor's compensation;
4. to consider and, if deemed appropriate, to adopt a resolution (the full text of which is reproduced in the "Adoption of a Say on Pay Resolution" section of the accompanying Management Proxy Circular) providing for a non-binding advisory vote on the Company's approach to executive compensation;
5. to consider shareholder proposals set forth in Schedule A of this Management Proxy Circular; and
6. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

Registration of shareholders will begin at 10:30 a.m. We would appreciate your early arrival and registration so that the Meeting may start promptly at 11:00 a.m.

Montreal, Quebec, March 16, 2015.

BY ORDER OF THE BOARD OF DIRECTORS

Arden R. Furlotte (*signed*)
Vice-President and Corporate Secretary

SHAREHOLDERS MAY EXERCISE THEIR RIGHTS BY ATTENDING THE MEETING OR BY COMPLETING A FORM OF PROXY. SHOULD YOU BE UNABLE TO ATTEND THE MEETING IN PERSON, PLEASE COMPLETE, DATE AND SIGN THE ENCLOSED FORM OF PROXY AND RETURN IT IN THE ENVELOPE PROVIDED FOR THAT PURPOSE. PROXIES MUST BE RECEIVED BY THE TRANSFER AGENT AND REGISTRAR OF THE COMPANY (COMPUTERSHARE INVESTOR SERVICES INC., 100 UNIVERSITY AVENUE, 8th FLOOR, NORTH TOWER, TORONTO, ONTARIO, CANADA M5J 2Y1) NO LATER THAN 11:00 A.M. (EASTERN TIME) ON TUESDAY, MAY 5, 2015. THE PROXY DEADLINE MAY BE WAIVED OR EXTENDED BY THE CHAIRMAN OF THE MEETING, IN HIS SOLE DISCRETION WITHOUT NOTICE. YOUR SHARES WILL BE VOTED IN ACCORDANCE WITH YOUR INSTRUCTIONS AS INDICATED ON THE FORM OF PROXY, OR FAILING INSTRUCTIONS, IN THE MANNER SET FORTH IN THE ACCOMPANYING MANAGEMENT PROXY CIRCULAR.

VOTING INFORMATION

This Management Proxy Circular is being sent to shareholders in connection with the solicitation of proxies, by and on behalf of the management of the Company, for use at the Meeting to be held on Thursday, May 7, 2015, at the place, commencing at the time and for the purposes set forth in the foregoing notice of said Meeting and at any and all adjournments or postponements thereof. Information in this Management Proxy Circular is given as of March 16, 2015.

Who can vote?

Each holder of Common Shares is entitled to one vote at the Meeting or any adjournment or postponement thereof for each Common Share registered in the holder's name as at the close of business on the record date, March 9, 2015.

As of March 16, 2015, the Company had 152,467,586 Common Shares outstanding. As of March 16, 2015, to the knowledge of the Directors and officers of the Company based on shareholders' public filings, the only person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all shares of the Company is the Caisse de dépôt et placement du Québec (the "Caisse"), an institutional fund manager. As of March 16, 2015, based on shareholders' public filings, the Caisse beneficially owned, or controlled or directed, directly or indirectly, 17,266,200 Common Shares representing 11.33% of the outstanding Common Shares of the Company.

What will I be voting on?

Shareholders will be voting to: (i) elect Directors; (ii) appoint the auditor of the Company for the ensuing year and authorize the Board to determine its compensation; (iii) adopt a resolution (the full text of which is reproduced in the "Adoption of a Say on Pay Resolution" section of this Management Proxy Circular) providing for a Say on Pay vote; and (iv) consider three (3) shareholder proposals set forth in Schedule A of this Management Proxy Circular.

The Board of Directors and management of the Company recommend that shareholders vote FOR the resolutions described in items (i), (ii) and (iii). The Board of Directors recommends that the shareholders vote AGAINST the proposals described in item (iv).

How will these matters be decided at the Meeting?

A simple majority of the votes cast, in person or by proxy, will constitute approval of these matters.

How do I vote?

If you are eligible to vote and your Common Shares are registered in your name, you can vote your Common Shares in person at the Meeting or by proxy, as explained below.

If your Common Shares are held in the name of a nominee (for example, a broker), see the instructions below under "Non-Registered Shareholder Voting".

Who can I call with questions?

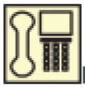
If you have questions about the information contained in this Management Proxy Circular or require assistance in completing your form of proxy, please contact Kingsdale Shareholder Services ("Kingsdale") at 1-866-581-1489 or via email at contactus@kingsdaleshareholder.com.

REGISTERED SHAREHOLDER VOTING

Can I vote by proxy and how?

You are a registered shareholder if your name appears on a share certificate or on the list of registered shareholders maintained by Computershare. If this is the case, you may appoint someone else to vote for you as your proxy holder by using the enclosed form of proxy. The persons named in the enclosed form of proxy are Directors or officers of the Company. As a shareholder, you have the right to appoint as proxy holder a person other than those whose names are printed as proxy holders in the accompanying form of proxy, by striking out those printed names and inserting the name of your chosen proxy holder in the blank space provided for that purpose in the form of proxy. In either case, the completed form of proxy must be delivered to Computershare, in the envelope provided for that purpose, prior to the Meeting at which it is to be used. A person acting as proxy holder need not be a shareholder of the Company. Make sure that the person you appoint is aware that he or she is appointed and attends the Meeting, otherwise your vote will not be taken into account.

You can choose from among three different ways to vote your Common Shares by proxy:


By telephone

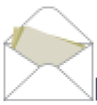
Call the toll-free number indicated on the form of proxy and follow the instructions.

If you choose the telephone, you cannot appoint any person other than the Directors or officers named on your form of proxy as your proxy holder.


On the Internet

Go to the website indicated on the form of proxy and follow the instructions on the screen.

If you return your proxy via the Internet, you can appoint a person other than the Directors or officers named in the form of proxy as your proxy holder. This person does not have to be a shareholder. Indicate the name of the person you are appointing in the space provided on the form of proxy. Complete your voting instructions, and date and submit the form. Make sure that the person you appoint is aware that he or she has been appointed and attends the Meeting, otherwise your vote will not be taken into account.


By mail

Complete your form of proxy and return it in the envelope provided.

If you return your proxy by mail, you can appoint a person other than the Directors or officers named in the form of proxy as your proxy holder. This person does not have to be a shareholder. Fill in the name of the person you are appointing in the blank space provided on the form of proxy. Complete your voting instructions on the form of proxy, and date and sign the form. Make sure that the person you appoint is aware that he or she has been appointed and attends the Meeting, otherwise your vote will not be taken into account.

What is the deadline for receiving the form of proxy?

The deadline for receiving duly completed forms of proxy or a vote using the telephone or over the Internet is 11:00 a.m. (Eastern Time) on Tuesday, May 5, 2015, or if the Meeting is adjourned or postponed, by no later than 48 hours (excluding weekends and statutory holidays) prior to the day fixed for the adjourned or postponed Meeting. The proxy deadline may be waived or extended by the Chairman of the Meeting, in his sole discretion without notice.

How will my Common Shares be voted if I give my proxy?

Common Shares represented by proxies in the accompanying form of proxy will be voted in accordance with the instructions indicated thereon. If no contrary instruction is indicated, Common Shares represented by such form of proxy will be voted IN FAVOUR of the election as Directors of the persons and the appointment as auditor of the firm respectively named under the headings “Election of Directors” and “Appointment of Auditor”, and the determination of the auditor’s compensation by the Board, as well as the Say on Pay resolution and will be voted AGAINST the three (3) shareholder proposals set forth in Schedule A of this Management Proxy Circular.

The form of proxy also confers discretionary voting authority on those persons designated therein with respect to amendments or variations to the proposals identified in the notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing this Management Proxy Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting. If such amendments or variations or other matters properly come before the Meeting, the management nominees designated in such form of proxy shall vote the Common Shares represented thereby in accordance with their best judgment.

If I change my mind, how can I revoke my proxy?

A registered shareholder who has given a proxy may revoke the proxy by completing and signing a form of proxy bearing a later date and depositing it with Computershare (100 University Avenue, 8th Floor, North Tower, Toronto, Ontario M5J 2Y1) no later than 11:00 a.m. (Eastern Time) on May 5, 2015, or with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof, or in any other manner permitted by law.

Can I vote in person?

If you wish to vote in person, you may present yourself at the Meeting to a representative of Computershare. Your vote will be taken at the Meeting. If you wish to vote in person at the Meeting, do not complete or return the form of proxy.

NON-REGISTERED SHAREHOLDER VOTING

If your Common Shares are not registered in your name and are held in the name of a nominee, you are a “non-registered shareholder”. If your Common Shares are listed in an account statement provided to you by your broker or the Company employee share ownership plan administrator, those Common Shares will, in all likelihood, not be registered in your name. Such Common Shares will more likely be registered in the name of a depository or of your broker or an agent of that broker. Without specific instructions, brokers and their agents or nominees are prohibited from voting shares for the broker’s client. Non-registered shareholders are either “objecting beneficial owners” or “OBOs”, who object that intermediaries disclose information about their identity and ownership in the Company or “non-objecting beneficial owners” or “NOBOs”, who do not object to such disclosure. The Company does not send proxy-related materials directly to OBOs or NOBOs and intends to pay for an intermediary to deliver to OBOs and NOBOs the proxy-related materials. If you are a non-registered shareholder, there are two ways, listed below, that you can vote your Common Shares.

How do I give my voting instructions?

Applicable securities laws require your nominee to seek voting instructions from you in advance of the Meeting. Accordingly, you will receive or have already received from your nominee a request for voting instructions for the number of Common Shares you hold. Every nominee has its own mailing procedures and provides its own signature and return instructions, which should be carefully followed by non-registered shareholders to ensure that their Common Shares are voted at the Meeting.

Can I vote in person?

However, if you wish to vote in person at the Meeting, insert your own name in the space provided on the request for voting instructions provided by your nominee to appoint yourself as proxy holder and follow the instructions of your nominee. Computershare must receive your appointment no later than 11:00 a.m. (Eastern Time) on May 5, 2015. Non-registered shareholders who appoint themselves as proxy holders should present themselves at the Meeting to a representative of Computershare. Do not otherwise complete the request for voting instructions sent to you as you will be voting at the Meeting.

PROXY SOLICITATION

The solicitation of proxies in connection with the Meeting is being made primarily by mail, but proxies may also be solicited by telephone, fax or other personal contact by Directors, officers or other employees of the Company. The Company has also hired Kingsdale to act as the Company’s proxy solicitation agent in connection with the Meeting. The Company will pay Kingsdale a base proxy solicitation fee of $22,000 in connection with its engagement. Shareholders can contact Kingsdale either by mail at Kingsdale Shareholder Services, The Exchange Tower, 130 King Street West, Suite 2950, P.O. Box 361, Toronto, Ontario M5X 1E2, by toll-free telephone in North America at 1-866-581-1489 or collect call outside North America at 1-416-867-2272, or by e-mail at contactus@ kingsdaleshareholder.com. The entire cost of the solicitation will be borne by the Company.

BUSINESS OF THE 2015 ANNUAL MEETING OF SHAREHOLDERS

1 CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The consolidated financial statements of the Company for the fiscal year ended December 31, 2014, and the independent auditor's report thereon, including management's discussion and analysis, are contained in the Company's 2014 Financial Report which is available on its website (www.snclavalin.com) and on the SEDAR website (www.sedar.com) under the name of SNC-Lavalin Group Inc.

2 ELECTION OF DIRECTORS

NINE (9) NOMINEES FOR 2015	
Jacques Bougie	Alain Rhéaume
Robert G. Card	Chakib Sbiti
Patricia A. Hammick	Eric D. Siegel
Lise Lachapelle	Lawrence N. Stevenson
Michael D. Parker	

The Board of Directors has fixed at nine (9) the number of Directors to be elected for the current year. The term of office of each Director so elected will expire upon the election of his/her successor unless he/she shall resign his/her office or his/her office becomes vacant through death, removal or other cause. The management of the Company does not contemplate that any of the nominees will be unable, or for any reason will become unwilling, to serve as a Director. Should this occur for any reason prior to the election, the persons named in the accompanying form of proxy reserve the right to vote for another nominee, at their discretion, unless the shareholder has specified in the form of proxy that his/her shares are to be withheld from voting on the election of any of the Directors. The "Board of Directors" section of this Management Proxy Circular sets out detailed information on each of these nominees. All nominees are currently Directors of the Company.

Claude Mongeau, an independent Director who has served as a Director of the Company since August 8, 2003, will not be standing for re-election at the Meeting.

Management and the Board of Directors recommend that each of the nominees listed above be elected to serve as Directors of the Company, to hold office until the next annual meeting of shareholders or until such person's successor is duly elected or appointed. Unless contrary instructions are indicated on the form of proxy or the voting instruction form, the persons designated in the accompanying form of proxy or voting instruction form intend to vote FOR the election of these nominees.

3 APPOINTMENT OF AUDITOR

The auditor of the Company is Deloitte LLP, a registered limited liability partnership. Deloitte LLP was first appointed as auditor of the Company on May 8, 2003.

Management and the Board of Directors recommend that Deloitte LLP be appointed to serve as auditor of the Company until the next annual meeting of shareholders. Unless contrary instructions are indicated on the form of proxy or the voting instruction form, the persons designated in the accompanying form of proxy or voting instruction form intend to vote FOR the appointment of Deloitte LLP, as auditor of the Company, to hold office until the next annual meeting of shareholders, at a remuneration to be fixed by the Directors.

Auditor's Fees

The aggregate fees paid, including the Company's pro-rata share of the fees paid by its joint ventures and other investees, for professional services rendered by Deloitte LLP and its affiliates, for the year ended December 31, 2014, and the year ended December 31, 2013, are presented in the following table:

	Year Ended December 31, 2014	Year Ended December 31, 2013
Audit fees[(1)]	$3,961,856	$6,069,800
Audit-related fees[(2)]	$1,856,944	$1,555,500
Tax fees[(3)]	$ 505,683	$ 593,700
Other fees[(4)]	$ 441,702	$ 344,600
Total[(5)]	$6,766,185	$8,563,600

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

The decrease of $2,107,944 from $6,069,800 in 2013 to $3,961,856 in 2014 is mainly due to the decrease in the additional audit procedures relating to the Independent Review of facts discussed in the Company's 2014 Management's Discussion and Analysis (section 13 – Risks and Uncertainties) and the later than anticipated payments of the 2014 integrated audit (expected in first quarter 2015).

(2) Audit-related fees include fees for assurance services that are reasonably related to the audit or review of the financial statements and are not reported under "Audit fees", including special attest services not required by statute or regulation, reporting on the effectiveness of internal controls as required by contract or for business reasons (performed as an integrated audit started in 2013), accounting consultations in connection with various transactions, and the audit of the Company's various pension plans.

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

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

(5) The aggregate fees paid to Deloitte LLP, irrespective of the Company's proportionate interests in its joint ventures and other investees, totalled $7,125,398 in 2014 and $9,023,847 in 2013.

4 ADOPTION OF A SAY ON PAY RESOLUTION

An advisory Say on Pay resolution (reproduced below) is submitted for adoption by the shareholders. As this is an advisory vote, the results will not be binding upon the Company. If a significant number of shareholders vote against the Say on Pay resolution, the Board will consult with the Company's shareholders so that they may voice their concerns about the compensation plans in place and so that Directors clearly understand their concerns. The Board will then review the Company's approach to compensation in light of these concerns.

The Board took note of the Say on Pay vote and the 96.32% of favourable votes obtained at the 2014 Annual Meeting of the Shareholders of the Company held on May 8, 2014.

At the Meeting, shareholders will be asked to review and, if deemed appropriate, to adopt the following resolution:

"BE IT RESOLVED:

THAT, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, the shareholders accept the approach to executive compensation disclosed in the Company's Management Proxy Circular delivered in advance of the 2015 annual meeting of shareholders of the Company."

Management and the Board of Directors recommend that the shareholders vote in favour of the approval of this resolution. Unless contrary instructions are indicated on the form of proxy or the voting instruction form, the persons designated in the accompanying form of proxy or voting instruction form intend to vote FOR this Say on Pay resolution.

5 SHAREHOLDER PROPOSALS

Schedule A to this Management Proxy Circular sets forth three (3) proposals from a shareholder that have been submitted for consideration at the Meeting, along with the Board of Directors' reasons for opposing said proposals.

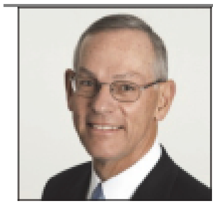
The Board of Directors recommends that the shareholders vote "AGAINST" each of these three (3) proposals for the reasons described in Schedule A to this Management Proxy Circular. Unless contrary instructions are indicated on the form of proxy or the voting instruction form, the persons designated in the accompanying form of proxy or voting instruction form intend to vote AGAINST each of these three (3) proposals.

It should be noted that to be adopted, each of these three (3) proposals must be approved by ordinary resolution of the shareholders which requires a favorable vote of a simple majority of the votes cast.

INFORMATION ON OUR BOARD OF DIRECTORS

DIRECTORS PROPOSED FOR ELECTION

The following is a summary of relevant biographical and compensation information relating to each nominee. For further details on the compensation components, see the "Directors' Compensation Discussion and Analysis" section of this Management Proxy Circular.



JACQUES BOUGIE, O.C.

Montreal (Quebec), Canada
Independent

Areas of Expertise:
- **CEO/Senior Executive Role**
- **International Experience**
- **Operations**
- **Accounting/Finance**
- **Human Resources/Industrial Relations**

Director since: May 2, 2013
Age: 67
Latest date of retirement: May, 2020

Mr. Bougie is a corporate director and was President and CEO of Alcan Inc. (aluminum producer and supplier) from 1993 to 2001. Mr. Bougie joined Alcan in 1979 and held various positions in the fields of operations, major project development, planning and general management. He became President and Chief Operating Officer of Alcan in 1989, which position he held until 1993 when he was appointed President and CEO. Prior to joining Alcan, Mr. Bougie held various responsibilities in the information technologies and education sectors.

Mr. Bougie is chairman of Atrium Innovations Inc. and a director of CSL Group Inc., McCain Foods Limited and the Gairdner Foundation. An active community volunteer, Mr. Bougie chairs the Advisory Board of the Montreal Neurological Institute and Hospital and was designated Volunteer of the year, Quebec Chapter, in 2010. Over the past 25 years, Mr. Bougie has served on the boards of Alcan Inc., BCE Mobile Communications Inc., Bell Canada, Royal Bank of Canada, Novelis Inc. and Rona Inc.

Mr. Bougie is a law and business graduate from the Université de Montréal and received Honorary Doctorates from the Université de Montréal in 2001 and McGill University in 2010. Mr. Bougie was made an Officer of the Order of Canada in 1994.

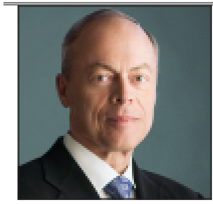
Board/Committee Membership as at December 31, 2014	Overall Attendance 96.7 %		
	Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	6 of 6	7 of 8	• AbitibiBowater Inc. (formerly Abitibi-Consolidated Inc. and now Resolute Forest Products Inc.) (2004 – 2010) • Nova Chemicals Corporation (2001 – 2009)
HSS&E Committee (became a member on May 8, 2014)	2 of 2	–	
HR Committee	5 of 5	4 of 4	
Project Risk Review Committee	4 of 4	1 of 1	

Securities Held

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Total Market Value of Common Shares and D-DSUs	Meets Minimum Shareholding Requirement (3 X Annual Retainer)
As at Dec. 31, 2014	–	3,975	3,975	$176,132	In process
As at Dec. 31, 2013	–	1,881	1,881	$89,893	In process

Voting Results of 2014 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
103,145,053	99.37%	649,898	0.63%



ROBERT G. CARD

Montreal (Quebec), Canada
Non-Independent (Member of Management)

Mr. Card has been President and CEO of the Company since October 1, 2012. He has 40 years of experience in the engineering and construction industry and has held key executive, management, operations and technical roles in the fields of nuclear decommissioning, energy, sport, environmental cleanup, water/wastewater and facilities. Prior to joining the Company, he served as director and President of the Energy, Water & Facilities Division of CH2M HILL (an engineering and services firm) which included global business groups for Water, Energy and Chemicals, Power, Industries and Sustainability. During his 35-year career at CH2M HILL, Mr. Card held a variety of engineering, project management and operations management roles, as well as serving as the President of CH2M HILL's Government, Environment and Nuclear Division and Chairman of CH2M HILL International. Mr. Card was the Deputy Program Director of the CLM consortium, a CH2M HILL joint venture company performing the Delivery Partner role for the UK Olympic Delivery Authority. From 2001 to 2004, Mr. Card was the Undersecretary of Energy for the U.S. Department of Energy (DOE).

Mr. Card graduated from the University of Washington in 1975 with a B.S. in Civil Engineering and from Stanford University in 1977 with a M.S. in Civil Engineering and completed the Program for Management Development (Executive MBA) at Harvard Business School.

Areas of Expertise:
- **Industry Experience**
- **CEO/Senior Executive Role**
- **Risk Management**
- **Project Management**
- **Operations**

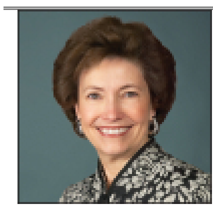
Director since: **October 1, 2012**
Age: **62**

Board/Committee Membership as at December 31, 2014[(1)]	Overall Attendance 100%		
	Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	6 of 6	8 of 8	None

Securities Held			
Year	Common Shares	Total Market Value of Common Shares	Meets Minimum Shareholding Requirement (5 X Base Salary)
As at Dec. 31, 2014	27,300	$1,209,663	In process
As at Dec. 31, 2013	27,300	$1,304,667	In process

Voting Results of 2014 Annual Meeting of Shareholders			
Votes For	% For	Votes Withheld	% Withheld
103,280,696	99.50%	514,255	0.50%

(1) Mr. Card, as President and CEO, attended Board Committee meetings as a non-voting participant. He does not receive compensation as a member of the Board of Directors of the Company. For details on Mr. Card's compensation as President and CEO, see the "Executive Compensation Discussion and Analysis" section of this Management Proxy Circular.



PATRICIA A. HAMMICK, Ph.D.

Kilmarnock (Virginia), United States
Independent

Dr. Hammick is a corporate director. She is a former director of Consol Energy Inc. and a former Chairman of the Board and former lead director of Dynegy Inc. In 2002 and 2003, she was a lecturer and adjunct professor at George Washington University Graduate School of Political Management.

Prior to that, Dr. Hammick was Senior Vice-President of Strategy & Communications and a member of the eight-member management team at Columbia Energy Group (integrated natural gas, utility, power generation and propane). Dr. Hammick graduated from George Washington University with a Ph.D. in Mathematical Statistics and from the University of California with an M.A. in Physics.

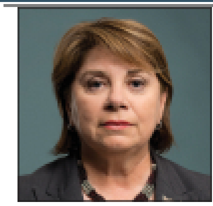
Areas of Expertise:
- **Industry Experience**
- **CEO/Senior Executive Role**
- **Risk Management**
- **Government/Regulatory Affairs**
- **Accounting/Finance**

Director since: **January 1, 2007**
Age: **68**
Latest date of retirement: **May, 2019**

Board/Committee Membership as at December 31, 2014	Overall Attendance 97.4%		
	Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	6 of 6	8 of 8	• Consol Energy Inc. (2001 – 2013) • Dynegy Inc. (2003 – 2011)
Audit Committee (Chair)	4 of 4	2 of 2	
Governance and Ethics Committee	3 of 4	5 of 5	
HR Committee	5 of 5	4 of 4	

Securities Held					
Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Total Market Value of Common Shares and D-DSUs	Meets Minimum Shareholding Requirement (3 X Annual Retainer)
As at Dec. 31, 2014	–	14,270	14,270	$632,304	Yes
As at Dec. 31, 2013	–	11,831	11,831	$565,403	Yes

Voting Results of 2014 Annual Meeting of Shareholders			
Votes For	% For	Votes Withheld	% Withheld
102,452,262	98.71%	1,342,689	1.29%



LISE LACHAPELLE

Montreal (Quebec), Canada
Independent

Mrs. Lachapelle has been a Strategic and Economic Consultant and Corporate Director since 2002. From 1994 until 2002, she was President and Chief Executive Officer of the Forest Products Association of Canada. Mrs. Lachapelle is a former President of Strategico Inc., a consulting firm specializing in public policies, and a former Senior Vice-President of the Montreal Stock Exchange. She also acted as Assistant Deputy Minister in the Federal Department of Industry, Trade and Commerce.

Mrs. Lachapelle is a former member of the Board of Directors of BNP Paribas (Canada) (1999 – 2014) and Mirabaud Canada Inc. (2004 – 2014). Mrs. Lachapelle graduated from Université de Montréal in 1970 with a Bachelor of Business Administration (Honours) and completed an Advanced Management Program at Harvard Business School in 1987.

Areas of Expertise
- **Industry Experience**
- **CEO/Senior Executive Role**
- **International Experience**
- **Risk Management**
- **Government/Regulatory Affairs**

Director since: **May 2, 2013**
Age: **65**
Latest date of retirement: **May, 2022**

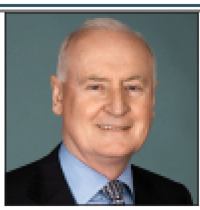
Board/Committee Membership as at December 31, 2014	Overall Attendance 100 %		
	Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	6 of 6	8 of 8	• TMX Group Inc. (2014 – Present)
Governance and Ethics Committee	4 of 4	5 of 5	• Russel Metals Inc. (1996 – Present)
HSS&E Committee (ceased to be a member on May 8, 2014)	2 of 2	–	• Innergex Renewable Energy Inc. (2010 – 2014) • Industrial Alliance Insurance and Financial Services Inc. (1995 – 2014)
HR Committee (became a member on May 8, 2014)	3 of 3	2 of 2	• Innergex Power Trust (2003 – 2010) • AbitibiBowater Inc. (formerly Abitibi-Consolidated Inc. and now Resolute Forest Products Inc.) (2002 – 2010)

Securities Held

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Total Market Value of Common Shares and D-DSUs	Meets Minimum Shareholding Requirement (3 X Annual Retainer)
As at Dec. 31, 2014	–	3,975	3,975	$176,132	In process
As at Dec. 31, 2013	–	1,881	1,881	$ 89,893	In process

Voting Results of 2014 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
102,385,496	98.64%	1,409,455	1.36%



MICHAEL D. PARKER, CBE

London, United Kingdom
Independent

Mr. Parker had a 34-year career with The Dow Chemical Company (manufacturer of chemical products) serving in a wide variety of jobs in research, manufacturing, commercial and general management where he became President and Chief Executive from 2000 until 2002 and served on the company's Board of Directors from 1995 until 2003. Subsequently, he served as Group Chief Executive of British Nuclear Fuels PLC (BNFL) (a manufacturer and transporter of nuclear products) from 2003 until 2009.

In addition to the public company boards listed below, Mr. Parker is currently the Chairman of Street League (a U.K. charity) and Vice-Chairman of the Royal Society for the Prevention of Accidents (ROSPA). He is also a trustee and Honorary Secretary of the Energy Institute, a member of the Manchester Business School Advisory Board, a director of Sigmoid Pharma Limited as well as a non-executive director and advisor to the Land Domain Executive (a U.K. crown estate). Mr. Parker graduated from the University of Manchester in 1968 with a degree in Chemical Engineering and from Manchester Business School in 1972 with an MBA. He has been a fellow of the Institute of Chemical Engineers since 2003 and a Fellow of the Energy Institute since 2009.

Areas of Expertise:
- **Industry Experience**
- **CEO/Senior Executive Role**
- **International Experience**
- **Risk Management**
- **Human Resources/Industrial Relations**

Director since: **July 7, 2010**
Age: **68**
Latest date of retirement: **May, 2019**

Board/Committee Membership as at December 31, 2014	Overall Attendance 96.9%		
	Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	6 of 6	8 of 8	• PV Crystalox Solar plc (2010 – Present)
Governance and Ethics Committee	4 of 4	4 of 5	• Invensys plc (2006 – 2014)
HSS&E Committee (Chair)	4 of 4	–	
Project Risk Review Committee	4 of 4	1 of 1	

Securities Held

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Total Market Value of Common Shares and D-DSUs	Meets Minimum Shareholding Requirement (3 X Annual Retainer)
As at Dec. 31, 2014	9,100	13,522	22,622	$1,002,381	Yes
As at Dec. 31, 2013	9,100	10,620	19,720	$ 942,419	Yes

Voting Results of 2014 Annual Meeting of Shareholders			
Votes For	% For	Votes Withheld	% Withheld
103,031,710	99.26%	763,241	0.74%

ALAIN RHÉAUME

Lac-Delage (Quebec), Canada
Independent

Mr. Rhéaume is the Co-founder and Managing Partner of Trio Capital Inc. (a private investment management company) and has over 25 years of senior management experience in the private and public sectors. He worked for the Ministry of Finance of the Québec Government from 1974 to 1996, acting as Associate Deputy Minister, Financial Policies and Operations from 1988 to 1992, and from 1992 to 1996 as Deputy Minister. In 1996, Mr. Rhéaume joined Microcell Telecommunications Inc. as CFO. He was subsequently promoted to President and CEO of Microcell PCS (2001 – 2003) and President and COO of Microcell Solutions Inc. (2003 – 2004). Until June 2005, Mr. Rhéaume was Executive Vice-President of Rogers Wireless Inc. and President of Fido Solutions Inc. (a division of Rogers Wireless Inc.), roles he assumed when Microcell Telecommunications Inc. was acquired by Rogers.

In addition to the public company boards listed below, Mr. Rhéaume is a public director of the Canadian Investor Protection Fund and the Canadian Public Accountability Board. Mr. Rhéaume graduated from Université Laval in 1973 with a License in Business Administration (Finance and Economics).

Areas of Expertise:
- **CEO/Senior Executive Role**
- **Project Management**
- **Government/Regulatory Affairs**
- **Accounting/Finance**
- **Human Resources/Industrial Relations**

Director since: May 2, 2013
Age: 63
Latest date of retirement: May, 2024

Board/Committee Membership as at December 31, 2014	Overall Attendance 96%		
	Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	6 of 6	7 of 8	• Boralex Inc. (2010 – Present)
Audit Committee	4 of 4	2 of 2	• Resolute Forest Products Inc. (2010 – Present)
Project Risk Review Committee	4 of 4	1 of 1	• Redline Communications Group Inc. (2011 – 2013)
			• Boralex Power Income Fund (2007 – 2010)
			• DiagnoCure Inc. (2005 – 2010)
			• Kangaroo Media Inc. (2007 – 2009)
			• Quebecor World Inc. (1997 – 2009)

Securities Held					
Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Total Market Value of Common Shares and D-DSUs	Meets Minimum Shareholding Requirement (3 X Annual Retainer)
As at Dec. 31, 2014	–	3,975	3,975	$176,132	In process
As at Dec. 31, 2013	–	1,881	1,881	$ 89,893	In process

Voting Results of 2014 Annual Meeting of Shareholders			
Votes For	% For	Votes Withheld	% Withheld
102,526,795	98.78%	1,268,156	1.22%

CHAKIB SBITI

Dubai, United Arab Emirates
Independent

Mr. Sbiti is currently Executive Advisor to the CEO of Schlumberger Limited, an international oilfield services company with over 115,000 employees in approximately 85 countries.

Mr. Sbiti has been with Schlumberger Limited for over 30 years. From Field Engineer in 1981, he became Director of Personnel, Oilfield Services in 1998, President for the Middle East and Asia in 2001, and Executive Vice-President of Oilfield Services in 2003, which position he held until 2010 when he was appointed Executive Advisor to the CEO. Mr. Sbiti graduated from École Nationale Supérieure d'Ingénieurs in France with a degree in Electrical Engineering and a Master's degree in the same field. Mr. Sbiti has been a member of the Society of Petroleum Engineers since 1981.

Areas of Expertise:
- **Industry Experience**
- **CEO/Senior Executive Role**
- **International Experience**
- **Operations**
- **Human Resources/Industrial Relations**

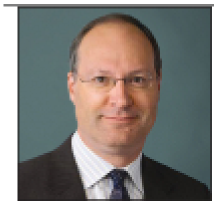
Director since: November 2, 2012
Age: 60
Latest date of retirement: May, 2027

Board/Committee Membership as at December 31, 2014	Overall Attendance 100%		
	Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	6 of 6	8 of 8	• Genel Energy (2012 – Present)
Audit Committee (became a member on May 8, 2014)	2 of 2	1 of 1	
HSS&E Committee	4 of 4	–	
Project Risk Review Committee	4 of 4	1 of 1	

Securities Held

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Total Market Value of Common Shares and D-DSUs	Meets Minimum Shareholding Requirement (3 X Annual Retainer)
As at Dec. 31, 2013	–	6,048	6,048	$267,987	In process
As at Dec. 31, 2014	–	3,293	3,293	$157,372	In process

Voting Results of 2014 Annual Meeting of Shareholders			
Votes For	% For	Votes Withheld	% Withheld
103,249,390	99.47%	545,561	0.53%



ERIC D. SIEGEL, ICD.D

Ottawa (Ontario), Canada
Independent

Mr. Siegel joined Export Development Canada (EDC), a Crown corporation and Canada's export credit agency, in 1979. In 1997, he was appointed Executive Vice-President and in 2005, Chief Operating Officer, assuming overall leadership for EDC's business development and transacting groups. In December 2006, he was appointed President and CEO until his retirement in December 2010. He is currently a director of Citibank Canada, is a member of the Dean's Advisory Council of York University's Schulich School of Business and a Chapter Executive of the Institute of Corporate Directors (Ottawa Chapter).

Mr. Siegel graduated from the University of Toronto in 1976 with a Bachelor of Arts in History and Economics and from York University in 1979 with a Master's of Business Administration. He completed the Senior Executive Program at Columbia University in 2012 and the Institute of Corporate Directors' Director Education Program in 2010. On January 21, 2011, Mr. Siegel was honoured with a Lifetime Achievement Award by the Chinese Business Chamber of Canada (CBCC).

Areas of Expertise:
- **CEO/Senior Executive Role**
- **International Experience**
- **Risk Management**
- **Government/Regulatory Affairs**
- **Accounting/Finance**

Director since: January 1, 2012
Age: 61
Latest date of retirement: May, 2026

Board/Committee Membership as at December 31, 2014	Overall Attendance 100%		
	Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	6 of 6	8 of 8	None
Audit Committee	4 of 4	2 of 2	
Governance and Ethics Committee	4 of 4	5 of 5	
Project Risk Review Committee (Chair)	4 of 4	1 of 1	

Securities Held

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Total Market Value of Common Shares and D-DSUs	Meets Minimum Shareholding Requirement (3 X Annual Retainer)
As at Dec. 31, 2014	–	9,081	9,081	$402,379	In process
As at Dec. 31, 2013	–	6,265	6,265	$299,404	In process

Voting Results of 2014 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
102,317,129	98.58%	1,477,822	1.42%

LAWRENCE N. STEVENSON

Toronto (Ontario), Canada
Independent

Mr. Stevenson has been Chairman of the Board of the Company since March 16, 2015 and has served as a Director since 1999. Mr. Stevenson is the Managing Director of Callisto Capital LP, a private equity firm based in Toronto. He served as Chief Executive and director of Pep Boys Inc. from May 2003 until July 2006. He was also the founder and CEO of Chapters and a former managing director at Bain & Company.

Mr. Stevenson graduated from the Royal Military College in Kingston (Ontario) in 1978 with an undergraduate degree (Honours) and from Harvard Business School in 1984 with a Master's degree in Business Administration. In 2010, he was presented with an Honorary Doctorate from the Royal Military College. Mr. Stevenson serves as the Honorary Colonel of the Queen's Own Rifles of Canada. He was named Innovative Retailer of the Year by the Retail Council of Canada in 2000, Ontario Entrepreneur of the Year in 1998, one of Canada's "Top 40 Under 40" in 1995 and was elected Chairman of the Retail Council of Canada in 1999 and 2000.

Areas of Expertise:
- **CEO/Senior Executive Role**
- **International Experience**
- **Operations**
- **Accounting/Finance**
- **Human Resources/Industrial Relations**

Director since: August 6, 1999
Age: 58
Latest date of retirement: May, 2016 **(extended for an additional year)**

Board/Committee Membership as at December 31, 2014	Overall Attendance 96.9%		
	Regular	Special	Public Board Memberships During the Last Five (5) Years
Board	6 of 6	7 of 8	• CAE Inc. (1998 – 2013)
Governance and Ethics Committee	4 of 4	5 of 5	
HR Committee (Chair)	5 of 5	4 of 4	

Securities Held

Year	Common Shares	Deferred Share Units (D-DSUs)	Total Common Shares and D-DSUs	Total Market Value of Common Shares and D-DSUs	Meets Minimum Shareholding Requirement (3 X Annual Retainer)
As at Dec. 31, 2014	30,750	18,575	49,325	$2,185,591	Yes
As at Dec. 31, 2013	30,750	16,201	46,951	$2,243,788	Yes

Voting Results of 2014 Annual Meeting of Shareholders

Votes For	% For	Votes Withheld	% Withheld
102,115,012	98.38%	1,679,939	1.62%

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

i) Jacques Bougie, a Director of the Company, served as a director of AbitibiBowater Inc. ("AbitibiBowater") (formerly Abitibi-Consolidated Inc. and now Resolute Forest Products Inc.) from 2004 to December 2010. In April 2009, AbitibiBowater, together with certain of its U.S. and Canadian subsidiaries, filed voluntary petitions in the U.S. Bankruptcy Court for the District of Delaware for relief under the provisions of Chapter 11 and Chapter 15 of the U.S. Bankruptcy Code, as amended, and certain of its Canadian subsidiaries sought creditor protection under the CCAA with the Superior Court of Quebec in Canada. AbitibiBowater completed its reorganization and emerged from creditor protection proceedings under the CCAA in Canada and Chapter 11 of the U.S. Bankruptcy Code in December 2010. In addition, Mr. Bougie served as a director of Novelis Inc. ("Novelis") from 2005 until 2006. In his capacity as a director of Novelis, Mr. Bougie was subject to management cease trade orders issued by certain of the Canadian provincial securities administrators in 2005 against the directors, officers and insiders of Novelis due to Novelis' failure to file its interim unaudited financial statements for the interim period ended on September 30, 2005. Temporary management cease trade orders were issued in November 2005 and were replaced by permanent management cease trade orders in December 2005. Novelis filed its interim unaudited financial statements for the interim period ended on September 30, 2005 on May 17, 2006. As such, the permanent cease trade orders issued in December 2005 were revoked and/or allowed to lapse/expire, as the case may be, in October 2006.

ii) Patricia A. Hammick, a Director of the Company, who became a director of Dynegy Inc. ("Dynegy") in April 2003 and ceased to be a director of Dynegy on June 15, 2011. On December 1, 2011, Dynegy and its direct subsidiary Dynegy Holdings LLC ("Dynegy Holdings") filed, as co-plan proponents, a plan of reorganization in respect of Dynegy Holdings. On April 3, 2012, Dynegy announced that it had reached an agreement with key Dynegy Holdings creditors contemplating the resolution of all disputes with such creditors. On July 6, 2012, Dynegy filed a voluntary petition for relief pursuant to the U.S. Bankruptcy Code. On September 5, 2012, Dynegy announced that its Chapter 11 Plan of Reorganization under the U.S. Bankruptcy Code was confirmed and, on October 1, 2012, announced that it had consummated its reorganization under Chapter 11 of the U.S. Bankruptcy Code and had emerged from bankruptcy protection. Dr. Hammick ceased to be a director of Dynegy on June 15, 2011. Dr. Hammick was never a director of Dynegy Holdings.

iii) Lise Lachapelle, a Director of the Company, also served as a director of AbitibiBowater from 2002 to December 2010. See the description of AbitibiBowater's U.S. bankruptcy and Canadian creditor protection proceedings above as described with respect to Mr. Bougie.

iv) Alain Rhéaume, a Director of the Company, served as a director of Quebecor World Inc. ("Quebecor World") from 1997 until July 2009. Quebecor World placed itself under the protection of the CCAA on January 21, 2008 and implemented a capital restructuring plan approved by its creditors in 2009, after obtaining a court order authorizing it. Mr. Rhéaume was also an executive officer of Microcell Telecommunications Inc. ("Microcell") from 1996 until 2005. In 2003, Microcell reached an agreement on the terms of a recapitalization plan with its unsecured noteholders, and it obtained a court order under the CCAA as to the proper implementation of such plan. Mr. Rhéaume ceased to be an executive officer of Microcell in June 2005.

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

DIRECTORS' COMPENSATION DISCUSSION AND ANALYSIS

DIRECTORS' COMPENSATION PHILOSOPHY, REVIEW AND PROCESS 17 / DIRECTORS' COMPENSATION PACKAGE 18 / D-DSUs 19 / DIRECTORS' SHARE OWNERSHIP REQUIREMENT 19 / TOTAL DIRECTORS' COMPENSATION 20 / OUTSTANDING SHARE-BASED AWARDS 21

DIRECTORS' COMPENSATION PHILOSOPHY, REVIEW AND PROCESS

Our philosophy with respect to Directors' compensation is based on the following guiding principles:

- Recruit and retain qualified individuals to serve as Directors of the Company;
- Align the interests of the Directors with those of shareholders by requiring Directors to hold a multiple of their annual retainer in Common Shares or Directors Deferred Share Units ("D-DSUs");
- Provide compensation reflecting the risks and responsibilities inherent to the role of Director and recognizing the increasing complexity of the Company's business; and
- Provide competitive compensation based on market standards by positioning Directors' compensation at approximately the median of the compensation paid by the Comparator Group.

The Governance and Ethics Committee is responsible for reviewing Directors' compensation every year and recommending changes to the Board, if required. In order to appropriately benchmark Directors' compensation, the Governance and Ethics Committee reviews our Directors' compensation scheme against that of a Comparator Group. The Comparator Group is typically composed of publicly traded Canadian and U.S. organizations with a large percentage of professionals and a diverse global client base. Preference is given to organizations evolving in industrial sectors where the Company competes for talent (i.e. energy, materials, industrials and telecommunication services and utilities) and which are as similar in nature to the Company as possible, given that there are few global engineering and construction companies in the world that have a market capitalization and total enterprise value close to those of the Company. In selecting the Comparator Group, the Governance and Ethics Committee also considers the composition of the Comparator Group used for benchmarking executive compensation.

The Comparator Group is created with the assistance of an external consultant who the Company retains to benchmark its Directors' compensation. Based on these findings and the above guiding principles, the Governance and Ethics Committee makes its recommendations to the Board thereon.

The last review with respect to the compensation of the Chairman and the non-employee Directors for 2014 and 2015 was carried out in August, 2013. The services of Towers Watson were retained for this review in order to assess if the level and structure of our Directors' Compensation were aligned with market practices and to adjust same in consideration of the recent increase in the workload and responsibilities assumed by our Chairman and other non-employee Directors.(1)

The Comparator Group selected to benchmark the compensation of the Chairman and other non-employee Directors in August 2013 is identical to the one used in March 2013[2], except for The Shaw Group Inc. which was removed from the U.S. Comparator Group as this organization is now privately held. The Canadian organizations composing the Comparator Group are Agrium Inc., Bell Aliant Regional Inc., Bombardier Inc., Canadian Oil Sands Limited, Canadian Pacific Railway Limited, Fortis Inc., Kinross Gold Corporation, Nexen Inc., Talisman Energy Inc. and TransAlta Corp. The U.S. organizations composing the Comparator Group are AECOM Technology Corporation, Airgas Inc., Ashland Inc., Cameron International Corporation, CF Industries Holdings Inc., Eastman Chemical Co., EMCOR Group Inc., Fluor Corporation, FMC Corp., FMC Technologies Inc., Foster Wheeler, Jacobs Engineering Group Inc., KBR Inc., Murphy Oil Corporation, PPG Industries Inc. and URS Corporation.

With respect to the benchmarking of the Chairman's compensation, the analysis was made using organizations whose chairman is a non-executive chairman and is not a CEO or a controlling shareholder. Out of the 26 organizations composing the Comparator Group, only the information of the following twelve organizations was used: Agrium Inc., Canadian Oil Sands Limited, Canadian Pacific Railway Limited, Fortis Inc., Kinross Gold Corporation, Nexen Inc., Talisman Energy Inc., TransAlta Corp, EMCOR Group Inc., Foster Wheeler, Jacobs Engineering Group Inc. and Murphy Oil Corporation.

Pursuant to this review, the Governance and Ethics Committee recommended, and the Board approved, increases in the compensation paid to the Chairman and the non-employee Directors effective January 1, 2014 and January 1, 2015, respectively. For further details on the changes made to the compensation of our Chairman and other non-employee Directors, see the grid under the "Directors' Compensation Package" section of this Management Proxy Circular.

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(1) For details on the fees paid to Towers Watson for work completed on Directors' compensation, see the "Directors' Compensation Advice" section of this Management Proxy Circular.

(2) A first review of the Chairman's compensation was carried out in March 2013 which coincided with the appointment of Mr. Bourne as the new Chairman. For details on this first review, see the Company's Management Proxy Circular dated March 18, 2014.

DIRECTORS' COMPENSATION PACKAGE

The following grid outlines the compensation received by our non-employee Directors and our Chairman, in 2014. Note that Robert G. Card, our President and CEO, does not receive compensation as a member of the Board of Directors of the Company. For details on Mr. Card's compensation as President and CEO, see the "Executive Compensation Discussion and Analysis" section of this Management Proxy Circular.

	AMOUNT ($)	
ANNUAL RETAINER	2014	2015
Non-employee Director Retainer		
Annual retainer consisting of:		
i) a cash award[(1),(2)]	60,000	70,000
ii) a lump sum credited in D-DSUs[(3)]	100,000	110,000
Total:	160,000	180,000
Chairman Retainer		
Annual retainer consisting of:		
i) a cash award[(1),(2)]	165,000	165,000
ii) a lump sum credited in D-DSUs[(3)]	190,000	200,000
Total:	355,000	365,000
Committee Chair Retainer (Cash)		
Audit Committee	16,000	16,000
HR Committee[(4)]	12,000	12,000
All other Committees[(5)]	8,000	8,000
MEETING FEES (CASH)		
Non-employee Director		
Board of Directors, Governance and Ethics Committee, HSS&E Committee and PRRC (in person)[(6)]	1,500	1,500
Audit Committee, HR Committee[(7)] and any ad hoc Board Committee (if non-employee Director is a member of these committees) (in person)	2,250	2,250
Audit Committee, HR Committee and any ad hoc Board Committee (if non-employee Director is not a member of these committees)[(8)] (in person)	1,500	1,500
Any Board or Board Committee meeting attended by telephone	925	925
Chairman		
Governance and Ethics Committee (in person)[(5)]	1,500	1,500
Special meetings of Board of Directors, HSS&E Committee and PRRC (in person)[(6),(9)]	1,500	1,500
Special meetings of Audit Committee, HR Committee and any ad hoc Board Committee (in person)[(9)]	2,250	2,250
Any Board or Board Committee meetings attended by telephone	925	925
TRAVEL FEES (CASH)[(10)]		
For travel requiring more than three (3) hours but less than five (5) hours	1,500	1,500
For travel requiring five (5) hours or more	3,000	3,000

(1) In August, 2013, the Board approved two (2) increases of the cash award payable to non-employee Directors: one from $55,000 to $60,000 effective January 1, 2014 and a second from $60,000 to $70,000 effective January 1, 2015. As for the Chairman, his cash award was reduced from $225,000 to $165,000 effective January 1, 2014.

(2) In August, 2013, the Board removed the requirement that a minimum portion of the cash award be paid in D-DSUs, effective January 1, 2014. The Chairman and non-employee Directors now have the option to receive 0% or 100% of the cash award in D-DSUs.

(3) In August, 2013, the Board approved two (2) increases of the lump sum payable to non-employee Directors: one from $86,000 to $100,000 effective January 1, 2014 and a second from $100,000 to $110,000 effective January 1, 2015. As for the Chairman, his lump sum was increased from $120,000 to $190,000 effective January 1, 2014 and from $190,000 to $200,000 effective January 1, 2015.

(4) In August, 2013, the Board approved the increase of the HR Committee Chair annual retainer from $8,000 to $12,000 effective January 1, 2014.

(5) As the Chairman also acted as the Chair of the Governance and Ethics Committee during the course of 2014, he only received meeting fees for his attendance at Governance and Ethics Committee meetings. He was not remunerated for acting as Chair of said committee.

(6) Note that the Safety, Workplace and Project Risk Committee replaced the HSS&E Committee and the PRRC effective January 1, 2015.

(7) In August, 2013, the Board approved the increase of the HR Committee members' meeting fees from $1,500 to $2,250 effective January 1, 2014.

(8) In March, 2014, the Board approved this new meeting fee payable to non-employee Directors (excluding the Chairman) effective January 1, 2014.

(9) In March, 2014, the Board approved this new meeting fee payable to the Chairman effective January 1, 2014.

(10) This is a lump sum amount paid to Directors when travelling to Board and Board Committee meetings. In August, 2013, the Board approved a new $3,000 travel allowance for Directors (including the Chairman) travelling five (5) hours or more.

The Company also reimburses for any reasonable travel and other out-of-pocket expenses relating to their duties as Directors.

D-DSUs

D-DSUs are an "at-risk" component of our Directors' compensation program designed to encourage non-employee Directors to better align their interests with those of shareholders.

Under the Directors Deferred Share Unit Plan ("D-DSUP"), non-employee Directors are credited D-DSUs as part of their annual retainer. D-DSUs track the value of our Common Shares. They accumulate during the non-employee Director's term in office and are redeemed in cash when the non-employee Director leaves the Board. For the purposes of redeeming D-DSUs, the value of a D-DSU on any given date is equivalent to the average of the closing price for a Common Share on the Toronto Stock Exchange for the five (5) trading days immediately prior to such date.

D-DSUs are credited on a quarterly basis and do not carry any voting rights. Furthermore, additional D-DSUs accumulate as dividend equivalents whenever cash dividends are paid on Common Shares at the same rate as the dividends paid on the Common Shares.

Anti-Hedging and Anti-Monetization

The Board has adopted a policy prohibiting hedging and trading in derivatives applicable to the Company's insiders which include our Directors.

Directors' Compensation Consultants

The following table provides the fees paid to Towers Watson for work completed on Directors' compensation.

Nature of Work	Consultant	2014	2013
Compensation of the Chairman and non-employee Directors	Towers Watson	$ 0	$ 44,074
Other	–	–	–

DIRECTORS' SHARE OWNERSHIP REQUIREMENT

The Board believes it is important that Directors demonstrate their commitment to the Company's growth through share ownership. In order to align the interests of the Directors with those of the shareholders, the Company requires its Directors to hold a multiple of their annual retainer in Common Shares or D-DSUs.

As part of its August 2013 review of Directors' compensation, Towers Watson also carried out a review of the Directors' Share Ownership Requirement. Towers Watson prepared a benchmarking study using the same Comparator Group that was used for benchmarking the Chairman's and other non-employee Directors' compensation.

Pursuant to this review, the Governance and Ethics Committee recommended, and the Board approved, a change in the Directors' Share Ownership Requirement effective January 1, 2014. The Share Ownership Requirement for the Chairman and the other non-employee Directors was set at three (3) times their annual retainer (i.e. cash award, lump sum credited in D-DSUs and dividend equivalents) to be reached within five (5) years of their election to the Board or, in the case of the Chairman, his appointment as Chairman. The three-year interim target was therefore eliminated.

Directors' Share Ownership Requirement(1) 5-Year Target = 3 X Annual Retainer		
Individuals	2014 (approx.)	2015 (approx.)
Non-employee Directors	$ 480,000	$ 540,000
Chairman	$ 1,065,000	$ 1,095,000

(1) The value of the share ownership requirement is determined as the greater of:

- The actual cost incurred in buying Common Shares; or
- The market value of all Common Shares held.

Ownership can be achieved by purchasing Common Shares and by participating in the Company's D-DSUP. All non-employee Directors, including the Chairman, are required to continue to hold their Common Shares and/or D-DSUs throughout their tenure as Directors.

Note that the President and CEO does not have a separate minimum shareholding requirement as a Director. For his minimum shareholding requirement as President and CEO, see the "Executive Share Ownership Guidelines" section of this Management Proxy Circular.

For further details on each Director's Share Ownership Requirement, see the "Securities Held" section of each nominee Director's biographical and compensation information located under the "Directors Proposed for Election" section of this Management Proxy Circular.

TOTAL DIRECTORS' COMPENSATION

DIRECTOR COMPENSATION TABLE										
	Fees Earned			Share-based Awards[3]	Option-based Awards	Non-Equity Incentive Plan Compensation	Pension Value	All Other Compensation[4]	Total	Percent-age of Total Fees Received in D-DSUs[5]
	Non-Employee Director Retainer and Chairman Retainer[1]	Committee Chair Retainer	Board and Committee Meeting Fees[2]							
Director	($)	($)	($)	($)	($)	($)	($)	($)	($)	(%)
J. Bougie	60,000		51,200	100,000	–	–	–	2,703	213,903	48%
I.A. Bourne	165,000		63,825	190,000	–	–	–	13,123	431,948	47%
P.A. Hammick	52,500	16,000	73,250	107,500	–	–	–	12,395	261,645	46%
L. Lachapelle	60,000		44,675	100,000	–	–	–	2,703	207,378	50%
L.R. Marsden[6]	25,056		12,925	41,759	–	–	–	12,597	92,337	53%
C. Mongeau	30,000		37,400	130,000	–	–	–	28,797	226,197	70%
M.D. Parker	30,000	8,000	64,975	130,000	–	–	–	11,261	244,236	58%
A. Rhéaume	60,000		46,050	100,000	–	–	–	2,703	208,753	49%
C. Sbiti	30,000		60,475	130,000	–	–	–	4,138	224,613	60%
E.D. Siegel	30,000	8,000	58,925	130,000	–	–	–	7,050	233,975	59%
L.N. Stevenson	60,000	12,000	52,925	100,000	–	–	–	16,529	241,454	48%
TOTAL	602,556	44,000	566,625	1,259,259	–	–	–	114,000	2,586,440	53%

(1) Such amounts represent the percentage of the cash award portion of the annual retainer elected to be received in cash by the Chairman and each non-employee Director.

(2) Such amounts include:

–fees paid as members of non-standing Board Committees;

–fees paid to for special Board and special Board Committee meetings; and

–travel fees paid to Directors (those who are required to travel more than three (3) hours but less than five (5) hours to attend Board and Board Committee meetings are paid $1,500 per meeting, and those who are required to travel over five (5) hours are paid $3,000 per meeting) totaling $79,500 in 2014.

(3) Such amounts represent (i) the percentage of the cash award portion of the annual retainer elected to be received in D-DSUs by the Chairman and each non-employee Director and (ii) the lump sum portion of the annual retainer payable in D-DSUs.

(4) Such amounts represent D-DSUs from dividend equivalents and a donation of $5,000 made in the name of Mrs. Marsden to a charity of her choice upon her retirement from the Board on May 8, 2014.

(5) Such percentage is calculated by dividing the aggregate of the value provided under the share-based awards column and the value provided under the all other compensation column, by the value provided under the total column. Note that for Mrs. Marsden, an amount of $5,000 was deducted from the value provided under the all other compensation column as it constitued a donation. For further details, see note 4 above.

(6) Director who did not stand for re-election at the May 8, 2014 Annual Meeting of the Shareholders.

OUTSTANDING SHARE-BASED AWARDS

The following table reflects all awards outstanding as at December 31, 2014 with respect to our Chairman and non-employee Directors.

Director[3]	Share-based Awards[1]	
	Number of shares or units of shares that have not vested (#)	Market or payout value of Share-based Awards that have not vested[2] ($)
J. Bougie	3,975	176,132
I.A. Bourne	15,940	706,301
P.A. Hammick	14,270	632,304
L. Lachapelle	3,975	176,132
C. Mongeau	32,015	1,418,585
M.D. Parker	13,522	599,160
A. Rhéaume	3,975	176,132
C. Sbiti	6,048	267,987
E.D. Siegel	9,081	402,379
L.N. Stevenson	18,575	823,058

(1) This table represents information with respect to D-DSUs held by our Chairman and non-employee Directors as at December 31, 2014.

(2) The value of outstanding D-DSUs is based on the closing price for a Common Share on the Toronto Stock Exchange on December 31, 2014 ($44.31).

(3) Note that Mrs. Marsden is not included in the above table as she redeemed all of her D-DSUs throughout the course of 2014 following her retirement from the Board on May 8, 2014.

BOARD COMMITTEE REPORTS

REPORT OF THE AUDIT COMMITTEE 22 / REPORT OF THE GOVERNANCE AND ETHICS COMMITTEE 24 / REPORT OF THE HSS&E COMMITTEE 24 / REPORT OF THE PROJECT RISK REVIEW COMMITTEE 25 / REPORT OF THE HR COMMITTEE 26

REPORT OF THE AUDIT COMMITTEE[(1)]

Mandate

The Audit Committee assists the Board in supervising the Company's financial controls and reporting. It 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.

The mandate of the Audit Committee provides for at least one member to sit on the HR Committee and vice versa in order to maintain the link between pay and performance, both financial and individual, and thus mitigate risks (Patricia A. Hammick, Claude Mongeau and Alain Rhéaume are currently members of both the Audit and HR Committees). The mandate of the Audit Committee also provides for at least one member to sit on the Safety, Workplace and Project Risk Committee ("SWPR Committee")[(2)] and vice versa in order to understand the operational issues which may have a negative impact on the financial outcome of a project, and thus mitigate risks (Mr. Chakib Sbiti and Mr. Eric D. Siegel are currently members of both the Audit and the SWPR Committees). For further details on the mandate of the Audit Committee, see the Company's Annual Information Form available on SEDAR's website (www.sedar.com) and on the Company's website (www.snclavalin.com) under "Investors"/"Investor's Briefcase"/"Annual Information Form".

Composition of the Audit Committee

The members of the Audit Committee are: Patricia A. Hammick (Chair), Claude Mongeau, Alain Rhéaume, Chakib Sbiti and Eric D. Siegel. Each of the members of the Audit Committee is independent.

Audit and Related Experience and Financial Literacy of Audit Committee Members

For the purposes of determining whether a Director is suitably qualified to become a member of the Company's Audit Committee, the Board has adopted the definition of "financial literacy" set out in Section 1.6 of National Instrument 52-110 – Audit Committees ("NI 52-110"), namely "the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements". This definition has been incorporated in the terms of the second paragraph of Section 1 of the mandate of the Audit Committee.

Each of the members of the Committee has professional qualifications or business experience, or both, that are relevant to the performance of his/her responsibilities as a member of the Audit Committee. The following is a brief description of the relevant professional qualifications/business experience of each Audit Committee member:

- Patricia A. Hammick is a former director and member of the Finance Committee of Consol Energy Inc. and former Chairman of the Board, lead director and member of the Audit Committee of Dynegy Inc. In 2002 and 2003, she was a lecturer and adjunct professor at George Washington University Graduate School of Political Management. Prior to that, Dr. Hammick was a member of the eight-member management team at Columbia Energy Group. Dr. Hammick graduated from George Washington University with a Ph.D. in Mathematical Statistics and from the University of California with an M.A. in Physics.

- Claude Mongeau has been President and CEO of Canadian National Railway Company ("CN") since January 1, 2010. He joined CN in 1994 and has held the position of Vice-President, Strategic and Financial Planning, among others. He was appointed Executive Vice-President and CFO of CN in 2000. Before joining CN, Mr. Mongeau was a partner with Groupe SECOR, a Montreal-based management consulting firm, providing strategic advice to large Canadian corporations. Mr. Mongeau is a former member of the Audit Committee of Nortel Networks. He holds an MBA from McGill University and was named Canada's CFO of the Year in 2005.

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

•Chakib Sbiti is the Executive Advisor to the CEO of Schlumberger Limited (“Schlumberger”), a position he has held since early 2010. Mr. Sbiti has been with Schlumberger for over 30 years. In 2001, he became President for the Middle East and Asia, and Executive Vice-President of Oilfield Services in 2003, which position he held until 2010 when he was appointed Executive Advisor to the CEO. Mr. Sbiti graduated from École Nationale Supérieure d’Ingénieurs in France with a degree in Electrical Engineering and a Master’s in the same field. Mr. Sbiti is a member of the Society of Petroleum Engineers.

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

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(1) NI 52-110 sets out requirements concerning the composition and responsibilities of an issuer’s audit committee, andconcerning an issuer’s reporting obligations with respect to audit-related matters. The Corporation complies with NI 52-110 and appropriate disclosure of such compliance is made in the following Report of the Audit Committee.

(2) The Safety, Workplace and Project Risk Committee replaced the Project Risk Review Committee and the Health & Safety, Security and Environment Committee on January 1, 2015.

Letter to Shareholders

Dear Fellow Shareholders:

During 2014, the Audit Committee oversaw continuous efficiency and process enhancements in financial management, internal audit and the audits conducted by Deloitte LLP, the Corporation’s independent auditor. The main focus was management’s progress toward improving internal control processes, acquisition integration including conversion of accounting systems and certifying internal controls, purchase price allocations and appropriate disclosures on all issues before the Committee.

The Committee retained Deloitte to conduct an integrated audit of both the Financial Statements and Internal Controls over Financial Reporting for the second year. The resulting audit opinion for 2014 was unqualified. Notwithstanding, actions continue to be taken to further strengthen controls. In particular the Committee has turned its attention to quarterly monitoring of the remediation of deficiencies, especially significant deficiencies in the internal controls; and to overseeing management’s response to deficiencies observed in the context of the internal auditing process. We are seeing steady improvements in these on-going indicators. The Committee has initiated a formal review of its external auditing arrangements to assist in identifying requirements and communicating those needs with the independent auditor.

Internal Audit completed the plan approved by the Committee. Thirty-four (34) audits which spanned the entire Company were conducted. The Committee received reports on all audits as completed and the status of corrective actions was reviewed by the Committee at its regular quarterly meetings. In addition, and in conjunction with the Governance and Ethics Committee, the Audit Committee continued to review the progress and results of financially relevant investigations conducted by the CCO and the Compliance Team.

As part of the quarterly reviews of the financial statements, the Committee reviewed management decisions regarding business and financial judgments including revenue recognition, assessment of legacy projects, cost of disposal and valuation of goodwill and intangible assets.

Finally, the Committee reviewed other acquisition and integration issues, other management projects and activities involving corporate liquidity, cash management, insurance programs and information technology and security.

Yours truly,

Patricia A. Hammick, Ph.D. *(signed)*
Chair of the Audit Committee

REPORT OF THE GOVERNANCE AND ETHICS COMMITTEE

Mandate

The Governance and Ethics Committee assists the Board in developing the Company's approach to corporate governance and ethical and compliance issues, proposing new Board nominees and assessing the effectiveness of the Board and its committees, their respective chairs and individual Directors.

The Governance and Ethics Committee also provides the Statement of Corporate Governance Practices required under the Canadian Securities Administrator disclosure requirements which is found in the "Statement of Corporate Governance Practices" section of this Management Proxy Circular. For a complete copy of the Governance and Ethics Committee mandate, see the Company's website (www.snclavalin.com), under "About Us"/"Governance".

Composition of the Governance and Ethics Committee

The members of the Governance and Ethics Committee are: Jacques Bougie (Chair since March 16, 2015), Patricia A. Hammick, Lise Lachapelle, Michael D. Parker and Eric D. Siegel. Each of the members of the Governance and Ethics Committee is independent.

Please note that Ian A. Bourne, our former Chairman of the Board (until March 16, 2015), acted as Chair of the Governance and Ethics Committee during the course of 2014 and until February 1, 2015 when he was replaced by Lawrence N. Stevenson. Mr. Stevenson acted as Chair of the Committee from February 1, 2015 until his appointment as Chairman of the Board on March 16, 2015. Mr. Stevenson also stepped down as a Committee member at that date. Jacques Bougie replaced him as Chair of the Committee on March 16, 2015.

Letter to Shareholders

Dear Fellow Shareholders:

As Chairman of the Governance and Ethics Committee, I am pleased to provide you with a review of its activities in 2014.

During the year, the Committee devoted much time and effort overseeing the Company's ethics and compliance framework. Recognizing the reporting relationship to the Committee of the Chief Compliance Officer ("CCO"), the Committee was involved in the selection of David Wilkins as CCO. The Committee reviewed regular quarterly reports by the CCO and the Compliance Team and provided them with timely and constructive feedback, and oversight on the ethics framework and programs.

As well, the Committee, with the aid of external resources, continued to spend time on board renewal and on reviewing board succession planning processes including rotation on Board Committees. For 2015, we have two (2) new Committee Chairs, Alain Rhéaume, the new Chair of our Human Resources Committee and myself, the new Chair of this Committee as well as new members on certain of our Committees as set out in this Management Proxy Circular.

In 2014, the Committee reevaluated standing Board Committees' mandates to balance and optimize the Board's workload and took the decision to combine the HSS&E Committee and the Project Risk Review Committee into one committee designated as the SWPR Committee. This was done with the intent of regrouping both the expertise and combined knowledge of the members so as to address all risks related to the execution of projects and do so from the initial design phase through to the execution and completion phase. This decision was taken to ensure that a vital part of our complete Enterprise Risk Management ("ERM") program is being overseen in the most effective and comprehensive fashion possible.

I would like to take this opportunity to thank Andreas Pohlmann, our former CCO, who left the Company in 2014, for all the time and dedication spent in setting up our world class compliance program and wish him all our best.

I would also like to thank Ian A. Bourne and Lawrence N. Stevenson, the Committee former Chairs as well as the other Committee members for their contribution as we continue to implement the global best practices in governance and ethics standards.

Yours truly,

Jacques Bougie, O.C. *(signed)*
Chair of the Governance and Ethics Committee

REPORT OF THE HSS&E COMMITTEE

Mandate

The HSS&E Committee assisted the Board in discharging its responsibilities with regard to health and safety, security and environmental issues.

It was replaced by the Safety, Workplace and Project Risk Committee on January 1, 2015. For a complete copy of the Safety, Workplace and Project Risk Committee mandate, see the Company's website (www.snclavalin.com), under "About Us"/"Governance".

Composition of the HSS&E Committee

The members of the HSS&E Committee were: Michael D. Parker (Chair), Jacques Bougie and Chakib Sbiti. Each of the members of the HSS&E Committee was independent.

Letter to Shareholders

Dear Fellow Shareholders:

As Chair of the HSS&E Committee, I am pleased to provide you with a review of its activities in 2014.

Health and Safety

In 2014, the Committee provided oversight of the health & safety systems and processes within the Company and it reviewed safety statistics. The Committee determined that SNC-Lavalin's performance sits well within its competitive space.

Security

The Committee worked with management to recruit a permanent Senior Vice-President, Global Security, and subsequently approved a new Global Security strategic plan, including a mission and vision. Global Security's mission is to protect people, assets and reputation in the digital and physical world. The vision is to deliver world-class business enabling services and solutions, focusing on risk assessment and mitigation while managing SNC-Lavalin performance in four (4) pillars of expertise; Personnel and Physical Security, Cyber/Data Security and Business Resilience and Recovery. The Committee reviewed global security matters across the Company's operations generally, and in particular security incidents that directly or indirectly affected SNC-Lavalin employees, namely: evacuations at our head office, the Alberta Power outage; shooting incidents in Ottawa; and Ebola outbreak in Western Africa. These incidents reminded the Committee of the importance of Global Security's work on disaster recovery planning and the relevance of stated objectives to develop standard operating procedures for Travel Security, Business Resilience and Recovery, and Information Security. Finally, the Committee facilitated the transfer of the three (3) Regional Security Directors (responsible for Europe/Africa, Middle East/Asia/Pacific, and the Americas) from Global Operations to Global Security to ensure better coordination of security activities and responsibilities, as well as streamline reporting.

Environment

The Committee provided oversight on the environmental compliance systems and processes within the Company and reviewed reports regarding the Company's environmental performance. The Committee was apprised of and provided feedback on development program which builds on current expertise within the Company's business units and corporate functions.

In closing, I would like to thank my Committee colleagues for their contribution and commitment. I also take this opportunity to thank Jean Beaudoin, our former Executive Vice-President, Integrated Management Systems, for his sound advice and support to the Committee over the years.

Yours truly,

Michael D. Parker, CBE *(signed)*
Chair of the HSS&E Committee

REPORT OF THE PROJECT RISK REVIEW COMMITTEE

Mandate

The Project Risk Review Committee ("PRRC") assisted the Board in supervising the management of the comprehensive framework for project risk arising from business the Company undertakes with clients inclusive of policies, processes and risks limits, monitoring the level of portfolio risk arising from projects, supervising the corporate management of specific project risks and high risk projects and, when required, in reviewing, on behalf of or in support of the Board, specific projects as per management's levels of authority requirements or as requested by management.

It was replaced by the SWPR Committee on January 1, 2015. For a complete copy of the Safety, Workplace and Project Risk Committee mandate, see the Company's website (www.snclavalin.com), under "About Us"/"Governance".

Composition of the PRRC

The members of the PRRC were: Eric D. Siegel (Chair), Jacques Bougie, Michael D. Parker, Alain Rhéaume and Chakib Sbiti. Each of the members of the PRRC was independent.

Letter to Shareholders

Dear Fellow Shareholders:

2014 constituted the first full year for the PRRC operating under its new mandate which emphasizes monitoring the performance of the project risk management framework across all stages of project execution as opposed to concentrating solely on the approval of projects bids. The Committee's efforts were concentrated on improving the Company's capabilities in three major areas: risk reporting; project risk management competencies; and, early review of significant project bids and monitoring of difficult projects. Significant progress was achieved in all three areas.

A series of reports now enable the Committee to monitor the status of the Company's portfolio of active and backlog projects. Quarterly reviews include recent internal project approvals, their status, forecast project performance against budgeted profitability, management of significant claims and/or disputes and an overall assessment of the risk level of the project pipeline. Particular emphasis is placed on the Engineering, Procurement and Construction ("EPC") project portfolio where risk complexity and fixed price must be managed effectively. While these tools will continue to be refined and augmented they now accommodate early identification of risk issues and a more constructive dialogue with management on mitigation strategies. These tools also support the comprehensiveness and reliability of the corporate ERM program.

A number of initiatives are underway to strengthen project execution while reducing costs. Ensuring that we have a strong base of required skills and knowledge for our project managers is the goal behind the creation of an SNC-Lavalin Academy. We have created a job classification system for project managers, based on experience and education, which will enable us to place the best project managers for our more complex projects. Through the creation of Communities of Practice (Knowledge Management Networks) and the adoption of common processes across all business units, the key functions of estimating, procurement and claims management are being redesigned. Ongoing enhancements to PM+, the Company's project management software and the creation of a PM Light version to manage small projects will increase consistency, transparency and streamline the interface with the overall corporate reporting architecture. Additionally, increased and more selective peer to peer reviews and exchange of lessons learned across business units are the focus behind expanding the knowledge management network.

Finally, the review of significant projects previously done under the PRRC continues to be an important part of the new SWPR Committee. In all, the Committee reviewed some 15 projects of this nature. The purpose of these reviews is multifold. They help to ensure that new business fits within the risk parameters established by the Company. For ongoing projects, they provide a forecast of potential financial outcomes and outline the risk mitigation strategies being employed by management to achieve budgeted results. Key lessons learned arising from such reviews can be applied going forward to reduce risk exposure through tighter risk parameters and stronger bid construction.

In closing, I want to thank my Committee colleagues for their enthusiasm, commitment and sound advice. I also take the opportunity to thank Jean Beaudoin, our former Executive Vice-President, Integrated Management Systems, and Adam Malkhassian, our former Vice-President, Corporate Risk Management, for their leadership in helping bringing about this Board oversight Committee for project risk. We wish them both well in their retirements.

Yours truly,

Eric D. Siegel**, ICD.D** *(signed)*
Chair of the PRRC

REPORT OF THE HR COMMITTEE

Mandate

The Human Resources Committee ("HR Committee") is responsible for assisting the Board of Directors of the Company in discharging its responsibilities relating to the attraction and retention of an engaged workforce to deliver on the Company's approved strategic plan and objectives.

The HR Committee is responsible for the development and review of our executive compensation philosophy and strategy, reviewing and recommending to the Board, CEO and Senior Officer performance objectives and assessing performance against such objectives, and supporting CEO succession planning by developing succession plans for annual Board review and approval. The HR Committee is responsible for supervising the operation of compensation programs, including the Company's pension plans, and for ensuring that compensation design and practices do not incentivize undue risk-taking. Additional responsibilities include the review of recommendations for the Company's Human Resources systems and monitoring our management development programs. For a complete copy of the HR Committee mandate, see the Company's website at www.snclavalin.com, under "About Us"/"Governance".

Composition of the HR Committee

Our HR Committee is composed of four (4) independent Directors, as detailed below. These Directors possess a range of skills and experience related to human resources, public company leadership, corporate governance, and risk assessment which enhance the Committee's ability to make effective decisions regarding the Company's compensation practices.

The following is a brief description of the relevant experience of each HR Committee member:

- Alain Rhéaume (Chair since February 1, 2015 in replacement of Lawrence N. Stevenson) has extensive experience in human resources and compensation matters acquired during his 25-year career in both the public and private sectors. He worked for the Ministry of Finance of the Quebec Government from 1974 to 1996, acting as Associate Deputy Minister, Financial Policies and Operations from 1988 to 1992, and from 1992 to 1996 as Deputy Minister. In 1996, Mr. Rhéaume joined Microcell Telecommunications Inc. as CFO. He was subsequently promoted to President and CEO of Microcell PCS (2001-2003) and President and COO of Microcell Solutions Inc. (2003-2004). Until June 2005, Mr. Rhéaume was Executive Vice-President, Rogers Wireless Inc., and President of Fido Solutions Inc. (a division of Rogers Wireless Inc.), a role he assumed when Microcell Telecommunications Inc. was acquired by Rogers. Mr. Rhéaume is presently Vice-Chairman as well as the Chair of the Governance, Nominating and Human Resources Committee of the Canadian Investor Protection Fund. He is also a member of the Human Resources Committee of the Canadian Public Accountability Board.

- Jacques Bougie has extensive experience in human resources and compensation matters acquired during his career as President and CEO of Alcan Inc. from 1993 to 2001. He has sat on the Human Resources Committee of six companies over the past 25 years, including that of AbitibiBowater Inc. (formerly Abitibi-Consolidated Inc. and now Resolute Forest Products Inc.) from 2004 to 2010.

- Patricia A. Hammick has experience in overseeing various executive human resources matters. She is a former Senior Vice-President of Columbia Energy Group and Vice-President of Natural Gas Supply Association. Dr. Hammick has extensive experience in hiring, retention plans, performance reviews, and compensation and benefits programs. In addition to attending various executive education programs, she was Chairman of the Board, lead director and an *ex officio* member of the Human Resources Committee of Dynegy Inc., and is a former member of the Human Resources Committee of Consol Energy Inc.

- Claude Mongeau has many years of experience in overseeing various executive human resources matters. He is currently the President and CEO of Canadian National Railway Company ("CN"), a publicly-traded company with over 21,000 employees in Canada and in the U.S. Prior to this, he held the position of Executive Vice-President and CFO of CN from 2000 until his appointment as President and CEO on January 1, 2010. Before joining CN, Mr. Mongeau was a partner with Groupe SECOR, a Montreal-based management consulting firm, providing strategic advice to large Canadian corporations.

Please note that, during the course of 2014 and until March 16, 2015, the HR Committee was composed of a fifth member, Lawrence N. Stevenson. Mr. Stevenson acted as Chair of the Committee until February 1, 2015 when he was replaced by Alain Rhéaume. Mr. Stevenson remained a Committee member until his appointment as Chairman of the Board on March 16, 2015.

Mr. Stevenson has extensive experience in human resources and compensation matters acquired during his career as President and CEO of three publicly-traded companies. He has sat on the Human Resources Committee of Sobeys Inc. and CAE Inc. and acted as the Chairman of CAE's Human Resources Committee until August 2013. Mr. Stevenson has served and continues to serve as the Chairman of the Board of a number of Callisto Capital's private portfolio companies.

The HR Committee mandate requires at least one member sit on both the HR Committee and Audit Committee in order to monitor and maintain the link between pay and performance and further ensure the mitigation of compensation-related risks. Patricia A. Hammick, Claude Mongeau and Alain Rhéaume are currently members of both Committees.

Key Activities Undertaken

During 2014, the Committee undertook the following key activities:

Annual Activities

- Reviewed and recommended for Board approval salary increases;
- Reviewed and recommended for approval Management Incentive Plan payouts for 2013 (paid in 2014) and the performance and settlement (i.e. cancellation) of the performance share unit ("PSU") awards made in 2012;
- Reviewed and recommended for Board approval the short-term incentive plan structure, financial and non-financial performance metrics and targets for 2014;
- Reviewed and recommended for Board approval long-term incentive awards granted during 2014 under the 2014 Performance Share Unit Plan ("2014 PSUP") and Restricted Share Unit Plan ("RSUP");
- Reviewed and recommended for Board approval the President and CEO's performance objectives for 2014;
- Approved the updated Executive Compensation Policy;
- Approved the updated HR Committee mandate;
- Reviewed the Ethics and Compliance Quarterly Reports;
- Reviewed the executive compensation section of the 2014 Management Proxy Circular ("MPC");
- Reviewed the results of the Company-wide Talent Review Process; and
- Reviewed and recommended for Board approval President and CEO succession plans.

Periodical Activities

- Undertook a rewrite of the compensation disclosure for the 2015 MPC in order to enhance and streamline disclosure of executive compensation policies, practices and outcomes;
- Reviewed and recommended for Board approval amendments to:
    - 2009 Deferred Share Unit Plan;
    - 2009 Performance Share Unit Plan;
    - 2014 Performance Share Unit Plan;
    - Restricted Share Unit Plan;
    - Employee Share Ownership Plan ("ESOP"); and
    - Harvest Plus Retirement Savings Program ("Harvest Plus").

Event-Driven

- Reviewed and recommended for Board approval special E-DSU grants to the President and CEO in respect of contractual obligations under his employment agreement, and a special E-DSU grant to the Group President, Resources, Environment and Water in respect of his performance; and
- Reviewed and recommended to the Board for approval the appointment, compensation and employment terms for Senior Officers hired during 2014.

Executive Compensation Consultants

Since 2008, the Committee has retained Hugessen Consulting Inc. ("Hugessen") to provide it with independent advice on executive compensation and related performance assessment and governance matters. The nature and scope of services provided by Hugessen to the Committee during 2014 included:

- Advice regarding President and CEO compensation and contractual matters;
- Reviewed corporate and individual performance as it relates to determining President and CEO and other NEO compensation;
- Advice regarding engagement with shareholder community;
- Support in re-drafting compensation disclosure for the 2015 MPC;
- Reviewing and providing advice to the HR Committee regarding management-prepared materials and recommendations in advance of HR Committee meetings; and
- Attendance at HR Committee meetings.

Hugessen does not provide any services to management directly and work conducted by Hugessen raises no conflicts of interest. Any services provided by Hugessen require HR Committee pre-approval and the Chair of the Committee approves all invoices for work performed by Hugessen. The Committee has the authority to hire and fire its independent advisor and it reviews Hugessen's performance at least annually.

Additionally, the Company retains the services of Towers Watson to advise generally on executive compensation benchmarking and related matters. During 2014, Towers Watson provided the following information and advice to the Company:

- Compensation survey and benchmarking data for select executive and non-executive roles;
- Advice on the Company's Global Job Classification system;
- Support on the implementation of the HR Management System; and
- Pension and benefits consulting services.

The HR Committee reviews the information and advice provided by Hugessen and the information provided by Towers Watson, among other factors, in making its executive compensation recommendations and decisions.

Fees Paid to Executive Compensation Consultants

The table below outlines the fees paid by the Company to Hugessen during 2013 and 2014:

Nature of work	2014 Fees	2013 Fees
Basic HR Committee mandates – Annual Review	$96,063	$92,895
All other fees:		
• Other requested HR Committee mandates outside of Annual Work Plan scope	$115,845	$63,202
• Special non-recurring mandates relating to executive hires and departures	$18,437	$23,000
Total	$230,345	$179,097

The table below outlines the fees paid by the Company to Towers Watson during 2013 and 2014:

Nature of work	2014 Fees	2013 Fees
Executive Compensation	$49,457	$270,125
All other fees:		
• Benefits	$25,309	$47,489
• Global Job Classification and Compensation Surveys	$117,185	$612,833
• On-site HR support	–	$174,283
• Market Benchmarking (Non-Executive) and Pay Equity	$39,174	–
• HR Management System – Support	$3,855,224	$3,072,369
Total	$4,086,349	$4,177,099

Letter to Shareholders

Dear Fellow Shareholders:

The HR Committee and the Board of Directors of the Company believe in providing our shareholders with clear and comprehensive disclosure so that they may fully understand the levels of compensation paid to our executives and the programs in which they participate. In this letter, we are pleased to provide you with an overview of the Board's assessment of the Company's performance during 2014 and how this performance informed and guided our executive compensation decisions.

It should be noted that, with the exception of our President and CEO, each of the Named Executive Officers whose compensation is described in the following Compensation, Discussion and Analysis has been with the Company for less than two years as at December 31, 2014. Our President and CEO has been with the Company since October 1, 2012. Since our Named Executive Officers joined the firm, considerable progress has been made to stabilize SNC-Lavalin and to re-establish it as a pre-eminent global engineering and construction ("E&C") player.

2014 Performance

During 2014, we successfully completed two major strategic transactions; namely the disposition of AltaLink and the acquisition of Kentz. Furthermore, since the Kentz acquisition, we have effectively managed the integration of our legacy oil and gas business with Kentz. However, our core E&C business has continued to underperform expectations, as demonstrated by our financial results for 2014. Turning around our E&C business continues to be a key area of focus for our executive team in 2015.

In an ongoing effort to building a renewed executive team to lead the development and execution of our growth strategy and industry-leading ethics & compliance standards, among others, we have made the following key appointments:

- Alexander (Sandy) Taylor as Group President, Power;
- David Wilkins as Chief Compliance Officer; and
- José J. Suárez as Executive Vice-President, Integrated Management Systems.

2014 CEO and Other Senior Officer Compensation

As the Company's financial results fell short of the threshold performance level, no payouts under the financial component of the 2014 Annual Incentive Plan were made to NEOs, resulting in total bonus payouts of 41% of target on average. In light of these disappointing financial results, the CEO requested to forgo the bonus he would have otherwise been entitled to receive for 2014 and the Board has accepted his request. In addition to the regular annual grants under the Long-Term Incentive Plan, Mr. Card also received the following two E-DSU grants:

- 30,830 E-DSUs for the supplemental executive retirement plan balance forfeited with his previous employer as per his employment agreement; and
- 16,900 E-DSUs as a correction to his 2013 E-DSU grant.

Performance Share Units that were granted in 2012 were cancelled on December 31, 2014 as cumulative Earnings Per Share did not meet threshold performance levels for the 2012 to 2014 performance period.

Alignment of Pay and Performance over the Longer Term

While 2014 saw a number of strategic achievements, the last four years have been challenging for the Company and disappointing for our shareholders, with total shareholder return of -20%, compared to 22% for the S&P/TSX Composite Index. Reflecting the Board's commitment to design and administer compensation plans and awards that directly link pay outcomes to Company results and align executive pay with the shareholder experience, the compensation earned by our executives during this timeframe reflects these challenges:

- Short-term incentive plan payout factors have averaged 67% of target between 2012 and 2014;
- Performance share unit awards granted between 2009 and 2012 inclusively did not payout to participants as earnings per share did not meet the pre-determined threshold performance level for the performance period ending in 2011, 2012, 2013, and 2014; and
- As at December 31, 2014, option grants made in two of the last five years were underwater.

Realized and realizable (i.e. unvested and outstanding) compensation to our CEO is 63% of the grant-date target value of compensation awarded in 2013 and 2014. For our other NEOs, realized and realizable compensation in respect of the same period is 79% of the grant-date target value awarded.

Conclusion

The HR Committee and Board continue to monitor the Company's executive compensation programs and policies and are committed to listening to and considering the feedback of our shareholders in order to ensure that these programs and policies are in line with shareholder interests and provide an appropriate balance between fixed and variable compensation and risk and reward. We are confident that the changes to executive compensation design implemented during 2014, as described in the Compensation Discussion and Analysis, are serving to strengthen the link between pay and sustainable shareholder value creation.

The following Compensation Discussion and Analysis, which we have redesigned in order to provide enhanced and clearer disclosure, elaborates on the Board and Company's pay-for-performance philosophy and the compensation principles and programs outlined in this letter.

On behalf of the HR Committee and the Board, we thank you for taking the time to read our disclosure and we invite you to cast your advisory vote on our approach to executive compensation. Should you have any outstanding concerns, we invite you to contact the Chair of the HR Committee.

Yours truly,

Alain Rhéaume *(signed)*
Chairman of the HR Committee
(since February 1, 2015)

Lawrence N. Stevenson *(signed)*

Chairman of the HR Committee
(during the course of 2014 and until February 1, 2015)

EXECUTIVE COMPENSATION DISCUSSION & ANALYSIS

INTRODUCTION 30 / ANNUAL OVERSIGHT OF EXECUTIVE COMPENSATION 30 / OUR COMPENSATION PHILOSOPHY 31 / EXECUTIVE COMPENSATION DESIGN AND MIX 33 / COMPONENTS OF COMPENSATION 34 / CEO COMPENSATION AND REVIEW 39 / OTHER NEO COMPENSATION AND REVIEW 41 / PERFORMANCE GRAPH 42 / SUMMARY COMPENSATION TABLE 43 / INCENTIVE PLAN AWARDS 43 / PENSION PLAN BENEFITS 44 / NEO EXECUTIVE EMPLOYMENT AGREEMENTS 44 / POST RETIREMENT AND TERMINATION COMPENSATION 45 / CLAWBACK 46 / ANTI-HEDGING AND ANTI-MONETIZATION 47 / EXECUTIVE SHARE OWNERSHIP GUIDELINES 47 / SUCCESSION PLANNING 47 / APPROVAL OF THE REPORT ON EXECUTIVE COMPENSATION 47

INTRODUCTION

The following section outlines the compensation programs in which the Named Executive Officers ("NEOs") participate. During 2014, the NEOs were:

- Robert G. Card – President and CEO ("CEO")
- Alain-Pierre Raynaud – Executive Vice-President ("EVP") and Chief Financial Officer ("CFO")
- Neil Bruce – Group President, Resources, Environment and Water
- Hisham Mahmoud – Group President, Infrastructure
- Alexander (Sandy) Taylor – Group President, Power

Executive Committee

Our NEOs are part of our Executive Committee, a team of nine (9) select EVPs. Our Executive Committee is responsible for delivering on commitments made to shareholders, setting the strategic direction for the Company, monitoring performance against targets, and setting policies and common operating procedures.

This Compensation Discussion and Analysis ("CD&A") focuses on the plans in which the NEOs participate.

ANNUAL OVERSIGHT OF EXECUTIVE COMPENSATION

The HR Committee is responsible for reviewing and recommending to the Board the compensation arrangements of the CEO and other Senior Officers, including the NEOs.

The HR Committee, with support from the Committee's independent advisor, and management and its advisor, undertakes the following process:

At the Outset of the Year:

Establish Target Levels and Mix of Compensation

The Company establishes target compensation levels and mix in order to attract, retain and motivate a high-performing executive team.

The HR Committee recommends to the Board the target compensation level and mix for the CEO, considering the Executive Compensation Policy, market practices, and advice from its independent advisor. The Committee also reviews the CEO's recommendations for target compensation levels and mix for Senior Officers, considering individual level of responsibility, skills and experience, for recommendation to the Board.

Establish Performance Objectives and Targets

The ultimate objective of the Company is to drive long-term sustainable growth in shareholder value by engaging and motivating our employees to deliver quality projects on time and on budget for our clients around the globe. To this end, the HR Committee develops and recommends to the Board annual and multi-year performance measures and goals to incentivize management and align executive compensation with this objective.

The HR Committee annually evaluates financial and operational objectives under our short and long-term incentive plans to ensure alignment with our strategic plan. We believe that key financial results, including Company earnings before interest and taxes ("EBIT") and operating cash flow, measure the sustainability of our core operations and drive share price appreciation. Our non-financial operating goals reflect our strong commitment to ethical business practices, the health and safety of our employees, and the environment. Our long-term incentive plan incorporates relative total shareholder return targets, thereby aligning our executive compensation with growth in shareholder value.

Performance targets under both our annual and long-term incentive plans are set on an annual basis. The target-setting process occurs in conjunction with our annual budget-setting process and stress-testing of proposed performance goals is undertaken by management and reviewed by the HR Committee and the Committee's independent advisor. Recommendations by management are put forward for HR Committee review and Board approval. In assessing these recommendations, the HR Committee and Board confer with the Audit Committee, consider historical performance achievement, and market and stakeholder expectations.

During the Year and Following Year-End:

Assess the Executive Compensation Policy and Programs

Annually, the HR Committee reviews the Company's Executive Compensation Policy and programs against the Company's compensation philosophy and strategy, evolving best practices, market trends, and shareholder expectations. As appropriate, adjustments to compensation programs are considered and implemented.

Assess Performance against Objectives

Throughout the year, the CEO prepares performance updates for the HR Committee, reviewed and discussed during Committee meetings, outlining how the Company, Senior Officers and Executive Vice-Presidents not reporting directly to the CEO are tracking against the performance targets and objectives established at the beginning of the year. Adjustments to performance goals are considered, on an as needed basis, in light of any acquisitions and/or divestitures by the Company during the year.

At the end of the year, the HR Committee reviews performance against pre-set financial and non-financial operational goals considering input from management and the Committee's independent advisor. Additionally, the CEO recommends to the HR Committee individual performance scores for each Senior Officer and Executive Vice-Presidents not reporting directly to the CEO.

Recommend Pay Outcomes for Board Approval

All incentive plan payouts are put forward by the HR Committee to the Board for final approval. The Board, in its sole discretion and considering recommendations from the HR Committee, may exercise discretion to adjust formula-calculated incentive plan payouts in order to achieve the right outcomes in light of unanticipated internal or external developments. In 2014, the Board did not exercise discretion in approving award payouts.

OUR COMPENSATION PHILOSOPHY

Our compensation objectives and philosophy are to attract, retain and motivate a high performing leadership team to deliver against key financial and strategic objectives and reward for the creation of long-term sustainable value for our shareholders. Our Executive Compensation Policy supports this over-arching philosophy by:

- Linking compensation outcomes directly with Company (including Business Group and Unit) and individual performance objectives over multiple time horizons;
- Motivating Senior Officers and senior management to achieve and exceed the Company financial, operational and strategic objectives by providing above-target awards for above-target performance over the short and long-term; and
- Promoting an ownership mentality through equity awards and share ownership guidelines for our leadership and thus a long-term view of Company strategy and performance.

Risk Management

The HR Committee ensures that the Executive Compensation Policy encourages behavior that drives sustainable long-term shareholder value while discouraging excessive risk-taking. Consistent with prudent risk management, our executive compensation design incorporates a balance of short and long-term incentive programs and a mix of performance metrics (both financial and non-financial). A significant portion of total pay is awarded in the form of long-term equity-based compensation.

Additionally, we believe that, among other factors, the following policies and guidelines (described in greater detail throughout this document) help to discourage inappropriate risk-taking:

Anti-Monetization and Anti-Hedging Policy – a prohibition on hedging SNC-Lavalin equity exposure and trading in derivatives of the Company exists for all insiders of the Company.

Clawback Policy – incentive compensation awarded to executive officers is subject to the Clawback Policy which provides the Board with discretion to seek reimbursement of all or part of paid incentives under specific circumstances.

Share Ownership Guidelines – share ownership by Senior Officers and Executive Vice-Presidents not reporting directly to the CEO, required under our Share Ownership Guidelines, contributes to our success and helps to align shareholder and executive interests. The CEO is also subject to a minimum share ownership requirement for one (1) year following retirement.

Pay Comparator Groups

The Company uses Pay Comparator Groups in order to provide competitive market context to support pay level and pay mix decision-making, and to provide context regarding compensation design practices. Reflecting the Company's global status, we use both Canadian and U.S. Pay Comparator Groups that include companies with a diverse global employee and client base, recognizing that there are few global engineering and construction companies in the world.

These Pay Comparator Groups, detailed below, were developed in 2012 and updated in 2015 based on the following selection criteria:

•Publicly-traded companies;

•Companies with annual revenues, market capitalization, and total enterprise value of between half to 2 times that of SNC-Lavalin's;

•Industrial sectors where we compete for talent, including, but not limited to, Engineering and Construction, Oil and Gas, Utilities and Chemicals; and

•Direct competitors that do not meet the scoping criteria (annual revenues, market capitalization, or total enterprise value).

We also refer to other markets where appropriate.

Canadian Pay Comparator Group (n=12)
All data in $MM CAD as at Dec 31, 2014.[(1)]

Company	Market Capitalization	Total Enterprise Value	Last 12 Months Total Revenues	Latest Total Assets	Primary Industry
Agrium Inc.	$15,809	$21,038	$18,578	$19,812	Fertilizers and Agricultural Chemicals
Air Canada	$3,397	$5,917	$13,237	$10,648	Airlines
ATCO Ltd.	$5,472	$15,004	$4,554	$17,689	Multi-Utilities
Bombardier Inc.	$7,213	$13,394	$23,290	$31,979	Aerospace and Defense
CGI Group Inc.	$13,808	$15,963	$10,396	$11,172	IT Consulting and Other Services
Encana Corporation	$11,984	$11,550	$9,287	$28,513	Oil and Gas Exploration and Production
Finning International Inc.	$4,349	$5,664	$6,918	$5,273	Trading Companies and Distributors
Fortis Inc.	$10,720	$26,596	$5,401	$26,628	Electric Utilities
Kinross Gold Corporation	$3,731	$5,022	$4,014	$10,366	Gold
Linamar Corp.	$4,598	$4,933	$4,095	$2,904	Auto Parts and Equipment
Pembina Pipeline Corporation	$14,226	$17,150	$6,069	$11,262	Oil and Gas Storage and Transportation
Teck Resources Limited	$9,174	$15,672	$8,599	$36,839	Diversified Metals and Mining
Median	$8,194	$14,199	$7,758	$14,476	
SNC-Lavalin Group Inc.	$6,756	$8,880	$8,239	$10,011	Engineering and Construction

(1)Source: S&P Capital IQ, McGraw Hill Financial

U.S. Pay Comparator Group (n=18)
All data in $MM CAD as at Dec 31, 2014.[(1)(2)]

Company	Market Capitalization	Total Enterprise Value	Last 12 Months Total Revenues	Latest Total Assets	Primary Industry
AECOM	$5,410	$6,007	$12,263	$16,506	Engineering and Construction
Airgas, Inc.	$9,964	$12,789	$6,104	$6,937	Industrial Gases
Ashland Inc.	$9,593	$11,778	$7,041	$11,985	Specialty Chemicals
Axalta Coating Systems Ltd.	$6,924	$11,052	$4,931	$7,135	Specialty Chemicals
Cameron International Corporation	$11,421	$14,953	$12,022	$14,930	Oil and Gas Equipment and Services
Celanese Corporation	$10,668	$13,054	$7,877	$10,212	Specialty Chemicals
Chicago Bridge & Iron Company N.V.	$5,265	$7,744	$15,026	$10,864	Engineering and Construction
EMCOR Group Inc.	$3,336	$3,240	$7,441	$3,925	Engineering and Construction
Fluor Corporation	$10,969	$9,359	$24,935	$9,490	Engineering and Construction
FMC Technologies, Inc.	$12,685	$13,676	$9,198	$8,310	Oil and Gas Equipment and Services
Huntsman Corporation	$6,442	$10,629	$13,408	$12,741	Diversified Chemicals
Jacobs Engineering Group Inc.	$6,757	$6,878	$14,877	$9,570	Engineering and Construction
KBR, Inc.	$2,848	$1,718	$7,372	$4,863	Engineering and Construction
Murphy Oil Corporation	$10,384	$13,733	$6,125	$19,389	Oil and Gas Exploration and Production
Quanta Services, Inc.	$7,157	$7,109	$9,092	$7,310	Engineering and Construction
RPM International Inc.	$7,838	$9,445	$5,038	$4,789	Specialty Chemicals
Superior Energy Services, Inc.	$3,551	$5,092	$5,277	$8,544	Oil and Gas Equipment and Services
The Valspar Corporation	$8,206	$9,860	$5,102	$4,551	Specialty Chemicals
Median	$7,498	$9,653	$7,659	$9,017	
SNC-Lavalin Group Inc.	$6,756	$8,880	$8,239	$10,011	Engineering and Construction

(1) Source: S&P Capital IQ, McGraw Hill Financial

(2) Converted into CAD based on Dec 31, 2014 USD/CAD spot rate of 1.16

The HR Committee reviews the Pay Comparator Groups periodically to ensure that they represent the most appropriate and reliable sample possible, verifying that the companies included continue to meet the selection criteria and determining whether additional companies should be included. The last review was undertaken at the beginning of 2015.

The Company also employs a Performance Comparator Group, which is used to assess the Company's relative Total Shareholder Return ("TSR") under the current Performance Share Unit Plan ("PSUP"). This group is described in this CD&A, under the description of the PSUP.

Positioning

Our Executive Compensation Policy targets total direct compensation ("TDC"), specifically base salary and target short-term and long-term incentive awards (grant-date fair value), at median compared to the Pay Comparator Groups, giving equal weighting to both the Canadian and U.S. Pay Comparator Groups, with above median pay realized through incentive payouts for above target performance and below median pay realized for below target performance.

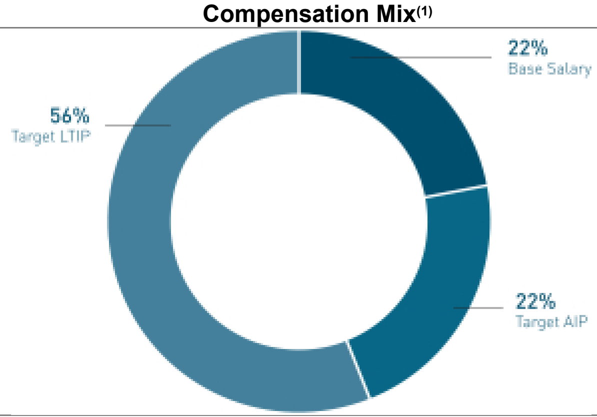
Perquisites, benefits, and retirement benefits are targeted at a level that is competitive with similarly sized local companies.

EXECUTIVE COMPENSATION DESIGN AND MIX

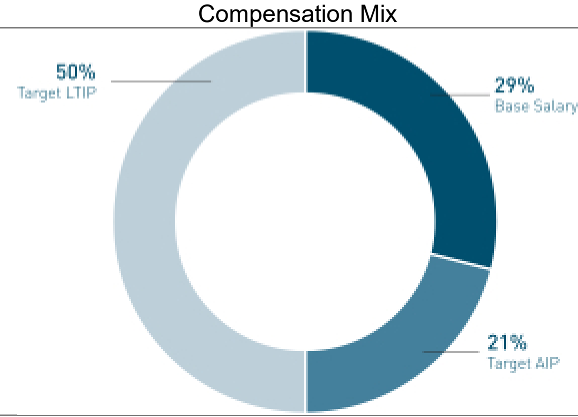
There are six elements incorporated in our executive compensation program: i) base salary, ii) annual incentive plan ("AIP"), iii) long-term incentive plan ("LTIP"), iv) employee share ownership plan ("ESOP"), v) pension benefits, and vi) executive perquisites.

A significant portion of our NEOs' compensation is variable and linked to performance against our short-term financial and non-financial operating and strategic objectives under our annual incentive plan, and TSR and share price performance under our long-term incentive plan. The following charts illustrate our CEO's 2014 target total direct compensation mix, as well as that of the other NEOs (on average).

CEO Target Total Direct Compensation Mix[(1)]



Average NEO Target Total Direct Compensation Mix



(1) As reflected in the chart above, the CEO is entitled to an annual target LTIP of 260% of base salary, including, prior to 2014, 110% of base salary granted in the form of stock options. In 2013, per the terms of the CEO's employment agreement and to provide the CEO with immediate exposure to the Company's share price and an enhanced incentive to create shareholder value, the CEO received a two-year allocation of stock options (2x 110% of base salary) resulting in total 2013 LTIP equal to 370% of base salary, Consequently, the 2014 LTIP grant was equal to 150% of base salary.

COMPONENTS OF COMPENSATION

Elements of Compensation

Our NEOs have the opportunity to receive compensation that is both fixed (guaranteed) and variable (at risk) and triggered by Company and individual executive performance.

Component	Risk	Objectives	Time Frame	Description
Components of Total Direct Compensation ("TDC")				
Base Salary	Fixed (no risk)	Provides competitive level of fixed compensation	Set annually	•Only fixed component of TDC •Typically set in reference to median of comparator group •Individual NEO salaries reflect level of responsibility, skills and experience
Annual Incentive Program ("AIP")	Variable (at risk)	Rewards for personal contributions to and achievement of Company objectives	1 year	•Cash bonus •Payout based on combination of Board-approved financial and non-financial objectives
2014 Performance Share Unit Plan ("2014 PSUP")	Variable	Rewards performance and creates incentive to enhance shareholder value	3 years	•Annual grants •Effective 2014: cliff vesting (0-200% of units granted) based on Company relative TSR performance vs. Performance Comparator Group
Restricted Share Unit Plan ("RSUP")	Variable	Promotes retention and rewards contribution to long-term value creation	3 years	•Annual grants •RSUs cliff vest on their third anniversary
Executive Deferred Share Unit Plan ("E-DSUP")	Variable	Aligns the interests of management with those of shareholders and rewards contribution to long-term value creation	5 years (vesting)	•Annual grants discontinued effective 2014 •Ad hoc grants may be awarded under special circumstances •Payout of vested units upon termination of employment
Other Components of Compensation				
Employee Share Ownership Plan ("ESOP")	Variable	Encourages share ownership and aligns participant interests with shareholders	3 years	•Voluntary share purchase plan •Employee contributions of up to 10% of base salary with Company matching contribution of 35% over a 2-year period
Management Share Ownership Plan ("MSOP")	Variable		5 years	•Voluntary share purchase plan •Executive contributions of up to 25% of AIP payout with 100% Company matching contribution over 5 equal annual installments •Plan is closed and only two NEOs remain eligible to participate in the MSOP
Benefits and Perquisites	No risk	Provides an effective and attractive executive compensation program	1 year	•Group life and health insurance program and perquisites allowance
Retirement Benefits	No risk		1 year	•Harvest Plus – defined contribution supplemental executive retirement plan ("SERP")

Base Salary

We set NEO base salaries by reference to the median of the Pay Comparator Groups, with each individual's salary taking into account experience, level of responsibility, and skills. Base salaries for the CEO's direct reports are recommended by our CEO and are reviewed by the HR Committee for final Board approval in the first quarter of each calendar year, in conjunction with a review of total compensation. The CEO's base salary is recommended by the HR Committee for Board approval.

In 2014, our CEO and our Group President, Resources, Environment and Water received a base salary increase of 4%, and our CFO received a base salary increase from $475,000 to $532,000 in light of strong performance and in consideration of competitive market pay levels. Our Group President, Infrastructure did not receive any increase to his base salary as he joined the Company in late 2013.

The following table outlines our NEOs' 2014 base salaries:

Executive	2013 Base Salary	2014 Base Salary	Change from 2013
Robert G. Card	$945,000	$985,000	4%
Alain-Pierre Raynaud	$475,000	$532,000	12%
Neil Bruce	$800,000	$830,000	4%
Hisham Mahmoud[1][2]	$ 721,754	$ 773,204	0%
Sandy Taylor[3]	n/a	$625,000	n/a

[1] Dr. Mahmoud joined SNC-Lavalin as Group President, Infrastructure effective October 14, 2013. Therefore, his annual base salary (700,000 USD) remained unchanged in 2014.

[2] Dr. Mahmoud's salary is paid in USD and converted to CAD, for the purposes of this disclosure, using a monthly average exchange rate of 1 USD = 1.031077 CAD for the year 2013, and a monthly average exchange rate of 1 USD = 1.104577 CAD for the year 2014.

(3) Mr. Taylor joined SNC-Lavalin as Group President, Power effective February 5, 2014.

AIP

Our NEOs are eligible to participate in our AIP which rewards the achievement of various objectives in the short term by an annual cash bonus.

Plan Design

For our NEOs, the AIP is linked to a combination of financial and non-financial objectives at the Company and individual levels and is structured as follows:

Base Salary ($) × **AIP Target (% salary)** × **Performance Score (0-200%)** = **AIP Payout ($)**

Target Award Levels

Under the AIP, each NEO has a target award (expressed as a percentage of base salary) with no payout for performance at or below the threshold level, and maximum payout of 200% of target for at or above maximum performance. These percentages of base salary are as follows for our NEOs:

Executive	Below Threshold	Target	Maximum
Robert G. Card	0%	100%	200%
Alain-Pierre Raynaud	0%	75%	150%
Neil Bruce	0%	75%	150%
Hisham Mahmoud	0%	75%	150%
Sandy Taylor	0%	75%	150%

Performance Measurement

The Performance Score under the AIP is calculated as follows:

Performance Score (0-200%) = **Financial Objectives (2/3 Weighting)** + **Non-Financial Objectives (1/3 Weighting)**

Financial Objectives (2/3 Weighting)

1. SNC-Lavalin EBIT (80%)
2. SNC-Lavalin Operating Cash Flow / EBIT (20%)

Non-Financial Objectives (1/3 Weighting)

1. Ethics and Compliance (25%)
2. Health, Safety, Security and Environment (10%)
3. Individual goals – Strategy, Organization and People (65%)

2014 Financial Performance Objectives and Achievement

In 2014, our financial measures were Company EBIT and Operating Cash Flow/EBIT.

Performance Measure (Weighting)	Threshold (0% payout)[1]	Target 100%	Maximum 200%	Actual Achievement	Actual Score
SNC-Lavalin EBIT (000s) (80%)[2]	$590,379	$694,563	$798,747	$392,250	0%
SNC-Lavalin Operating Cash Flow / EBIT (20%)[3]	105%	120%	135%	69%	0%

[1] Payouts are interpolated on a linear basis between threshold, target and maximum performance levels.
(2) Adjusted to neutralize the impact of transactions and specific events.
(3) Expressed as a percentage of actual EBIT.

The financial performance of the Company, both in terms of EBIT and Operating Cash Flow/EBIT fell short of the threshold levels during 2014. As such, the weighted performance score under these financial goals was 0% of target.

2014 Non-Financial Performance Objectives and Achievement

In 2014, our non-financial performance measures included Ethics and Compliance, and Health Safety, Security and Environment ("HSSE").

Performance Measure (Weighting)	Objectives	Achievements
Ethics and Compliance (25%)	•Continue to implement an effective and sustainable Ethics and Compliance program •Effectively execute and operationalize the Ethics and Compliance Program	•The Ethics and Compliance program was fully implemented and is generally credited as a standard-setter for the industry •Assessment: Above target
HSSE (10%)	•No major environmental incidents •Total Recordable Injury Frequency ("TRIF"): 0.3 •Lost Time Injury Frequency ("LTIF"): 0.075 •Score of 0% in case of a fatality	•Our performance continues to improve and is in the upper quartile of the industry. However, as a result of having one fatality, the score is set to 0%.
Strategy, Organization and People (65%)	•Each NEO had specific individual performance objectives related to this measure	•For a discussion regarding individual executive achievements against these objectives, see the "CEO Compensation and Review" and "Other NEO Compensation and Review" sections of this CD&A.

2014 AIP Payouts

Based on the financial and non-financial performance results described above, the NEOs were awarded the following AIP payouts in respect of 2014:

Executive	Actual AIP Payout	Actual AIP as a % of Target
Robert G. Card(1)	$0	–
Alain-Pierre Raynaud	$174,300	44%
Neil Bruce	$271,900	44%
Hisham Mahmoud(2)	$190,429	36%
Sandy Taylor	$171,700	44%

(1) Mr. Card has elected to forgo his bonus under the 2014 AIP.

(2) Dr. Mahmoud's AIP Payout of 172,400 USD is paid in USD. It has been converted to CAD for the purposes of this disclosure using a monthly average exchange rate of 1 USD = 1.104577 CAD.

LTIP

In addition to our AIP, our NEOs are eligible for annual long-term incentive grants. Effective 2014, we have adopted an annual long-term incentive mix of PSUs (60% of annual LTIP grant) and RSUs (40% of annual LTIP grant), and have discontinued annual recurring grants of stock options and E-DSUs.

PSUP

2014 PSU Design

In 2014, the Company introduced an updated PSU design in order to enhance the link between compensation and long-term shareholder value creation. Under this new plan design, the interests of our eligible employees and executives are aligned with the interests of our shareholders by tying the vesting of PSUs to relative TSR over a three-year period. TSR measures the appreciation of our Common Shares as well as dividends paid during the performance period assuming dividend reinvestment.

The 2014 PSU grant has a performance period from January 1, 2014 to December 31, 2016 and units vest at the end of the third calendar year. At vesting, the number of units granted will be adjusted by the performance payout multiplier, which will be between 0% and 200% of units granted based on performance according to the following schedule:

Relative TSR Rank vs. Performance Comparator Group	Performance Payout Multiplier[1]
Below 25th Percentile	0%
25th Percentile	25%
Median	100%
At or above the 75th Percentile	200%

[1] The performance payout multiplier is interpolated between the quartiles on a linear basis and is capped at 100% if our absolute TSR is negative over the performance period.

The Performance Comparator Group for relative TSR measurement includes the following global engineering and construction services companies, against which we compete directly for business and investment capital:

•Actividades de Construcción y Servicios, S.A.(1)	•Foster Wheeler AG(2)
•AECOM	•Jacobs Engineering Group Inc.
•Amec Foster Wheeler plc	•KBR, Inc.
•Balfour Beatty plc	•Technip SA
•Chicago Bridge & Iron Company N.V.(2)	•URS Corporation(1)
•Ferrovial, S.A.	•VINCI S.A.
•Fluor Corporation	•WorleyParsons Limited

(1) URS Corporation was acquired on October 17, 2014 and has been replaced by Actividades de Construcción y Servicios, S.A.

(2) Foster Wheeler was acquired on November 13, 2014 and has been replaced by Chicago Bridge & Iron Company N.V.

At the end of the three-year period, the actual number of vested units, adjusted for performance, is settled in cash or if elected by the executive, in shares purchased on the open market, net of all applicable taxes.

2014 PSU Grant

Under this plan, we award participants a number of units based on a target percentage of the participant's base salary as of the year of grant. The following PSU grants were made to NEOs in 2014:

		2014 PSU Awards		
Executive	Target LTI as a % of Base Salary	Portion of LTI grant in PSUs	$ Grant-Date Fair Value	Number of Units Awarded[1]
Robert G. Card[2]	150%	60%	$ 886,500	18,818
Alain-Pierre Raynaud	135%	60%	$ 430,920	9,148
Neil Bruce	210%	60%	$1,045,800	22,200
Hisham Mahmoud[3]	180%	60%	$ 835,531	17,736
Sandy Taylor	180%	60%	$ 675,000	14,329

[1] For the purposes of determining the number of PSUs granted, each PSU is attributed a notional value equivalent to the average closing price of the Common Shares for the five (5) business days following the date of grant (March 17, 2014), which was $47.11.

[2] As indicated earlier, the annual grant is 260%, which was adjusted downward to reflect the two-year allocation of stock options Mr. Card received in 2013.

[3] Dr. Mahmoud's PSU award valued at 756,000 USD has been converted to CAD using the spot rate, as of the date of grant (March 17, 2014), of 1 USD = 1.1052 CAD.

2012 PSU Vesting and Settlement

Between 2010 and 2013, PSU awards made by the Company vest and are paid out based on cumulative Earnings Per Share ("EPS") targets. The performance payout multiplier for the 2012 grant (performance period from January 1, 2012 to December 31, 2014) was determined according to the following schedule:

EPS Growth (Annualized)	Cumulative 2012-2014 EPS	Performance Payout Multiplier[1]
Below Threshold	<$ 7.54	0%
Threshold	$ 7.54	50%
Target	$ 8.72	150%
Maximum	$10.03	200%

[1] The performance payout multiplier is interpolated between the quartiles on a linear basis.

During this performance period, the Company achieved cumulative EPS of $2.52 (adjusted to neutralize the impact of transactions and specific events), which was below the threshold level of performance. As a result, none of the PSUs granted during 2012, as was the case in 2010 and 2011, vested and therefore no payments related to these grants were made.

RSUP

Effective 2014, annual grants of RSUs are made to eligible employees and executives, including our NEOs. The RSUP aligns the interests of participants with those of shareholders and rewards the creation of shareholder value by tying payout of units to the value of our Common Shares. It further promotes employee and executive retention through time-based vesting – RSUs vest three years following the date of grant.

2014 RSU Grants
Under this plan, participants are awarded a number of units based on a target percentage of the participant's base salary as of the year of grant. The following RSU grants were made to NEOs in 2014:

	2014 RSU Awards			
Executive	Target LTI as a % of Base Salary	Portion of LTI grant in RSUs	$ Grant-Date Fair Value	Number of Units Awarded[1]
Robert G. Card(2)	150%	40%	$591,000	12,546
Alain-Pierre Raynaud	135%	40%	$287,280	6,099
Neil Bruce	210%	40%	$697,200	14,800
Hisham Mahmoud(3)	180%	40%	$557,021	11,824
Sandy Taylor	180%	40%	$450,000	9,553

[1] For the purposes of determining the number of RSUs granted, each RSU is attributed a notional value equivalent to the average closing price of the Common Shares for the five (5) business days following the date of grant (March 17, 2014), which was $47.11.

[2] As indicated earlier, the annual grant is 260%, which was adjusted downward to reflect the two-year allocation of stock options Mr. Card received in 2013.

[3] Dr. Mahmoud's RSU award valued at 504,000 USD has been converted to CAD using the spot rate, as of the date of grant (March 17, 2014), of 1 USD = 1.1052 CAD.

E-DSUP
Effective 2014, annual grants of E-DSUs have been discontinued; however, the plan remains in place to allow for discretionary grants under exceptional circumstances.

Similar to the RSUP, the E-DSUP aligns the interests of participants with those of shareholders and rewards the creation of shareholder value by tying payout of units to the value of our Common Shares. It additionally promotes employee and executive retention through time-based vesting – DSUs vest 20% at the end of each calendar year and are paid out one year following termination of employment.

2014 E-DSU Grants
As per his employment agreement, Mr. Card is entitled to receive a payment or award equivalent to two-thirds (2/3) of the supplemental executive retirement plan balance forfeited with his previous employer. Mr. Card requested that this value be provided in E-DSUs, thereby allowing him to increase his level of share ownership in the Company. As such, the Board approved on April 14, 2014, a grant of 30,830 E-DSUs with immediate vesting.

The Board also approved on April 14, 2014, a grant of an additional 16,900 E-DSUs to Mr. Card as a correction to his 2013 E-DSU grant. The correction relates to the application of a formula described in his employment agreement, pursuant to which a total of 20,000 E-DSUs should have been granted in 2013 (as opposed to the 3,100 E-DSUs actually granted). This additional grant is subject to the same vesting terms and conditions as the 2013 E-DSU grant.

On March 17, 2014, the Board approved a grant of 8,491 E-DSUs (grant-date fair value of $400,011) for Mr. Bruce, Group President, Resources, Environment and Water in recognition of his outstanding contribution to the Company.

Stock Option Plan
Effective 2014, annual recurring grants under our stock option plan have been discontinued; however, previous grants of stock options made to eligible executives, including our NEOs, remain outstanding and vest in accordance with specific plan rules. Stock options granted under our 2013 Stock Option Plan have a term of six years and those granted under our 2009 and 2011 Stock Option Plans have a five-year term. Vesting of options granted under all of these plans occurs one-third per year beginning two years from the date of grant. No stock options were granted in 2014.

Other Components of Compensation
ESOP
The ESOP is a voluntary share purchase plan that encourages the equity participation of our employees, emphasizing the Company's belief that share ownership by employees contributes to the Company's success. This plan is available to the vast majority of Canadian employees, as well as to employees in a number of Business Units outside of Canada and provides for a matching contribution by the Company of 35% (paid in two installments over a two-year period), on employee contributions of up to 10% of base salary provided that during this time, the participant remains an employee of the Company and does not sell the underlying Common Shares.

The ESOP was amended in 2014 to allow participants who are subject to share-ownership requirements, which included all NEOs, to contribute up to 20% of their base salary in the ESOP. However, contributions in excess of 10% of base salary do not attract the Company-matching contribution. The main purpose of this amendment is to encourage and facilitate the purchase of Common Shares through an automatic plan. Approximately 7,600 employees participated in the ESOP and through this plan held Common Shares representing approximately 3% of all Common Shares outstanding as at December 31, 2014.

MSOP

Effective 2013, the Company no longer offers participation in the MSOP except for two NEOs. The MSOP offers participants an additional opportunity to increase their participation in the shareholding of the Company by allowing them to contribute 25% of their gross bonus payment under the AIP towards the purchase of Common Shares. The Company will make, in five annual equal installments, a total contribution equal to the participant's contribution, which will be used to purchase Common Shares of the Company, provided that during this time, the participant remains an employee of the Company and does not sell the underlying Common Shares. A participant may sell shares in the MSOP at any time; however, if this occurs prior to all Company-matching installments having been made, these future Company contributions are forfeited.

The only NEOs currently eligible to participate in the MSOP are the CEO and the Group President, Resources, Environment and Water.

Pension

Unless otherwise done for tax reasons, our NEOs participate in the Harvest Plan ("Harvest"), our group registered retirement savings plan/deferred profit-sharing plan available to all employees. Annually, the Company contributes 20% of the participating NEO's annual base salary to the Harvest.

To provide an attractive and competitive compensation plan and to supplement their income after retirement, the NEOs also participate in our Harvest Plus Plan, a defined contribution Supplemental Executive Retirement Plan ("SERP") implemented in 2002. Contributions in excess of the maximum allowed under the Income Tax Act (Canada) for registered plans are credited to a notional account under the Harvest Plus, which is guaranteed through a letter of credit with a major financial institution or paid directly to the NEO. The contributions attributed to the notional account accrue interest as if they were invested in long-term Government of Canada bonds or the moderate balanced portfolio under the Harvest Plan, whichever would have provided a higher rate of return during the year. The notional account is payable upon retirement or termination of employment, either in a lump sum or in monthly installments paid over a period of five or ten years, at the participant's option.

During 2014, the Harvest Plus Plan was amended to introduce a taxable non-registered account. Access to the non-registered account is voluntary for existing participants and may be elected during 2015.

Due to their tax residence, some NEOs receive their Harvest Plus contribution as a taxable allowance instead of having the contribution accumulate in the notional account.

Benefits and Perquisites

To provide an attractive compensation plan, the Company provides executives with select benefits and perquisites. These benefits and perquisites are designed to be competitive with those offered to executives at comparable organizations and are reviewed periodically by the HR Committee. Our executive benefits program includes life, medical, dental and disability insurance. Perquisites are provided to our executives, including the NEOs, in the form of a taxable cash allowance.

We do not have a corporate aircraft and no tax gross-ups are provided to executives.

CEO COMPENSATION AND REVIEW

Per the terms of his Executive Employment Agreement, Mr. Card is entitled to a base salary, currently $985,000, a target AIP opportunity of 100% of base salary, and a target LTIP opportunity of 260% of base salary.

Performance Overview

Financial performance in 2014 was disappointing, producing an EBIT of just under $400 million compared to a target of just under $700 million, with cash flow similarly impacted. Our stock price during the year was negatively impacted by this significant commodity end market headwind. On the positive side, the Company received more than anticipated from its disposition of certain assets, particularly AltaLink. In addition, significant gains were made in building the base for future success, including the completion of the recruitment of the top two levels of the executive team, the implementation of a standard-setter ethics and compliance program and improved HSSE performance.

AIP Payout

In light of this performance, the CEO requested to forgo the bonus he would have otherwise been entitled to receive under the 2014 AIP and the Board has accepted his request.

2014 LTIP Grants

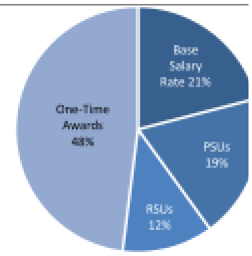
In 2014, the CEO's annual LTIP grant was 150% of salary (i.e. $1,477,500), 60% of which was granted in the form of PSUs and 40% of which was granted in the form of RSUs. Mr. Card is entitled to an annual target LTIP of 260% of base salary. However, in 2013, per the terms of his employment agreement and to provide him with immediate exposure to the Company's Common Share price and an upfront incentive to create shareholder value, the CEO received a two-year allocation of stock options (2x 110% of base salary) resulting in total 2013 LTIP equal to 370% of base salary and, consequently, a 2014 LTIP grant equal to 150% of salary.

In addition to the above and as described earlier in this CD&A, the CEO also received a grant of E-DSUs under the terms of his employment agreement.

Summary of CEO Compensation

Compensation Component	2014 Target ($)	2014 Actual ($)	Variance From Target (%)	2013 Actual ($)
Base Salary Rate	$985,000	$985,000	–	$945,000
AIP				
Financial Component (2/3)	$656,667	–	–	$103,950
Non-Financial Component (1/3)	$328,333	–	–	$472,500
Total	$985,000	–	–	$576,450
Annual Long-Term Incentives				
PSUs	$886,500	$886,500	–	$675,000
RSUs	$591,000	$591,000	–	–
Stock Options	–	–	–	$1,980,277
E-DSUs	–	–	–	$675,000
Total	$1,477,500	$1,477,500	–	$3,330,277
Annual TDC	$3,447,500	$2,462,500	-29%	$4,851,727
Annual TDC – Variance from 2013	–	-49%		
One-Time Awards				
RSUs	–	–	–	$281,450
E-DSUs	–	$2,273,857	–	$278,588
Total	–	$2,273,857	–	$560,030

2014 Actual Pay Mix



CEO Realized and Realizable Compensation: 2013-2014

The following table compares the target grant date value of recurring compensation (i.e., excluding special awards) awarded to Mr. Card with the actual value that he has received plus the market value of outstanding awards as at December 31, 2014. The actual compensation values include salary and cash incentive payments, the value at vesting of annual recurring share units awards (or market value for units that are outstanding), the value of stock options exercised during the period, and the in-the-money value of outstanding stock options. The table below reflects the years 2013 and 2014 as these are the first two full years of Mr. Card's employment.

Year	Target Total Direct Compensation Awarded ($000s)[1]	Realized/Realizable Total Direct Compensation as at Dec 31, 2014 ($000s)	Period	Value of $100 invested annually in compensation and in shares: Mr. Card[2][3]	Value of $100 invested annually in compensation and in shares: Shareholders[4]
2013	$5,220	$3,055	Jan 1, 2013 – Dec 31, 2014	$59	$115
2014	$3,448	$2,375	Jan 1, 2014 – Dec 31, 2014	$69	$95
Aggregate	$8,668	$5,430	Jan 1, 2013 – Dec 31, 2014	$63	$105

[1] Includes salary and target AIP and LTIP awarded during the year.

[2] Represents the actual value earned or outstanding to Mr. Card for each $100 awarded in target total direct compensation during the fiscal year indicated.

[3] Outstanding units under the Long Term Incentive Plan are valued using the closing share price of $44.31 as at December 31, 2014. A performance factor of 0.0x is assumed for PSUs granted in 2013 as cumulative EPS for the years 2012 to 2015 is expected to fall below threshold based on our disclosed EPS guidance for 2015. A performance factor of 1.0x is assumed for PSUs granted in 2014.

[4] Represents the cumulative value of a $100 investment in shares made on the first trading day of the period indicated, assuming reinvestment of dividends.

OTHER NEO COMPENSATION AND REVIEW

Individual AIP Objectives and Achievements

The following table provides an overview of the individual achievements of each of the other NEOs during 2014:

Executive	Achievements During 2014
Alain-Pierre Raynaud	•Increased the credit facility agreement to support the funding of operations and acquisitions. •Optimized the Kentz financial integration in terms of risk exposure (due diligence) and projects and operations financing. •Significantly strengthened the Company balance sheet. •Drove the decrease in the Company's fixed costs (fixed costs were contained to the 2013 level).
Neil Bruce	•Successfully acquired and integrated the Kentz business, bringing the Company in the Tier 1 group for oil and gas. •Made progress towards building a core presence of the Company in the Middle-East region, supporting some of the largest resource projects in the region and in the world. •Placed greater focus around the marketing and execution of sustaining capital projects to resource clients. •Embedded the ethics framework and safety culture in all regions.
Hisham Mahmoud	•Reorganized the Infrastructure business to more efficiently address the full lifecycle of infrastructure projects. This included the formation of a new Infrastructure Engineering business unit, and the integration of infrastructure construction businesses into one business unit. •Recruited and appointed industry leading professionals to the leadership team. •Actively engaged in mitigating risk associated with legacy businesses and projects, including the Company's exit from high risk businesses and markets. •Introduced the commercial function and more rigor in Infrastructure project bids, controls, and management. •Repositioned the business and aligned strategy for future growth.
Sandy Taylor	•Restructured the Power business group into a streamlined 4-business unit structure, driving more front-end and executed synergies across the other business groups. •Increased market and customer focus through driving key account management, leveraging previous personal experience and responsibilities in customer/market management. •Strengthened the management team, both in key business unit and functional leadership roles, through a combination of internal promotions and external hires. •Developed and implemented an updated Power group strategy focussing on a combination of sector and geographic focus with portfolio management to drive top and bottom line growth.

Aggregate Other NEO Realized and Realizable Compensation: 2013-2014

The following table compares the aggregate target grant date value of recurring compensation (i.e., excluding special awards) awarded to our other NEOs with the actual value that they have received plus the market value of outstanding awards as at December 31, 2014. The actual compensation includes salary and cash incentive payments, as well as the value at vesting of annual recurring share unit awards (or market value for units that are outstanding), the value of stock options exercised during the period, and the in-the-money value of outstanding stock options. Each of our NEOs, other than the CEO, has been with the Company for less than two years. Dr. Mahmoud and Mr. Taylor are excluded from 2013 as Dr. Mahmoud commenced employment with the Company late in 2013 and Mr. Taylor commenced in early 2014.

Year	Target Total Direct Compensation Awarded ($000s)[1]	Realized/Realizable Total Direct Compensation as at Dec 31, 2014 ($000s)	Period	Value of $100 invested annually in compensation and in shares	
				Other NEOs[2][3]	Shareholders[4]
2013	$4,316	$2,838	Jan 1, 2013 - Dec 31, 2014	$66	$115
2014	$9,808	$8,252	Jan 1, 2014 - Dec 31, 2014	$84	$95
Aggregate	$14,124	$11,090	Jan 1, 2013 - Dec 31, 2014	$79	$105

[1] Includes salary and target AIP and LTIP awarded during the year.

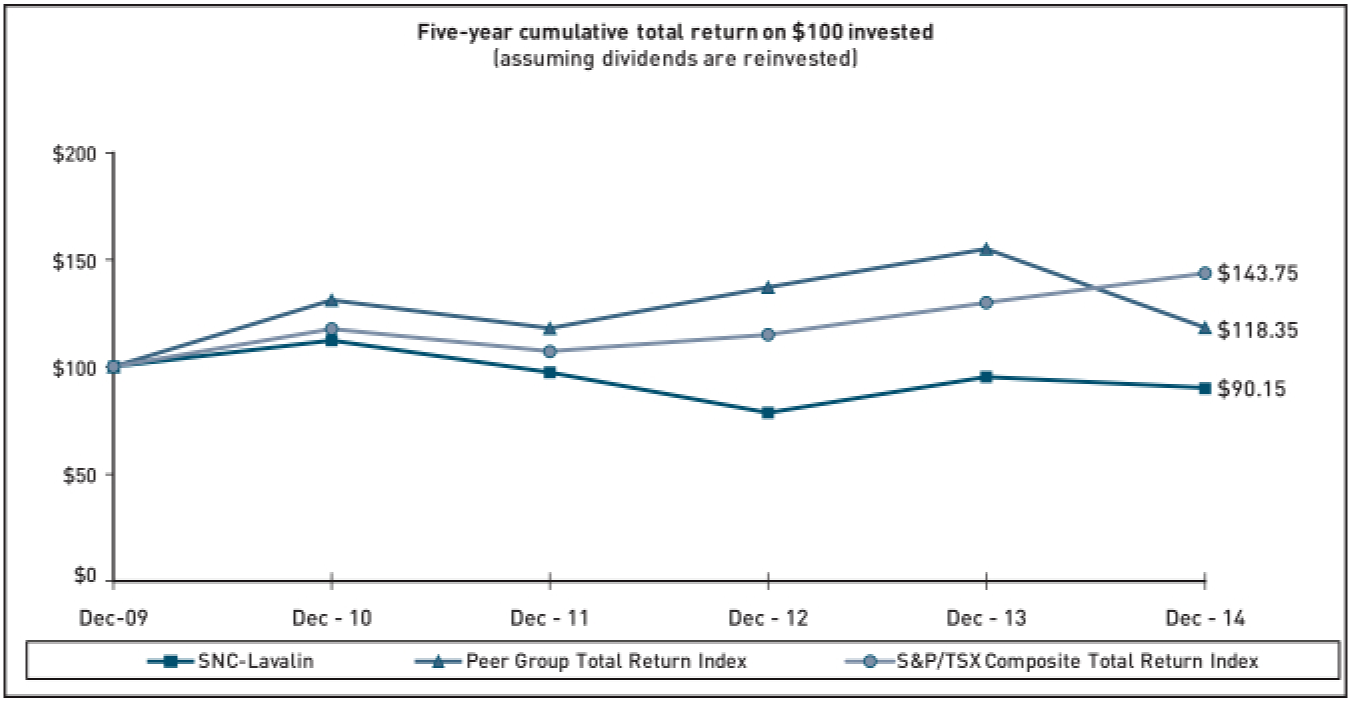
[2] Represents the actual aggregate value earned or outstanding to other NEOs for each $100 awarded in target total direct compensation during the fiscal year indicated.

[3] Outstanding units under the Long Term Incentive Plan are valued using the closing share price of $44.31 as at December 31, 2014. A performance factor of 0.0x is assumed for Performance Share Units (PSUs) granted in 2013 as cumulative EPS for the years 2012 to 2015 is expected to fall below threshold based on our disclosed EPS guidance for 2015. A performance factor of 1.0x is assumed for PSUs granted in 2014.

[4] Represents the cumulative value of a $100 investment in shares made on the first trading day of the period indicated, assuming reinvestment of dividends.

PERFORMANCE GRAPH

The graph below depicts the cumulative return of a $100 investment at December 31, 2009, in the Company's Common Shares, in the S&P/TSX Composite Total Return Index, and in an index composed of a peer group of engineering-construction companies, which includes: AECOM Technology Corp., AMEC Foster Wheeler plc, Fluor Corporation, Jacobs Engineering Group Inc., Technip S.A. and WorleyParsons Limited. For calculation purposes, a weighted-average based on market capitalization of each company in the peer group was used.



Financial Years	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14
SNC-Lavalin	100.00	112.23	97.42	78.73	95.36	90.15
Peer Group Total Return Index	100.00	131.12	118.16	137.07	155.02	118.35
S&P/TSX Composite Total Return Index	100.00	117.61	107.36	115.08	130.03	143.75
Value of $100 invested on December 31, 2009 (assumes dividends are reinvested)						

It is difficult to directly compare our NEO compensation with the share price trend over the last five years as illustrated above given the significant changes in our management team and the evolution in our compensation programs during this period. Our CEO joined the Company in October 2012 and our other NEOs have been with the Company for less than two years as of December 31, 2014.

The Company believes in providing a significant portion of NEO compensation in the form of long-term incentives, which mirror the trend in share price movement and serve to align the interests of management with those of our shareholders. As previously illustrated, the value of realized and realizable compensation for our current NEOs is tracking below equivalent shareholder returns over the same period.

SUMMARY COMPENSATION TABLE

The following table sets forth, for the fiscal years ended December 31, 2014, December 31, 2013 and December 31, 2012, the compensation paid by the Company to the NEOs for services rendered in all capacities.

2014 SUMMARY COMPENSATION TABLE

Name and principal position	Year	Salary ($)	Share-based Awards ($)	Option-based Awards ($)	Annual Incentive Plans[1]	Pension Value ($)	All Other Compensation[2] ($)	Total Compensation ($)
Robert G. Card[3]	2014	$975,775	$3,791,432	–	–	–	$195,155	$4,962,362
President and CEO	2013	$934,622	$1,921,296	$1,980,277	$576,500	–	$216,895	$5,629,590
	2012	$225,000	$4,100,000	–	$225,000	–	$97,758	$4,647,758
Alain-Pierre Raynaud	2014	$518,846	$718,200	–	$174,300	$103,769	–	$1,515,115
Executive Vice-President	2013	$252,116	$356,272	$237,946	$167,096	$51,200	$243,156	$1,307,786
and CFO	2012	–	–	–	–	–	–	–
Neil Bruce[4], Group	2014	$947,767	$2,158,000	–	$271,900	–	$188,996	$3,566,663
President, Resources,	2013	$782,002	$1,335,069	$720,101	$300,000	–	$163,581	$3,300,753
Environment and Water	2012	–	–	–	–	–	–	–
Hisham Mahmoud[5]	2014	$773,204	$1,391,767	–	$190,429	–	$156,326	$2,511,725
Group President,	2013	$138,799	$532,590	–	$39,078	–	$1,037,828	$1,748,295
Infrastructure	2012	–	–	–	–	–	–	–
Sandy Taylor[6]	2014	$487,992	$1,125,000	–	$171,700	$97,598	$800,000	$2,682,290
Group President,	2013	–	–	–	–	–	–	–
Power	2012	–	–	–	–	–	–	–

(1) Bonus amounts earned in the respective year and paid in the subsequent one under the AIP. Mr. Card has elected to forgo his bonus under the 2014 AIP.

(2) This amount reflects the amounts received as executive benefits and perquisites during the year. Each of the NEOs received benefits and perquisites of which the aggregate value was less than the lower of $50,000 or 10% of the respective base salary. Mr. Taylor received a signing bonus of $800,000. Mr. Card, Mr. Bruce, and Dr. Mahmoud received taxable allowances of $195,155, $188,996, and $154,641 in lieu of the Harvest Plus, respectively. This column also includes employer contributions to the ESOP.

(3) Mr. Card received a Grant under the RSUP and the PSUP representing 150% of his base salary in 2014, as a result of receiving twice the annual grant at target value in Stock Options in 2013.

(4) Mr. Bruce's base salary and other cash compensation are paid in GBP, following their initial conversion using a rate of 1 CAD = 0.6318 GBP. For the purposes of this disclosure, amounts were converted back to CAD using a rate of 1 GBP = 1.5828 CAD.

(5) Dr. Mahmoud's base salary and other compensation are paid in USD, and converted to CAD using a monthly average exchange rate of 1 USD = 1.104577 CAD.

(6) Mr. Taylor joined as an officer of the Corporation effective February 5, 2014.

INCENTIVE PLAN AWARDS

Outstanding Option-Based and Share-Based Awards

The following table sets forth information with respect to the NEOs concerning unexercised stock options, PSUs, RSUs and E-DSUs held as at December 31, 2014:

	Option-Based Awards					Share-Based Awards		
Name	Date of Grant	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-The-Money Options(1) ($)	Number of PSUs, E-DSUs and RSUs That Have Not Vested (#)	Market or Payout Value of Share-based Awards That Have(2) Not Vested ($)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed(2) ($)
Robert G. Card	May 13, 2013	253,000	40.98	May 13, 2019	$842,490	154,991	$6,867,651	$2,950,381
Alain-Pierre Raynaud	May 13, 2013	30,400	40.98	May 13, 2019	$101,232	21,830	$967,287	$72,890
Neil Bruce	May 13, 2013	92,000	40.98	May 13, 2019	$306,360	69,003	$3,057,523	$196,471
Hisham Mahmoud	–	–	–	–	–	41,860	$1,854,817	–
Sandy Taylor	–	–	–	–	–	23,882	$1,058,211	–

(1) This amount is calculated based on the difference between the closing share price of $44.31 on December 31, 2014 and the option exercise price.

(2) This amount is calculated based on the closing share price of $44.31 on December 31, 2014.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information with respect to the NEOs regarding the value of incentive plan awards vested or earned during the year ended December 31, 2014:

Name	Option-Based Awards – Value Vested During the Year[(1)] ($)	Share-Based Awards – Value Vested During the Year[(2)] ($)	Non-Equity Incentive Plan Compensation – Value Vested During the Year[(3)] ($)
Robert G. Card	–	2,159,448	–
Alain-Pierre Raynaud	–	36,467	174,300
Neil Bruce	–	241,186	271,900
Hisham Mahmoud[(4)]	–	–	190,429
Sandy Taylor	–	–	171,700

(1) No options vested in 2014.

(2) Based on a closing share price, on the vesting date, of $44.31 for E-DSUs that vested on December 31, 2014, and a share price of $49.50 for the RSUs attributed to Neil Bruce that vested on January 17, 2014 (none of the PSUs vested during 2014).

(3) Bonus earned in the year under the AIP. Mr. Card has elected to forgo his bonus under the 2014 AIP.

(4) Dr. Mahmoud's AIP Payout of 172,400 USD is paid in USD, and converted to CAD for the purposes of this disclosure using a monthly average exchange rate of 1 USD = 1.104577 CAD.

Options Exercised During the Year Ended December 31, 2014

No options were exercised by NEOs during the year ended December 31, 2014.

PENSION PLAN BENEFITS

Harvest Plus Plan

The following table sets forth information with respect to the amounts accumulated under the notional Harvest Plus accounts:

Name (a)	Accumulated Value at Start of Year ($) (b)	Compensatory[(1)] ($) (c)	Accumulated Value at Year End ($) (d)
Robert G. Card	–	–	–
Alain-Pierre Raynaud	52,972	103,769	167,492
Neil Bruce	–	–	–
Hisham Mahmoud	–	–	–
Sandy Taylor	–	97,598	101,518

(1) Includes the Company's contributions to Mr. Raynaud's notional account under the Harvest Plus and contributions to his Harvest account. Mr. Card, Mr. Bruce and Dr. Mahmoud receive their Harvest contributions as a taxable allowance. Details are provided in the footnotes to the "Summary Compensation Table".

NEO EXECUTIVE EMPLOYMENT AGREEMENTS

The Company has entered into Executive Employment Agreements ("Employment Agreements") with all of the NEOs effective on the dates noted below:

- Mr. Card – October 1, 2012
- Mr. Raynaud – June 1, 2013
- Mr. Bruce – January 17, 2013
- Dr. Mahmoud – October 14, 2013
- Mr. Taylor – February 5, 2014

These Employment Agreements cover the various aspects of their duties and cover subjects, such as compensation components, termination of employment, non-solicitation, and confidentiality.

POST RETIREMENT AND TERMINATION COMPENSATION

Termination of employment provisions are in place for each of the NEOs under their respective Employment Agreements.

Termination Not For Cause

In the event of termination initiated by the Company for reasons other than for cause, the following conditions will apply:

Type of Allowances		Robert G. Card	Alain-Pierre Raynaud	Neil Bruce	Hisham Mahmoud	Sandy Taylor
Severance	•Twice the sum of the annual base salary plus the annual target bonus under the AIP.	✓	✓		✓	✓
	•One time the sum of the annual base salary plus the annual target bonus under the AIP.			✓		
Benefits and Perquisites	•Pension benefits continue to accrue for two years	✓	✓		✓	✓
	•Lump sum payment representing the value of perquisites for a two-year severance period.		✓		✓	✓
	•Pension benefits continue to accrue for one year plus a lump sum payment representing the value of perquisites for a one-year severance period.			✓		
AIP	•Target annual value prorated for the period of that year.	✓	✓	✓	✓	✓
Awards granted including any unvested share-based or option-based awards	•Will continue to vest, become exercisable, be paid or settled (as applicable) as if the individual had remained in employment for 24 months.	✓	✓		✓	✓
	•Will continue to vest, become exercisable, be paid or settled (as applicable) as if the individual had remained in employment for 12 months.			✓		

The following table sets out the incremental amounts which would have been payable had a not-for-cause termination occurred on December 31, 2014:

Involuntary termination	Robert G. Card	Alain-Pierre Raynaud	Neil Bruce	Hisham Mahmoud	Sandy Taylor
Severance	$3,940,000	$1,862,000	$1,452,500	$2,706,213	$2,187,500
Benefits and Perquisites	$394,000	$262,800	$201,000	$379,282	$320,000
AIP	$985,000	$ 399,000	$622,500	$579,903	$468,750
Non-vested Stock Options[(1)]	$561,660	$ 67,488	$102,120	$0	$0
MSOP	$80,150	$0	$15,000	$0	$0
ESOP	$0	$0	$5,834	$27,823	$17,080
Value of Non-vested RSUs	$3,671,438	$251,769	$519,623	$488,075	$394,315
Value of Non-vested PSUs[(2)]	$1,524,574	$587,639	$1,147,009	$1,330,895	$634,918
Value of Non-vested E-DSUs	$1,633,577	$109,401	$670,986	$0	$0
Total	$12,790,399	$3,540,098	$4,736,572	$5,512,191	$4,022,562

[(1)] This amount is calculated based on the difference between the closing share price of $44.31 on December 31, 2014 and the option exercise price ($40.98 in the case of stock options granted in May 2013).

[(2)] Assuming that the PSUs would vest at 100%.

Change in Control

The Company has double-trigger change in control agreements for the NEOs. In the event of involuntary termination of employment or resignation for good reason[(1)] following a change in control, the following conditions will apply:

Severance	•Twice the sum of the annual base salary plus the annual target bonus under the AIP.
Benefits and Perquisites	•Pension benefits continue to accrue for two years plus a lump-sum payment representing the value of perquisites for a two-year severance period.
AIP	•The annual bonus for the year will be paid at target as a lump-sum, prorated for the period of employment in that year.
Stock Options	•All granted, unvested options fully vest and can be exercised immediately. Any stock ownership requirements are suspended.
MSOP	•Future contributions required to be made under the terms of the Program, but not yet made, are accelerated in order for all outstanding matching contributions to be paid by the Company.
ESOP	•Future contributions required to be made under the terms of the Plan, but not yet made, are accelerated in order for all outstanding matching contributions to be paid by the Company.
PSUP and E-DSUP	•All granted PSUs and E-DSUs fully vest and are redeemable for cash in accordance with the Plan provisions. For purpose of the PSUP, the maximum payout multiplier is used.
RSUP	•All granted RSUs fully vest and are redeemable for cash in accordance with the plan provisions.

The following table sets out the incremental amounts which would have been payable had a not-for-cause termination or resignation for good reason following a change in control occurred on December 31, 2014:

Change in Control	Robert G. Card	Alain-Pierre Raynaud	Neil Bruce	Hisham Mahmoud	Sandy Taylor
Severance	$3,940,000	$1,862,000	$2,905,000	$2,706,213	$2,187,500
Benefits and Perquisites	$494,000	$262,800	$402,000	$379,282	$320,000
AIP	$985,000	$ 399,000	$622,500	$579,903	$468,750
Non-vested Stock Options(1)	$842,490	$ 101,232	$306,360	$0	$0
MSOP	$149,050	$0	$60,000	$0	$0
ESOP	$0	$0	$13,613	$27,823	$17,080
Value of Non-vested RSUs	$3,709,500	$270,247	$911,634	$523,921	$423,293
Value of Non-vested PSUs(2)	$3,049,148	$1,175,278	$2,949,805	$2,661,790	$1,269,836
Value of Non-vested E-DSUs	$1,633,577	$109,401	$670,986	$0	$0
Special LTI Value Provision(3)	n/a	$0	$0	$0	n/a
Total	$14,802,765	$4,179,959	$8,841,898	$6,878,933	$4,686,459

(1) This amount is calculated based on the difference between the closing share price of $44.31 on December 31, 2014 and the option exercise price ($40.98 in the case of stock options granted in May 2013).

(2) Assuming that the PSUs would vest at 100%.

(3) A minimum of twice the annual LTI grant at target is guaranteed to Mr. Raynaud, Mr. Bruce, and Dr. Mahmoud until December 31, 2015. This amount reflects the difference between the minimum amount and the current awards outstanding.

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(1) Resignation for good reason is defined as a resignation prompted by a significant change in employment conditions as a result of:

- a significant change or reduction in the scope or scale of the business lead by such NEO;
- a significant change in duties or responsibilities;
- if such NEO longer serves at the highest level of Group's executive leadership;
- a significant reduction of base salary or other compensation or benefits; or
- a major relocation of the business or a requirement to relocate from the NEO's home city.

Retirement

In the event of retirement (as defined in the Company's policies), all granted E-DSUs fully vest and RSUs vest on a prorated basis and are redeemable for cash in accordance with the provisions of the plans. All granted PSUs vest and are subject to the performance conditions until the end of the calendar year of retirement. The following table sets out the incremental amounts which would have been payable under the plans had retirement occurred on December 31, 2014.

Retirement	Value of Non-vested(1) PSUs	Value of Non-vested E-DSUs	Value of Non-vested RSUs	Total Incremental Payment
Robert G. Card(2)	$1,524,574	$1,633,577	$2,385,961	$5,544,112
Alain-Pierre Raynaud	$587,639	$109,401	$71,339	$768,380
Neil Bruce(3)	$1,474,903	$670,986	$301,042	$2,446,931
Hisham Mahmoud	$1,330,895	$0	$138,292	$1,469,187
Sandy Taylor	$634,918	$0	$111,750	$746,668

(1) Assuming that the PSUs would vest at 100%.

(2) For Mr. Card, as per his employment agreement, retirement means the termination of his employment upon attaining the age of 65 and completing five consecutive years of service with the Company.

(3) For Mr. Bruce, as per his employment agreement, retirement means the termination of his employment upon completing five consecutive years of service with the Company.

CLAWBACK

Effective May 7, 2009 the Company adopted a Clawback Policy covering performance-based incentive compensation (i.e. AIP and LTIP). Under this policy, the Board may, in its sole discretion and to the extent that it determines it is in the Company's best interest to do so, require the reimbursement of all or a portion of any performance-based incentive compensation, if:

- This compensation was based on the achievement of certain financial results that were subsequently the subject of, or affected by, a restatement of all or a portion of the Company's financial statements;
- The executive officer engaged in gross negligence, intentional misconduct or fraud that caused or partially caused the need for the restatement; and
- The amount of performance-based incentive compensation that would have been awarded to, or the profit realized by the executive officer would have been lower had the financial results been properly reported.

Additionally, the CEO's Executive Employment Agreement provides that, in certain circumstances, the Company may recoup vested and paid out performance-based incentive awards or cancel outstanding awards if it is later determined that such compensation was in fact awarded or paid out, in whole or in part, on the basis of factual or financial information which turns out to be false or substantially inaccurate due to the officer's wilfully misleading conduct or through his negligence.

ANTI-HEDGING AND ANTI-MONETIZATION

The Board of Directors has adopted a policy, applicable to Company insiders (including NEOs and Directors), that prohibits hedging and trading in derivatives of the Company's Common Shares.

EXECUTIVE SHARE OWNERSHIP GUIDELINES

We believe that share ownership by our executives is fundamentally important and contributes to our success by aligning the goals of executives with those of our shareholders. To this end, the Company requires that Senior Officers acquire within five (5) years of appointment, and hold for the duration of their employment, Common Shares having a minimum total value as shown in the table below. In addition to maintaining his share ownership requirement during his employment, the CEO must continue to meet this requirement for one year post employment with the Company. Compliance with these requirements is reviewed annually by the HR Committee.

Executive Share Ownership Guidelines can be met with Common Shares privately held, ESOP and MSOP shares, as well as vested units under the E-DSUP. Under the 2013 Stock Option Plan, if a Senior Officer has not met share ownership requirement at the time of option exercising, they are required to retain underlying shares equal to at least 25% of the after-tax gain resulting from such exercise until they have achieved the required level of share ownership. This holding requirement is 100% under the 2009 and 2011 Stock Option Plans.

The value of share ownership for the purposes of assessing compliance under these guidelines is determined as the greater of:

- The actual cost incurred in buying Company Common Shares plus the market value of all Common Shares represented by vested share units not redeemed under the E-DSUP; or
- The market value at the time of assessment of all Common Shares held and all Common Shares represented by vested share units under the E-DSUP.

Name	Required Ownership (multiple of salary)	Ownership Requirement	Shares / Eligible Units Held[1]	Value as at Dec 31, 2014[2]	Meets Requirement
Robert G. Card	CEO – 5x	$4,925,000	99,246	$4,397,590	In process
Alain-Pierre Raynaud	EVP – 2x	$1,064,000	1,645	$72,890	In process
Neil Bruce	Group President – 3x	$2,490,000	7,051	$312,430	In process
Hisham Mahmoud[3]	Group President – 3x	$2,319,612	9,841	$436,055	In process
Sandy Taylor	Group President – 3x	$1,875,000	9,503	$421,078	In process

[1] Shares held include Common Shares privately held, ESOP, MSOP and vested share units not redeemed under the E-DSUP.

[2] The value as at December 31, 2014 was based on a closing share price of $44.31.

[3] Based on salary converted to CAD using a monthly average exchange rate of 1 USD = 1.104577 CAD for the year 2014.

SUCCESSION PLANNING

On behalf of the Board, the HR Committee oversees succession planning and talent management for the Company and develops a succession plan for the CEO position. The CEO succession planning process involves working with the CEO to review internal and external candidates and, during 2014, the HR Committee and management developed a planning process and business continuity policies to ensure continuous preparedness in the event of an emergency succession.

During the year, the HR Committee also reviewed the outcomes of the 2014 Talent Review process, used to identify talent within the Company and build a succession pipeline, including succession plans for the EVP and Group President roles, possible successors for these positions and other key executive potentials. The Committee also reviewed the development and strategy programs available to key potentials and other promising executives.

The HR Committee recommends the CEO succession plan to the Board on an annual basis and reports to the Board at least once a year on succession plans for other Senior Officers.

APPROVAL OF THE REPORT ON EXECUTIVE COMPENSATION

It is the responsibility and duty of the HR Committee to determine and recommend for Board approval, in accordance with the Executive Compensation Policy, the principles for establishing specific compensation levels for the NEOs and other Senior Officers. In carrying out these duties, the Committee reviews the compensation plans, programs and policies, reviews objectives for the President and CEO and the other Senior Officers, monitors their performance and compensation and makes appropriate recommendations to the Board.

The HR Committee has reviewed and recommended to the Board for approval, the compensation of our NEOs as described in the CD&A of this Management Proxy Circular. The HR Committee was appointed by the Board and is composed of Directors who meet the legislative and regulatory standards governing independence, and none of whom has any indebtedness towards the Company.

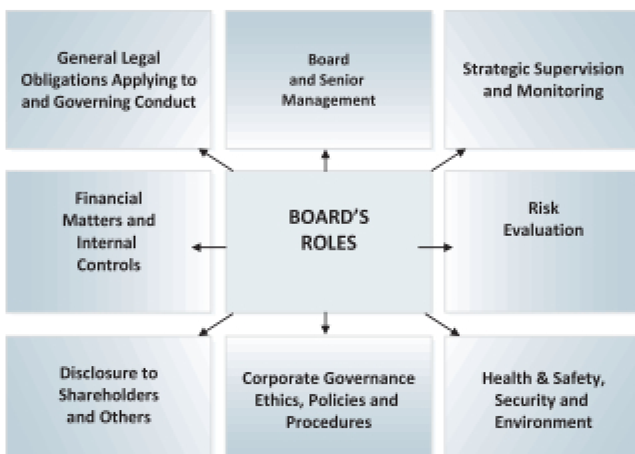
STATEMENT OF CORPORATE GOVERNANCE PRACTICES

BOARD ROLE AND MANDATE 48 / BOARD AND BOARD COMMITTEE STRUCTURE, ORGANIZATION AND COMPOSITION 49 / INDEPENDENCE 51 / *IN CAMERA* SESSIONS 51 / POSITION DESCRIPTIONS 51 / DIRECTOR ATTENDANCE 52 / DIRECTOR AVAILABILITY 53 / INTERLOCKING OUTSIDE BOARDS 54 / DIRECTOR SELECTION 54 / DIVERSITY 56 / DIRECTOR ASSESSMENT 56 / DIRECTORS' ORIENTATION PROGRAM 57 / ONGOING DIRECTOR EDUCATION 58 / CONFLICT OF INTEREST 58 / ETHICAL BUSINESS CONDUCT 59 / SHAREHOLDER ENGAGEMENT 60

The Board of Directors believes that sound corporate governance practices are essential to the positive workings and success of the Company. The Company strives to act proactively by progressively adopting forward-looking governance principles, creating corresponding structures and implementing procedures designed to enable the Board to carry out its duties in accordance with best governance principles and to permit the Board to evaluate and improve its own performance. These principles, structures and procedures include a Code of Ethics and Business Conduct that applies to the employees, officers and Directors of the Company and its subsidiaries, among others.

As reflected throughout this Management Proxy Circular, the Company's governance practices comply with the current Canadian Securities Administrators ("CSA") and Toronto Stock Exchange ("TSX") disclosure requirements, and the Company is committed to adjusting its governance practices on an ongoing basis, so as to remain at the forefront of best governance practices as they evolve. The corporate governance practices outlined in these sections are responsive to each of the disclosure obligations set out in the CSA and TSX disclosure requirements.

BOARD ROLE AND MANDATE



The Board is responsible for supervising the management of the Company's business and affairs.

In addition to the strategic supervision and monitoring and risk evaluation responsibilities described below, the Board's mandate lists the principal areas of responsibility of the Board relevant to its supervisory role. The Board's mandate is found in Schedule "B" to this Management Proxy Circular and is also posted on the Company's website (www.snclavalin.com), under "About Us"/"Governance".

Strategic Supervision and Monitoring

The Board actively participates in supervising the development and implementation of the Company's strategic vision and five-year strategic plan. It fulfills its supervising role throughout the strategic planning process and engages with the President and CEO and management at key inflection points of the development of the strategic plan.

Management is responsible for developing, implementing and tracking the Company's five-year strategic plan. It does so through its annual strategic planning process. This process has been refined over the years and comprises two (2) key milestones:

Strategic Planning Session:	Two-day meeting scheduled in the middle of the year where management discusses and reviews the strategic plan for all groups, business units, corporate functions, and the Company as a whole.
Approval of Strategic Plan:	Two-day meeting scheduled in the fourth quarter in order for the Board to review and approve the strategic plan and budget for the ensuing year.

Furthermore, at each regularly scheduled Board meeting, the Board reviews with management progress against the strategic objectives and discusses emerging strategic issues.

Risk Evaluation

Effective oversight of risk management is continuing to evolve and significant progress was made during 2014. The enhanced mandate of the Project Risk Review Committee ("PRRC") provided more focus on global risks exposure in the Company's project portfolio, overall project risk management systems and oversight of challenging projects. The deployment of a comprehensive enterprise risk management system has been initiated and its continued development is a Company-wide focus for 2015. The creation of the Safety, Workplace and Project Risk Committee in January, 2015, will also assist in risk evaluation efforts by adding an important comprehensive risk review component to the Company's overall Enterprise Risk Management ("ERM") system.

In general terms, the objective of the Board's oversight of the Company's risk management activities is to ensure, through reasonable measures, that the risks of the Company's business and affairs are identified and that measures to mitigate and manage such risks are implemented. The Board also monitors progress on corrective and mitigation actions.

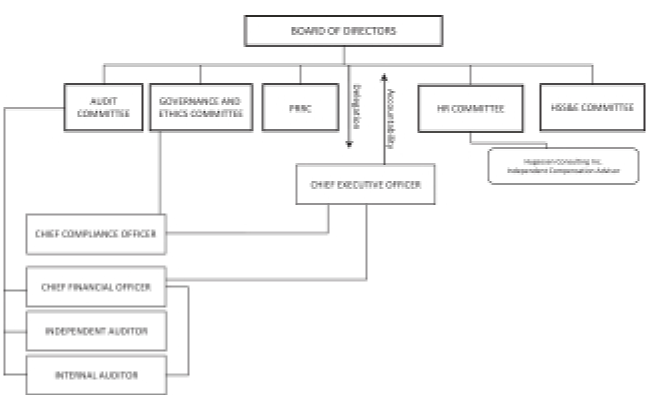
Board Risk Evaluation Oversight

- Reviewing the Company's risk philosophy. This is done through active discussion between management and the Board at the Company's annual strategic planning meeting where a mutual understanding of the Company's overall risk assessment is reviewed and discussed.
- Overseeing the design and implementation of an effective enterprise-wide risk management process. This oversight is completed by obtaining reports on existing and developing risk management processes and on the effectiveness of these systems in identifying, assessing and managing the Company's most significant risk exposures.
- Reviewing the Company's major risks. The Board's understanding of the risk exposure faced by the Company in both its present operations and strategic planning initiatives is integral to its risk oversight role. This understanding is partly acquired through the Board's participation in the annual strategic planning meeting. This risk review allows management and the Board to, among others, focus on whether developments in the business environment have resulted in changes in the material assumptions and inherent risks underlying the Company's strategy and the effects such changes have on the Company's strategic plan.
- Keeping informed of the most significant risks faced by the Company and whether management is responding appropriately to these risks. As risks are constantly evolving, the Board obtains ongoing updates and robust information on risks affecting the Company. This is done by integrating information on ongoing risks into the Board Committees' agendas and packages.

While the Company considers that enterprise risk oversight, like oversight of the Company's strategy, is a responsibility of the full Board, each of the Company's Board Committees is tasked with addressing risk oversight in its areas of expertise as provided for in its mandate, while strategic issues are dealt with, for the most part, at the Board level. This system allows the Board to gain valuable support and more focused attention on risks inherent in the scope of each Board Committee's activities as set forth in their respective mandates and thus to have a global view of the enterprise risk profile.

BOARD AND BOARD COMMITTEE STRUCTURE, ORGANIZATION AND COMPOSITION

Structure as at December 31, 2014



Under its mandate, the Board may establish and seek the advice of and delegate responsibilities to Committees of the Board. As of December 31, 2014, the following five (5) standing Board Committees were in place:

- Audit

•Governance and Ethics

•Human Resources

•Health & Safety, Security and Environment

•Project Risk Review

Effective January 1, 2015, the Safety, Workplace and Project Risk Committee replaced the Health & Safety, Security and Environment Committee and the Project Risk Review Committee.

Combining these two Committees was done with the intent of regrouping both the expertise and combined knowledge of the members so as to address all risks related to the execution of projects and do so from the initial design phase through to the execution and completion phase. This decision was taken to ensure that a vital part of our complete Enterprise Risk Management ("ERM") program is being overseen in the most effective and comprehensive fashion possible.

This new standing Board Committee is responsible for overseeing the overall framework for managing project risks and health, safety, security, environmental, business continuity and emergency preparedness risks arising from the Company's operations and business undertaken with clients.

Board Committees review specific aspects of the Company's business and affairs as outlined in their mandates. They analyze policies and strategies which are developed by management and are designed to be more conducive to deeper discussion on assigned subjects. They examine alternatives and where appropriate make recommendations to the Board. Board Committees do not take action or make decisions on behalf of the Board unless specifically mandated to do so. The Chair of each Board Committee provides a report of the Committee's activities to the full Board after each of the Committee's regular meetings.

All of our standing Board Committee mandates are posted on the Company's website (www.snclavalin.com), under "About Us"/"Governance".

Organization

•Five (5) regularly scheduled Board meetings are held each year including a two-day meeting to consider and approve the Company's budget and strategic plan;

•Each Board Committee has at least four (4) regularly scheduled meetings per year;

•Special Board and special Board Committee meetings are held when deemed necessary; and

•Board Working Groups are also used from time to time to provide a more in depth review of issues of particular strategic importance, such as major acquisitions.

The Board and each of the Board Committees have a one-year working plan of items for discussion, known as the forward agenda. These forward agendas are reviewed and adapted at least annually to ensure that all of the matters reserved to the Board and the Board Committees, as well as other key issues, are discussed at the appropriate time.

The Corporate Secretary also maintains a running list of action items that is provided to the Board and each Board Committee at each quarterly meeting.

The Chairman sets Board agendas with the President and CEO and works together with the Vice-President and Corporate Secretary to make sure that the information communicated to the Board and the Board Committees is accurate, timely and clear. In addition, Directors are provided with Board and Board Committee materials electronically in advance of each meeting through a secured Internet site. Electronic versions of all corporate governance documentation such as Board and Board Committee mandates are also available through this site.

Composition

As of March 16, 2015, the number of Directors is set at ten (10) and Board Committee membership is set at no less than three (3) and no more than seven (7) Directors.

The Governance and Ethics Committee is responsible for making annual recommendations to the Board with respect to the size and composition of the Board and Board Committees.

To the extent possible, taking into account regulatory and internal requirements with respect to the personal expertise of the members of specific Committees (e.g. the financial literacy required of Audit Committee members and the human resources and executive compensation experience and knowledge required of the HR Committee members) and other considerations such as a Board requirement that one member of the Audit Committee also be a member of the HR Committee (and vice versa), there is a system of regular rotation of Directors on Board Committees. This provides Directors exposure to different management issues and the opportunity to serve in several areas and allows the Board Committees to benefit from the expertise of a variety of Board members.

The Governance and Ethics Committee engages in a regular review of the director selection criteria to identify the ideal size and skill sets that should be represented on a board of directors of a major global engineering services organization such as the Company and to maintain and, if necessary, add critical competencies that may be required. For details regarding Director selection, see the "Director Selection" section of this Management Proxy Circular.

INDEPENDENCE

As a Canadian corporation listed on the TSX, the Company is subject to various guidelines, requirements and disclosure rules governing the independence of the members of its Board and Board Committees, including the independence requirements of the *Canada Business Corporations Act* ("CBCA") and the governance guidelines and audit committee rules adopted by the CSA.

Based on information regarding personal and business circumstances provided in a comprehensive questionnaire completed annually by each of the Company's Directors, the Board is satisfied that eight (8) of its nine (9) nominees are "independent" in light of Canadian securities legislation and regulations, including our Chairman whose role is separate from that of our President and CEO. The only non-independent nominee is Robert G. Card, our President and CEO, as he is a member of the management team.

Furthermore, the Board has established that members of a standing Board Committee must be Directors who are independent. This requirement forms part of the mandate of each standing Board Committee.

IN CAMERA SESSIONS

The mandates of the Board and each of the Company's standing Board Committees require that, at each of the regularly scheduled meetings of the Board and Board Committees during a particular year, the independent Directors hold *in camera* sessions (sessions at which members of management are not present). Directors are also obliged to hold such *in camera* sessions when executive compensation issues are discussed.

In 2014, a total of 47 Board and Board Committee meetings were held. *In camera* sessions were held at each regular and special Board and Board Committee meeting, except two (2) special Board meetings. For a summary of Board and Board Committee meetings held in 2014, see the "Director Attendance" section of this Management Proxy Circular.

POSITION DESCRIPTIONS

Our Board has adopted a description of the role of our Chairman and that of our President and CEO. It has also adopted general terms with respect to the responsibilities of the Chairs of each of the standing Board Committees, which are set out in the mandate of each Board Committee. The position descriptions of the Chairman and of the President and CEO as well as the mandates of the Board Committees are posted on the Company's website (www.snclavalin.com), under "About Us"/"Governance".

A brief summary of these roles and responsibilities is also provided below.

Chairman

Our Chairman is responsible for the management, development and effective performance of the Board and for providing leadership to the Board for all aspects of its work. He acts in an advisory capacity to the President and CEO and to other officers in all matters concerning the interests and management of the Company and, in consultation with the President and CEO, plays a role in the Company's external relationships.

Chairs of Board Committees

The general terms with respect to the responsibilities of the Chair of each standing Board Committee are set out in the mandate of each Board Committee. These responsibilities include presiding at Committee meetings and overseeing the way in which each Board Committee carries out its mandate. The Chair of a Board Committee is required, following a meeting of his/her Committee, to report to the Board on the Committee's activities at its next regularly scheduled meeting.

President and CEO

Our President and CEO is responsible for the management of the Company's business and affairs. His key responsibilities involve articulating the vision of the Company, focusing on creating value for shareholders and developing and implementing a plan that is consistent with the Company's vision and its long-term strategy. He is supported by the Senior Executive Vice-Presidents (Group Presidents) and the Executive Vice-Presidents and a number of members of management, and is appointed by the Board.

Our President and CEO is accountable to the Board and Board Committees and his performance is reviewed once a year by the Board. The Board has also established clear levels of authority for our President and CEO and management that are outlined in the Company's Levels of Authority Policy.

DIRECTOR ATTENDANCE

SUMMARY OF BOARD AND BOARD COMMITTEE MEETINGS HELD IN 2014

	Regular	Special	Total
Board	6	8	14
Audit Committee	4	2	6
Governance and Ethics Committee	4	5	9
HR Committee	5	4	9
HSS&E Committee	4	0	4
PRRC	4	1	5
TOTAL	27	20	47

In 2014, given exceptional circumstances, there were numerous special Board and Board Committee meetings scheduled throughout the year. Furthermore, eight (8) meetings of Board Working Groups were held during the course of 2014.

Under the Company's policies and guidelines, all Directors must have a total combined attendance rate of 75% or more for Board and Board Committee meetings to stand for re-election unless exceptional circumstances arise such as illness, death in the family or other similar circumstances.

Non-attendance at Board and Board Committee meetings is rare, usually when an unexpected commitment arises, a special meeting is convened on short notice or when there is a prior conflict with a meeting which had been scheduled and could not be rearranged. Given that Directors are provided with Board and Board Committee materials in advance of the meetings, Directors who are unable to attend are encouraged to provide comments and feedback to either the Chairman, the Chair of the Committee or the Vice-President and Corporate Secretary, all of whom ensure those comments and views are raised at the meeting.

The table below provides the record of attendance by each Director at regular and special meetings of the Board and the Board Committees during the 12 months ended December 31, 2014.

RECORD OF ATTENDANCE BY DIRECTORS AT REGULAR AND SPECIAL BOARD AND BOARD COMMITTEE MEETINGS FOR THE 12 MONTHS ENDED DECEMBER 31, 2014

Directors[(1)]	Regular Board & Board Committee Meetings Attended		Total Regular Meetings		Special Board & Board Committee Meetings Attended		Total Special Meetings		Overall Attendance	
	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)
J. Bougie[(2)]	6 of 6 Board 2 of 2 HSS&E 5 of 5 HR 4 of 4 PRRC	100 100 100 100	17 of 17	100	7 of 8 Board 4 of 4 HR 1 of 1 PRRC	87.5 100 100	12 of 13	92.3	29 of 30	96.7
I.A. Bourne[(3)]	6 of 6 Board 4 of 4 Governance	100 100	10 of 10	100	8 of 8 Board 4 of 5 Governance	100 80	12 of 13	92.3	22 of 23	95.7
R.G. Card[(4)]	6 of 6 Board	100	6 of 6	100	8 of 8 Board	100	8 of 8	100	14 of 14	100
P.A. Hammick	6 of 6 Board 4 of 4 Audit 3 of 4 Governance 5 of 5 HR	100 100 75 100	18 of 19	94.7	8 of 8 Board 2 of 2 Audit 5 of 5 Governance 4 of 4 HR	100 100 100 100	19 of 19	100	37 of 38	97.4
L. Lachapelle[(5)]	6 of 6 Board 4 of 4 Governance 2 of 2 HSS&E 3 of 3 HR	100 100 100 100	15 of 15	100	8 of 8 Board 5 of 5 Governance 2 of 2 HR	100 100 100	15 of 15	100	30 of 30	100
L.R. Marsden[(6)]	1 of 2 Board 1 of 2 HSS&E 1 of 2 HR	50 50 50	3 of 6	50 [6]	2 of 3 Board 2 of 2 HR	66.7 100	4 of 5	80	7 of 11	63.6[6]
C. Mongeau[(7)]	5 of 6 Board 3 of 4 Audit 4 of 5 HR	83.3 75 80	12 of 15	80	5 of 8 Board 1 of 2 Audit 3 of 4 HR	62.5 50 75	9 of 14	64.3[7]	21 of 29	72.4[7]
M.D. Parker	6 of 6 Board 4 of 4 Governance 4 of 4 HSS&E 4 of 4 PRRC	100 100 100 100	18 of 18	100	8 of 8 Board 4 of 5 Governance 1 of 1 PRRC	100 80 100	13 of 14	92.9	31 of 32	96.9

(continued on next page)

(1) In addition to Committee members, the following Directors attended a special meeting of the Project Risk Review Committee held in January, 2014 as non-voting participants: Dr. Hammick, Mrs. Lachapelle, Dr. Marsden and Mr. Stevenson. Furthermore, in addition to Committee members, the following Directors attended certain Board Committee meetings as non-voting participants: (1) Mr. Bougie attended one regular meeting of the Audit Committee and one regular meeting of the Governance and Ethics Committee, (2) Mr. Parker attended one special meeting of the Audit Committee, (3) Mr. Rhéaume attended one regular meeting of the HR Committee and one regular meeting of the Governance and Ethics Committee, and (4) Mr. Sbiti attended two meetings of the Audit Committee (i.e. one regular and one special).

(2) Mr. Bougie became a member of the HSS&E Committee on May 8, 2014.

(3) As Chairman, Mr. Bourne attended Board Committee meetings as a non-voting participant, except for the Governance and Ethics Committee of which he was a member during the course of 2014. In 2014, Mr. Bourne attended all regular and special Board Committee meetings, except one regular HSS&E Committee meeting and one special Governance and Ethics Committee meeting.

(4) As President and CEO, Mr. Card attended Board Committee meetings as a non-voting participant. In 2014, Mr. Card attended all regular and special Board Committee meetings, except two Governance and Ethics Committee meetings (one regular and one special) and one special HR Committee meeting.

(5) Mrs. Lachapelle became a member of the HR Committee and stepped down as a member of the HSS&E Committee on May 8, 2014.

(6) Dr. Marsden retired from the Board on May 8, 2014. Her overall attendance rate is lower than 75% as she was unable to attend certain Board and Board Committee meetings held in May, 2014 for medical reasons.

(7) Mr. Mongeau's overall attendance rate is lower than 75% as he was unable to attend certain Board and Board Committee meetings held in May, 2014 for medical reasons.

RECORD OF ATTENDANCE BY DIRECTORS AT REGULAR AND SPECIAL BOARD AND BOARD COMMITTEE MEETINGS FOR THE 12 MONTHS ENDED DECEMBER 31, 2014

Directors	Regular Board & Board Committee Meetings Attended		Total Regular Meetings		Special Board & Board Committee Meetings Attended		Total Special Meetings		Overall Attendance	
	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)	(#)	(%)
A. Rhéaume	6 of 6 Board 4 of 4 Audit 4 of 4 PRRC	100 100 100	14 of 14	100	7 of 8 Board 2 of 2 Audit 1 of 1 PRRC	87.5 100 100	10 of 11	90.9	24 of 25	96
C. Sbiti[8]	6 of 6 Board 2 of 2 Audit 4 of 4 HSS&E 4 of 4 PRRC	100 100 100 100	16 of 16	100	8 of 8 Board 1 of 1 Audit 1 of 1 PRRC	100 100 100	10 of 10	100	26 of 26	100
E.D. Siegel	6 of 6 Board 4 of 4 Audit 4 of 4 Govern ance 4 of 4 PRRC	100 100 100 100	18 of 18	100	8 of 8 Board 2 of 2 Audit 5 of 5 Governance 1 of 1 PRRC	100 100 100 100	16 of 16	100	34 of 34	100
L.N. Stevenson	6 of 6 Board 4 of 4 Governance 5 of 5 HR	100 100 100	15 of 15	100	7 of 8 Board 5 of 5 Govern ance 4 of 4 HR	87.5 100 100	16 of 17	94.1	31 of 32	96.9
Total	66 of 68 Board 17 of 18 Audit 23 of 24 Govern. 23 of 25 HSS&E 13 of 14 HR 20 of 20 PRRC	97.1 94.4 95.8 92 92.9 100	162 of 169	95.9	84 of 91 Boar d 8 of 9 Audit 28 of 30 Gove rn. 19 of 20 HR 5 of 5 PRRC	92.3 88.9 93.3 95 100	144 of 155	92.9	306 of 324	94.4

(8) Mr. Sbiti became a member of the Audit Committee on May 8, 2014.

DIRECTOR AVAILABILITY

The mandate of the Governance and Ethics Committee requires that its members consider candidates who have the capability and willingness to travel, to attend and to have adequate availability to contribute to Board functions. The number of publicly traded corporations for which nominees act as directors is one of the general criteria considered with respect to availability.

To further clarify Director availability, the Board, upon recommendation of the Governance and Ethics Committee, has set the following Director availability guidelines for its Directors:

- **None of our Directors may sit on the boards of more than four (4) other outside publicly traded companies, unless otherwise approved by the Company's Board of Directors.**
- **None of our Directors who are also CEOs in office may sit on the board of more than one (1) outside publicly traded company other than his/her company's and the Company's, unless otherwise approved by the Company's Board of Directors.**

As of December 31, 2014, all of the Company's Directors complied with these guidelines.

The Governance and Ethics Committee carried out its customary review for 2014 and was satisfied that the independent Directors were able to commit the requisite time for the proper performance of their duties. For complete details on all outside public directorships held by the Director nominees, see the "Information on our Board of Directors" section of this Management Proxy Circular.

INTERLOCKING OUTSIDE BOARDS

The Company has established an additional guideline that no more than two (2) of the Company's Directors may serve on one outside board together. During the course of 2014, Ian A. Bourne, our former Chairman of the Board, sat on the Canadian Public Accountability Board (i.e. Canada's audit regulator) with Alain Rhéaume. This Board interlock occurred following Mr. Rhéaume's appointment to the Board of Directors of the Company on May 2, 2013. Following Mr. Bourne's departure from the Company on March 16, 2015, this Board interlock no longer exists.

DIRECTOR SELECTION

On the basis of the general criteria for Director selection set out in the "Board and Board Committee Structure, Organization and Composition" section of this Management Proxy Circular, and of the more specific criteria in Section 3 "Board Succession Planning" of the mandate of the Governance and Ethics Committee, the latter exercises independent judgment and recommends to the Board suitable candidates for appointment.

Annual Process

The process listed below sets out the steps followed annually in determining whether the Directors presently in office continue to hold the qualifications necessary to qualify as nominees.

DETERMINATION OF QUALIFICATIONS OF INCUMBENT DIRECTORS AS NOMINEES

- Perform annual credential review of Board nominees;
- Assess continuing qualifications under the CBCA;
- Review Directors' performance through assessment tools (for details, see the "Assessment Tools and Process" section of this Management Proxy Circular);
- Review director selection criteria to identify the required and/or missing qualifications determined to be essential to ensure appropriate strategic direction and oversight (for details, see the "Director Selection Criteria" section of this Management Proxy Circular);
- Assess qualifications of nominees under applicable securities and corporate laws;
- Assess independence of each nominee and address concerns, if any;
- Select nominees; and
- Recommend the election of nominees to the shareholders.

Board Succession Planning

The Board succession planning process, more fully described below, takes into account the challenges and opportunities facing the Company and aims to maintain an appropriate balance of qualifications on the Board. It also assists the Board with a smooth transition when a Director leaves the Board or when new qualifications need to be added. Succession planning also assists with a reasonable level of turnover of Directors and keeps the Board at an appropriate size (large enough to allow Directors to fulfill their mandate on each Committee while remaining at a size that allows for open, informal and responsible discussion and debate).

1. REVIEW AND ASSESS	2. IDENTIFY	3. DETERMINE	4. RECOMMEND
Governance and Ethics Committee reviews and assesses qualifications already existing on the Board.	Identifies any qualifications not adequately represented on the Board.	Determines how Board performance might be enhanced, both at an individual Director level and for the Board as a whole.	Recommends to the Board qualifications needed for the Board and whether new members need to be added to the Board.

External Consultant

The Governance and Ethics Committee's mandate also specifies that it may engage outside independent advisors to, among others, identify candidates for membership to the Board and establish the terms for retaining such advisors and determine the appropriate compensation. In 2014, the Board retained an external consultant to assist it in the Board renewal process.

Director Selection Criteria

The Governance and Ethics Committee’s mandate provides for the establishment and update of director selection criteria, which is a list of industry-specific experience, business expertise and individual qualifications of Directors, so as to identify any eventual gaps on the Board. In 2014, the Governance and Ethics Committee supervised a complete revision of this list. This revision aimed at providing a fuller picture of the main skills and competencies possessed by our Directors as well as identifying other factors which are also considered in the context of Board succession planning, such as gender, age, place of residence, official languages spoken and tenure. This revised list assists the Governance and Ethics Committee to better identify any gaps in the skills and competencies on our Board, among others. The top five skills and competencies identified for each of our nominee Directors are set forth in the following table, together with their gender, age, place of residence, official languages spoken and tenure.

DIRECTOR SELECTION CRITERIA

	GENDER		AGE		REGION						LANGUAGE		TENURE			TOP FIVE SKILLS/COMPETENCIES								
NAME	MALE	FEMALE	UNDER AGE 65	AGE 65 AND OLDER	QUEBEC	ONTARIO	ALBERTA	U.S.	U.K.	U.A.E.	ENGLISH	FRENCH	0-5	6 TO 10	11+	INDUSTRY EXPERIENCE	CEO/SENIOR EXECUTIVE ROLE	INTERNATIONAL EXPERIENCE	RISK MANAGEMENT	PROJECT MANAGEMENT	OPERATIONS	GOVERNMENT/ REGULATORY AFFAIRS	ACCOUNTING/FINANCE	HUMAN RESOURCES/ INDUSTRIAL RELATIONS
J. BOUGIE	•			•	•						•	•	•				•	•			•		•	•
R. CARD	•		•		•						•		•			•	•		•	•	•			
P.A. HAMMICK		•		•				•			•			•		•	•		•			•	•	
L. LACHAPELLE		•		•	•						•	•	•			•	•	•	•			•		
M.D. PARKER	•			•					•		•		•			•	•	•	•					•
A. RHÉAUME	•		•		•						•	•	•				•			•		•	•	•
C. SBITI	•		•							•	•	•	•			•	•	•			•			•
E.D. SIEGEL	•		•			•					•		•				•	•	•			•	•	
L.N. STEVENSON	•		•			•					•	•			•		•	•			•		•	•

INDIVIDUAL QUALIFICATIONS REQUIRED FOR ALL NOMINEES

- Integrity, honesty and the ability to generate public confidence and maintain the goodwill and confidence of the Company’s shareholders;
- Sound business judgment;
- Independence of mind;
- Capability and willingness to travel, to attend and contribute to Board functions on a regular basis; and
- Any other eligibility criteria deemed applicable by the Governance and Ethics Committee in relation to independence, affiliation and conflict of interest.

Director Tenure, Term and Retirement

The Board has set the following term and retirement guidelines for its Directors:

INDEPENDENT DIRECTOR TERM AND RETIREMENT GUIDELINES

The term of office of each Director expires upon the election of his/her successor unless he/she resigns his/her office or his/her office becomes vacant by death, removal or other cause.

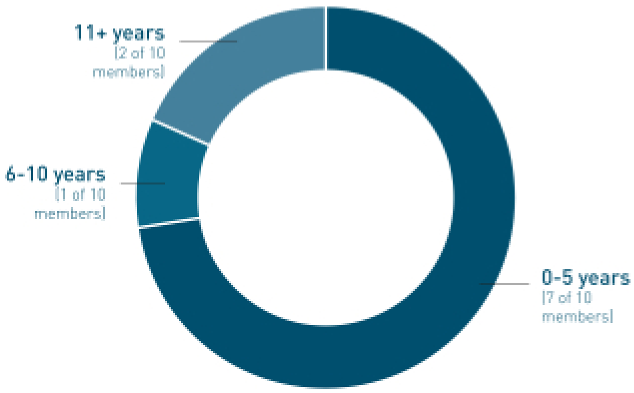
Unless the Board agrees at its discretion to an extension of the Director’s term of service, he/she is no longer eligible for re-election at the annual general meeting of shareholders following the earlier of:

- The date on which he/she reaches age 72; or
- The 15th anniversary of his/her initial election to the Board.

The above guidelines do not apply to the President and CEO of the Company, who shall leave the Board upon his/her ceasing to be President and CEO. In the case where an incoming President and CEO has been recruited from outside the Company, the Board may consider keeping the former President and CEO as a Director during a transition period to be determined at the Board’s discretion.

As per the above guidelines, the Board used its discretion to extend Mr. Stevenson’s term of service for an additional year as his latest date of retirement was scheduled for May 2015 (15th anniversary of his initial election to the Board).

The following chart indicates the number of years our current Directors have dedicated to the Company's Board as at March 16, 2015:



The average tenure of Directors on our Board is 5.3 years.

Majority Voting Policy

The Board has adopted a Majority Voting Policy under which, in an uncontested election of Directors, any nominee who receives a greater number of "withheld" than "for" votes will tender his/her resignation to the Chairman of the Board promptly following the Annual Meeting of Shareholders of the Company.

The Governance and Ethics Committee will then consider the offer of resignation and, except in special circumstances, will recommend that the Board accept it. The Board will make its decision and announce it in a press release within 90 days following the annual meeting of shareholders, including the reasons for rejecting the resignation, if applicable. A Director who tenders his/her resignation pursuant to this policy will not participate in any meeting of the Board or of the Governance and Ethics Committee at which the resignation is being considered.

DIVERSITY

The Board of Directors considers diversity as a vital component that enriches the Board by bringing a variety of perspectives to discussions and decision making. While no specific Board policy exists on the nomination of women to the Board or on specifics target or quotas, the Board and the Governance and Ethics Committee, through their respective mandates, encourage diversity in its broadest sense. The Governance and Ethics Committee regularly considers Board composition and anticipated vacancies. Potential candidates are identified based on a wide range of considerations that focus on creating the right synergy and balance among board members so as to optimize the Board's ability to meet the challenges faced by the Company. As the Company is engaged in a wide-range of complex operations, carries on business in countries around the world and in diverse environments, the focus is on recruiting and selecting Board candidates that represent diversity in its broadest sense, including diversity of gender, race, nationality, age, experience and personal attributes. This approach brings diversity of thought to the Board, which is considered as essential for decision making and stewardship.

Currently, out of ten Board members, two are women (or 20%). Following the annual meeting of shareholders, assuming all of the Company's nominees are elected, two out of nine Board members will be women (or 22%).

With respect to executive officer positions, specific targets for gender representation have not been adopted due to the need to consider a balance of criteria in each appointment. This ensures that each appointment is made and perceived to be made on both merit and the needs of the Company at the relevant time. The Company is of the view that it is preferable to identify and develop its talent pipeline, thereby enabling all candidates to compete for executive appointments on the basis of merit, rather than on a set quota or target. However, management does consider the level of female representation and diversity within its ranks and this is one of several important factors used in its search process for new candidates. Talent review sessions are held at least once a year to assess the succession plans for all key senior management positions and to adjust the strategy so as to ensure that talent is properly developed. The Company requires that succession plans for all executive officer positions include at least one successor who is a woman. The Company also measures, year over year, the representation of women in its accelerated development talent group.

Currently, with respect to executive officer positions, two out of twenty-two are women (or 9%). A total of seventeen women occupy senior management positions, which represents 13% of the Company's total senior management population. In 2014, the Company appointed four women to senior management positions.

DIRECTOR ASSESSMENT

A formal process exists for performance evaluation of the Board, its Committees and Committee Chairs, individual Directors and the Chairman of the Board. The Board believes that there is value in conducting the process internally. This allows the Board to develop an appropriately tailored approach and benefit first hand from direct input from individual Directors and management.

The areas covered include, among others, the effectiveness of the Board and its Committees, Board-related operational issues, preparation for and performance at meetings, overall corporate governance matters, questions related to integrity and ongoing education needs.

The assessment tools at the Board's disposal include discussions and performance evaluation questionnaires which include open-ended questions which allow Board members to suggest changes so that the results of the various assessments become an integral part of the Board's efforts to bring improvement and enhance governance practices and procedures within the Company.

For 2014, standardized Web-based forms were used for the assessment of the Board as a whole, its Committees and respective Committee Chairs, as well as for the Chairman of the Board. Individual Director assessments were also conducted verbally by the Chairman and each Director at one-on-one sessions. The discussions engaged the Directors in dialogue on improvement opportunities and Board governance matters.

Assessment Tools and Process

The following chart outlines the assessment tools and processes at the Board's disposal for Board assessment purposes:

1. TOOL	2. PURPOSE	3. COMPLETION PROCEDURE	4. COMPILATION & ANALYSIS	5. TREATMENT	6. RECOMMEN-DATION	7. FOLLOW-UP
ANNUAL BOARD PERFORMANCE EVALUATION QUESTIONNAIRE ("ABPEQ")	Individual Directors assess entire Board. Board Committees assess themselves and their respective Chair (except for the assessment of the Chair of the Governance and Ethics Committee, which is conducted in the context of the assessment of the Chairman of the Board as the latter was also the Chair of the Governance and Ethics Committee in 2014).	Vice-President and Corporate Secretary provides Directors with access to the ABPEQ through an online evaluation system and each Director completes the ABPEQ.	Vice-President and Corporate Secretary accesses the online evaluations and compiles, analyzes and prepares summary for Chairman of the Board.	Chairman of the Board reviews ABPEQ summary table and reports to the Governance and Ethics Committee.	Governance and Ethics Committee recommends to the Board changes to the Board pursuant to the ABPEQ summary table.	Follow-up by Board / Board Committees, if any, as the case may be.
ANNUAL BOARD CHAIR PERFORMANCE EVALUATION QUESTIONNAIRE ("Questionnaire")	Individual Directors assess Chairman of the Board.	Vice-President and Corporate Secretary provides Directors, excluding the Chairman of the Board, with access to the Questionnaire through an online evaluation system, and each Director completes the Questionnaire.	Vice-President and Corporate Secretary accesses the online evaluations and compiles, analyzes and prepares summary for the Chair of the HR Committee.	Chair of HR Committee meets with Chairman of the Board to discuss results.	Chair of HR Committee and Chairman of the Board agree upon follow-up when necessary.	Follow-up by Chairman of the Board.
ANNUAL INDIVIDUAL DIRECTOR SURVEY	Individual Directors assess each other.	Chairman of the Board meets with each individual Director at one-on-one sessions.	Chairman of the Board compiles comments provided by individual Directors.	Chairman of the Board contacts individual Directors if required to discuss.	Chairman and individual Director agree upon follow-up when necessary.	Follow-up by Chairman of the Board with individual Director if required.

DIRECTORS' ORIENTATION PROGRAM

Process

The Board ensures, through its Governance and Ethics Committee, that newly appointed Directors understand the roles of the Board and Board Committees, and the contribution that individual Directors are expected to make. The Governance and Ethics Committee is responsible for reviewing and approving an appropriate orientation program for new Directors and reporting to the Board thereon.

Orientation Initiatives

Upon becoming a member of the Board, each new Director is provided with documentation relating to the Company's corporate governance system as well as its overall business and receives an orientation session conducted by various members of senior management. Since 2013, all Directors are invited to attend these orientation sessions.

Furthermore, as part of the Directors' orientation program, new Board members are invited to attend, during their first year as a Director, one meeting of all of the standing Board Committees, regardless of which Committee they are appointed to.

ONGOING DIRECTOR EDUCATION

Process

The Board also ensures, through its Governance and Ethics Committee that ongoing development and education opportunities are made available to existing Directors. The Governance and Ethics Committee is responsible for reviewing and approving ongoing development and education initiatives.

In order to determine the needs of our Directors in terms of ongoing education, each of them is invited to provide the Company with his/her interests and views on the matter in the context of the Board performance assessment.

Development and Education Opportunities

Current ongoing Director development and education opportunities include regular presentations by senior management on the Company's markets, competitors, targeted investments and acquisitions, as well as the regulatory environment and specialized aspects of the business.

Outside advisors are also invited to make presentations on various topics when required.

The Vice-President and Corporate Secretary provides Directors with up-to-date information on legislative changes, changes to governance and Board practices, as well as general trends in Board governance.

Our Directors are also encouraged to participate in outside professional development and training activities. In 2014, certain Directors attended sessions organized by Deloitte LLP (i.e."Directors' Series"), the Institute of Corporate Directors, Hugessen Consulting, Korn Ferry and the New York Stock Exchange. Since January 2014, all Directors are provided with a corporate membership at the Institute of Corporate Directors ("ICD") which offers a continuing education program for directors.

Site Visits

Site visits of the Company's facilities and operations are also used as an efficient educational tool for Directors. Directors are invited to attend all site visits organized during the year. Site visits provide Directors with direct access to construction site personnel, both employees and independent contractors, and assist Directors in grasping the nature and complexity of the Company's business and operations.

In 2014, two of our Directors visited the Combined Cycle Power Plant in Włocławek, Poland.

Procedures

In addition to the above-mentioned ongoing development and education opportunities, procedures are also in place to ensure that the Board is kept up to date and to facilitate timely and efficient access to all information necessary to carry out its duties. These procedures include reports from the President and CEO and members of senior management on important projects and issues related to the business, reports from each of the Board Committees on their work at their previous Committee meeting, updates between Board meetings on matters that affect the Company's operations, and full access to senior management.

Summary Table of Ongoing Director Education

The following table provides details on the ongoing training initiatives provided to our Directors in 2014.

TOPIC	PRESENTED BY:	ATTENDED BY:
Business Strategy	Management	All Directors
Ethics Training	Management	All Directors
Enterprise Risk Management System	Management	All Directors
Nuclear Safety and Risk Management	Management	HSS&E Committee Members
Environmental Law	Norton Rose Fulbright	HSS&E Committee Members
Board Renewal	Spencer Stuart	Governance and Ethics Committee Members

CONFLICT OF INTEREST

To ensure ongoing director independence, each Director is required to inform the Board of any potential conflict of interest he or she may have at the beginning of each Board and Board Committee meeting. A Director who is in a situation of potential conflict of interest in a matter before the Board or a Board Committee must not attend any part of a meeting during which the matter is discussed or participate in a vote on the matter. The Governance and Ethics Committee performs an annual review of Directors' interests in which potential or perceived conflicts and other matters relevant to their independence are considered.

ETHICAL BUSINESS CONDUCT

Code of Ethics and Business Conduct

The Code of Ethics and Business Conduct (“Code”) is applicable to all employees, consultants, loaned personnel, officers and Directors of SNC-Lavalin.[1] They are required to complete an annual online training and certification demonstrating that they have received, read and understood the Code and confirming that they will comply with its terms. Third parties, such as business partners who do business on behalf of the Company, are also required to abide by the Code. The Code is available in eleven (11) languages. An updated version of the Code was most recently reviewed and approved by the Board of Directors of the Company and was made available to all in January 2015.

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[1] In the Code, reference to “SNC-Lavalin” means, as the context may require, SNC-Lavalin Group Inc. and any entity over which it has direct or indirect effective control including subsidiaries, partnerships, joint ventures, infrastructure concessions and consortia. In cases where SNC-Lavalin Group Inc. does not exercise or cannot exercise effective control over a given entity or if regulatory or legal constraints prevent a given entity from adopting and implementing the Code, then SNC-Lavalin must recommend to such entity the adoption and implementation of a policy providing similar scope and principles.

A copy of the Code is available on our website (www.snclavalin.com) under “About Us”/ “Policies”/ “Code of Ethics” and on SEDAR (www.sedar.com) under the name of SNC-Lavalin Group Inc.

The Company oversees compliance with the Code through its Ethics and Compliance Committee (“ECC”), a management committee established by the President and CEO. The specific monitoring of compliance with the Code of Ethics by the ECC is reflected in the charter of the ECC, which is required to report quarterly to the Governance and Ethics Committee on its overall activities, to the Audit Committee on accounting, internal accounting controls, auditing or fraud matters and to the HR Committee on HR-related matters.

Furthermore, the Head of Compliance Investigations reports quarterly to the Governance and Ethics Committee and the Audit Committee with respect to the status of ongoing investigations.

The ECC, among its other duties, monitors compliance with the Code and applicable laws and regulations, ensures training of employees on ethics and compliance matters, administers complaints reported, ensures that those who report matters in good faith are not subjected to retaliatory measures, increases awareness of ethics and compliance with our third-party partners and promptly responds to any issues reported.

Additionally, the Board oversees compliance with the Code through its Governance and Ethics Committee, which is mandated to review overall compliance with the Code and report to the Board any issues relating to the Code. The Audit Committee and the HR Committee are mandated to report to the Board any committee-specific element which falls under their responsibility.

In 2014, no material change reports were required or filed in relation to any departure from the Code.

Reporting Mechanism

Individuals with an issue, concern or complaint regarding an actual or potential violation of the Code may report the matter via multiple lines of reporting as established by the Code. Issues, violations or complaints may be reported directly through immediate supervisors; Human Resources Vice-Presidents of business units or corporate functions; contacts from Global Human Resources, Finance, Legal Affairs and Internal Audit; Ethics and Compliance Officers; the Compliance Consultation Centre, or via the Ethics and Compliance Hotline which is a secure reporting system operated by EthicsPoint, an independent third-party service provider which operates a toll-free telephone number and reporting website. The Ethics and Compliance Hotline allows for anonymous reporting should the reporter wish to protect his or her identity. For further details, see the Company’s website (www.snclavalin.com) under “About Us”/ “Policies”/ “Ethics and Compliance Hotline”.

The stewardship of issues, violations or complaints reported via the multiple lines of reporting is the responsibility of the Governance and Ethics Committee and under its direction, the ECC administers the Company’s reporting mechanism and must ensure that the structure in place promptly and adequately responds to the activities reported.

Protection of Reports and Confidentiality

No person, acting in good faith, who provides information relating to an issue, violation or complaint, can be subjected to any form of reprisal, discrimination or retaliation and any such behaviour will be treated as a serious violation of the Code. Corrective measures of varying degrees of severity, including but not limited to, discharge without notice or termination of a contractual relationship, would be taken against any person who is determined to have engaged therein.

The Company is committed to maintaining a reporting mechanism that permits confidential, anonymous reporting of an issue, violation or complaint. Information regarding the identity of any person making such a report remains anonymous and confidential at all times, unless otherwise expressly permitted by this person or as required by applicable law and is only disclosed to those persons who have a need to know such information to properly carry out an investigation of the issue, violation or complaint, in accordance with the Code.

Compliance Program and Organization

A global ethics and compliance organization has been in place at the Company since March 2013. This organization is comprised of corporate compliance functions, dedicated business unit compliance officers and regional compliance officers. It is responsible for developing, implementing and maintaining an effective compliance program at the Company. An internal compliance investigations team also forms part of the ethics and compliance organization.

All compliance officers ultimately report directly to the Chief Compliance Officer ("CCO"), thus ensuring true independence of the compliance function. The CCO reports to the President and CEO and to the Governance and Ethics Committee of the Board of Directors of the Company.

Compliance principles, procedures and controls are being embedded and integrated in all of the key processes of SNC-Lavalin's global operations. The Company's compliance program is mandatory in all entities, business units, groups and functional units across the organization.

In order to encourage and promote a culture of ethical conduct throughout the Company, in late 2013 and in 2014, the Board of Directors provided oversight and/or approval of the following initiatives:

- An updated version of the Code as well as the annual Code training and certification process;
- A new Business Partners Compliance due diligence tool;
- A new policy governing gifts and hospitality;
- A new policy governing facilitation payments;
- An updated version of the Political Contributions Policy;
- The "House of Policies" project to regulate the process of policy development, approval and rollout;
- The hiring of a new Chief Compliance Officer, effective March 1, 2014;
- The appointment of compliance officers to the Company's business units and regional hubs around the world;
- Personal compliance training for all employees, with a special focus on those working in functions known to expose employees to a higher level of corruption risk;
- Third-party validation through the engagement of an independent monitor reporting to the World Bank; and
- Targeted messaging for all employees, using a variety of media and communication platforms.

SHAREHOLDER ENGAGEMENT

Initiatives

Our Board of Directors believes in the importance of reaching out to our shareholders. Its accountability and communication with them are enhanced by each of the following practices:

- the fact that each Director must be elected annually;
- the majority voting policy;
- the Say on Pay policy(1);
- the Company's revamped corporate and investor relations websites;
- live webcast at the annual meeting of shareholders;
- presentation and audio recording of past annual shareholders' meetings available on the Company's website (www.snclavalin.com), under "Investors"/"Investor's Briefcase";
- quarterly earnings conference calls held with financial analysts and institutional investors to present quarterly results. Presentations and audio recordings of past quarterly earnings conference calls are available on the Company's website (www.snclavalin.com), under "Investors"/"Investor's Briefcase";
- first "Analyst and Investor Day" held in October 2014 to introduce the new senior management team to analysts and investors as well as presenting the Company's three business segments and key initiatives;
- ongoing investor relations' initiatives, such as meetings with investors and attendance at industry-related conferences; and
- through continuing disclosure documentation such as the annual and interim financial statements and accompanying Management's Discussion and Analysis, the earnings and other periodic press releases, the Annual Information Form and this Management Proxy Circular.

In 2014, our Chairman met periodically with certain institutional investors to discuss governance matters.

Our Board and Board Committees consider and review other engagement activities which they believe can further enhance the Company's long-term commitment to allowing and facilitating the processes by which our shareholders may express their views on governance, compensation and other matters, as the Company believes this engagement assists it in carrying out its responsibilities in the Company's interest.

Say on Pay Policy

In 2011, the Board adopted a Say on Pay policy that provides for holding a yearly advisory vote on the Company's approach to executive compensation as well as disclosure of the results of the vote as part of the Company's report on voting results. This decision was made so as to provide shareholders the opportunity and the forum to provide feedback on the disclosed objectives of the executive compensation plans. Under this policy, the Board undertakes to consider the result of the vote, as appropriate, when reviewing its compensation policies, procedures and decisions, and in determining whether there is a need to significantly increase its engagement with shareholders on compensation matters. If a significant number of shareholders vote against the Say on Pay annual resolution, the Board will consult with the Company's shareholders so that they may voice their concerns about the compensation plans in place and so that Directors clearly understand their concerns. The Board will then review the Company's approach to compensation in light of these concerns. Shareholders who have voted against the resolution are encouraged to discuss these issues with the Board.

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(1) For details, see the "Say on Pay Policy" subsection of this Management Proxy Circular.

OTHER INFORMATION

INDEBTEDNESS OF DIRECTORS AND OFFICERS

As of December 31, 2014, there was no indebtedness of current or former Directors, officers or employees of the Company or its subsidiaries, whether entered into in connection with the purchase of Common Shares of the Company or otherwise.

ADDITIONAL INFORMATION

Financial information is provided in the Company's annual and quarterly financial statements and annual and quarterly Management's Discussion and Analysis ("MD&A"). The Company is a reporting issuer under the securities acts of all provinces of Canada and complies with the requirement to file annual and quarterly financial statements, annual and quarterly MD&A, as well as its annual Management Proxy Circular and Annual Information Form ("AIF") with the various securities commissions in such provinces. The Company's most recent AIF, audited financial statements, MD&A, quarterly financial statements, quarterly MD&A and Management Proxy Circular may be viewed on the Company's website (www.snclavalin.com) and on the SEDAR website (www.sedar.com) under the name of SNC-Lavalin Group Inc.

A printed copy can be ordered online via the Company's website (www.snclavalin.com), under "Investors"/"Investor's Briefcase" or upon request to the Company's Vice-President and Corporate Secretary at 455 René-Lévesque Boulevard West, Montreal, Quebec, H2Z 1Z3, Canada. The Company may require the payment of a reasonable charge when the request for copies is made by a person other than a holder of securities of the Company, unless the Company is in the course of a distribution of its securities pursuant to a short form prospectus, in which case such paper copies will be provided free of charge.

SHAREHOLDER PROPOSALS

This year, the Company received three (3) proposals from a shareholder for inclusion in this Management Proxy Circular. For details, see the "Business of the 2015 Annual Meeting of Shareholders" section as well as Schedule A of this Management Proxy Circular.

The last day for submission of proposals by shareholders to the Company, for inclusion in next year's management proxy circular in connection with next year's annual meeting of shareholders, will be December 18, 2015.

WEBSITE REFERENCES

Information contained in or otherwise accessible through any website mentioned in this Management Proxy Circular does not form part of this Circular. Any reference in this Circular to any website is an inactive textual reference only.

APPROVAL OF DIRECTORS

The contents and mailing of this Management Proxy Circular have been approved by the Board of Directors of the Company.

Montreal, Quebec, March 16, 2015

Arden R. Furlotte (*signed*)
Vice-President and Corporate Secretary

SCHEDULE A – SHAREHOLDER PROPOSALS

The three proposals below were submitted by the Mouvement d'éducation et de défense des actionnaires ("MÉDAC"), 82 Sherbrooke Street West, Montreal (Quebec) H2X 1X3, Canada, a holder of Common Shares of the Company, for consideration at the Meeting. The Board of Directors opposes these proposals for the reasons given following each proposal. The proposals were submitted in French by the MÉDAC and translated into English by the Company.

PROPOSAL 1: INDEPENDENCE OF HUMAN RESOURCES CONSULTANTS: LACK OF OBJECTIVITY AND INDEPENDENCE

MÉDAC'S Proposal as Submitted

It is proposed that SNC revise its policy for the award of contracts to human resources consulting firms hired to analyze executive compensation so as to ensure the independence and objectivity of their recommendations.

MÉDAC'S Argumentation in Support of its Proposal as Submitted

The tables of fees paid to outside consultants (management proxy circular 2014) raise questions about the independence and objectivity of the advice given to the senior management and the Board of Directors on compensation matters. We note that the compensation mandate for Hugessen Consulting Inc. represents 52% of the total fees paid and in the case of Towers Watson, this percentage is only about 6%:

	Compensation mandate %	All other HR mandates %
Hugessen Consulting Inc.	52%	48%
Towers Watson	6%	94%

One would be justified in thinking that a human resources consultant, substantially all or a very large part of whose fees result from mandates other than the compensation mandate, might be tempted to give in to its client's pressure on compensation matters in order to protect its other contracts.

We propose that the Board of Directors review its policy for the award of contracts in this area so as to avoid actual or potential conflicts of interest, or the appearance of conflicts of interest.

THE BOARD OF DIRECTORS RECOMMENDS TO VOTE AGAINST THE PROPOSAL FOR THE FOLLOWING REASONS:

The Board of Directors believes that independence is key to its effectiveness. This is why all of the members of the Human Resources Committee are independent. The Committee has the sole authority to engage human resources consulting firms to assist in determining the compensation of the Company's executives and to approve the fees of their engagement. It is the Committee's responsibility to make recommendations as to executive compensation. In doing so, it can take into account the advice provided by the human resources consulting firm it retains. In all cases, the Board of Directors retains the ultimate decision-making power in that respect.

Hugessen Consulting Inc. ("Hugessen") does not provide services to management of the Company but rather to the Committee. Any services that Hugessen provides to the Company require pre-approval from the Committee. Therefore, the Board of Directors considers Hugessen's work as independent and not raising any conflict of interest.

Towers Watson ("TW") was retained by the Company to provide advice on compensation design and on the appropriateness and competitiveness of compensation programs for the Company's executives, as well as to provide services mainly related to supporting the Human Resources Management System. Technically, the Company is not required to disclose TW's mandate unless it is retained by the Board or the Human Resources Committee, to review Director compensation, which was not the case in 2014. However, the Company nevertheless disclosed this information for more transparency.

Taking into account the foregoing, the Board believes that sufficient processes are in place regarding the independence of the human resources advisory firms that are retained by the Committee. The Board of Directors therefore recommends that the shareholders vote against this proposal.

PROPOSAL 2: GENDER EQUALITY

MÉDAC'S Proposal as Submitted

It is proposed that the Board of Directors adopt a policy stating that it undertakes to achieve a minimum critical mass of 40% representation of both sexes within the next five years.

MÉDAC'S Argumentation in Support of its Proposal as Submitted

Currently, the Board of Directors counts only two (2) women out of eleven (11) members. It is acknowledged nowadays that women have the knowledge, skills and experience to serve on boards of directors of all sizes, including one the size of SNC-Lavalin's. For example, we ascertained from a headcount of directors who have followed the corporate governance education program at Université Laval that women account for over 40% of those attending and succeeding in the program. Since the specific competencies are available to achieve this objective rapidly, the added value of more balanced representation on the Board of Directors must also be considered. In this regard, permit us to remind you that human resources studies have revealed that leadership styles and management skills differ between the sexes and are complementary.

This formula allows both sexes to avoid being isolated as a result of under representation and to maximize the benefits of complementary vision in decision making. It is a formula that has received the backing of the European Community in its consideration of gender parity.

SNC-Lavalin is taking a number of steps to restore public confidence in the quality and integrity of its management team. Talent and gender complementarity on the Board would give recognized added value to the Board and senior management. SNC-Lavalin should also become known for welcoming more women to its Board of Directors by setting itself the objective of achieving a percentage of 40% of women on its Board of Directors over a five-year period.

THE BOARD OF DIRECTORS RECOMMENDS TO VOTE AGAINST THE PROPOSAL FOR THE FOLLOWING REASONS:

The Company acknowledges the value of women's contribution to its Board of Directors and recognizes that diversity enriches Board discussions, by bringing a variety of expertise and perspectives. This year, the Company proposes two (2) women among the group of nine (9) nominees (or 22%) for the position of Director. The Company considers that the composition of the group of nominees for the position of Director as well as the number of directors proposed, will allow the Board to perform efficiently and act in the best interest of the Company and its stakeholders. Given the complexity of our business and the fact that we are engaged in worldwide operations in the engineering and construction industry, the Board remains mindful that its members require the relevant skills and expertise to fully contribute to the Board.

Throughout the year, the Company pursued its efforts toward Board renewal by working with an independent consultant to determine and set forth a list of potential candidates, including a number of women. This list may be used in the event that a vacancy occurs on the Board of Directors. In the forthcoming years, the Company shall continue to emphasize and pay close attention to the recruitment of the best candidates from diverse backgrounds, including women, to serve on its Board of Directors, without setting forth any minimum requirement.

Reference is also made to the "Diversity" section of this Management Proxy Circular.

In light of the foregoing, the Board considers that it is not necessary to adopt a policy stating that it undertakes to achieve a minimum critical mass of 40% representation of both sexes within the next five years. The Board of Directors therefore recommends that the shareholders vote against this proposal.

PROPOSAL 3: DIRECTOR COMPETENCIES: SHORTCOMINGS IN SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

MÉDAC’S Proposal as Submitted

It is proposed that the Board of Directors recruit as soon as possible a certain number of directors who have expertise in social responsibility and the environment.

MÉDAC’S Argumentation in Support of its Proposal as Submitted

A review of the Directors’ areas of expertise disclosed in the 2014 circular allows us to identify the Directors’ competencies as follows:

SKILL MATRIX

	Jacques Bougie	Ian A. Bourne	Robert G. Card	Patricia A. Hammick	Lise Lachapelle	Claude Mongeau	Michael D. Parker	Alain Rhéaume	Chakib Sbiti	Eric D. Siegel	Lawrence Stevenson
2. BUSINESS EXPERTISE											
Strategy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Risk Management		✓	✓		✓		✓	✓	✓	✓	✓
Governance	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
International Experience	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Health, Safety and Sustainability	✓	✓	✓		✓		✓		✓		
Public Policy	✓	✓	✓	✓	✓	✓	✓	✓		✓	
Accounting		✓		✓		✓		✓		✓	✓
Finance	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
Operations	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
CEO / Senior Executive Role	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Human Resources and Industrial Relations	✓	✓	✓			✓	✓	✓	✓	✓	✓
Technology / I.T.	✓		✓						✓		
Project Management			✓					✓			

None of the Directors has expertise in either social responsibility or environment. Moreover, the table of educational sessions for Directors held in 2013 does not report any education on these topics. One is entitled to wonder about the ability of the Directors of SNC-Lavalin to properly evaluate and define the issues as they make decisions affecting the SNC-Lavalin’s long-term interests. This observation is all the more important given that SNC-Lavalin must increase the confidence of shareholders and stakeholders in the quality of its management by committing to offer professional services in a socially, environmentally and ethically responsible manner.

THE BOARD OF DIRECTORS RECOMMENDS TO VOTE AGAINST THE PROPOSAL FOR THE FOLLOWING REASONS:

The Company recognizes the importance of social responsibility (“CSR”) and the environment. Over the previous years, the Company has undertaken several steps to materialize its values into actions, as detailed in its Sustainability Reports which includes our approach to CSR which have been published yearly since 2010 and are available on the corporate website of the Company at http://www.snclavalin.com/en/sustainability/.

These reports are a good illustration of the objectives that the Company has set for itself and the appropriate decisions taken in this respect of CSR. We also have a specific Board Committee, the Health & Safety, Security and Environment (“HSS&E”) Committee (which now forms part of the new Safety, Workplace and Project Risk Committee) which is dedicated to reviewing environmental issues on a quarterly basis. In 2014, Committee members were provided with presentations prepared by external counsel specialized in environmental law. Added to this are reviews and discussions at both the Committee and full Board level of ongoing environmental issues related to one of the Company’s subsidiaries.

Given the importance of CSR to our Directors and the desire to understand and contribute through their feedback to all aspects of sustainability, the decision was taken in 2014 to move the review of our CSR (including sustainability) initiatives to the Governance and Ethics Committee whose mandate now includes the responsibility of developing, monitoring and supervising, and making recommendations to the Board concerning the corporate governance structures, practices, procedures and framework for CSR (including sustainability) initiatives developed by management.

The director selection criteria is not meant to be an extensive list of all qualifications of our Directors but rather a means to capture the top competencies of our Board members which contributes to a balanced board. A number of our Directors have solid experience in CSR as a result of their previous roles and recent experiences as professional directors.

In particular, Larry N. Stevenson, our Chairman of the Board since March 16, 2015, has served on school boards and literary boards, as well as being involved with military organizations which support wounded soldiers.

Eric D. Siegel, who is the Chair of the Safety, Workplace and Project Risk Committee (previously Chair of the PRRC) as well as a member of the Audit Committee and the Governance and Ethics Committee, has extensive experience in these matters as the past CEO and long-term executive at Export Development Canada ("EDC") for which CSR was a major focus and environmental review was a legislative requirement. More specifically, he helped develop EDC's environmental review framework and acted as executive member of EDC's CSR Advisory Council.

Michael D. Parker, who is a member of the Governance and Ethics Committee and the Safety, Workplace and Project Risk Committee (previously Chair of the HSS&E Committee) also has extensive experience in CSR and environment issues from his many years as Group CEO of British Nuclear Fuels whose activities covered nuclear site decommissioning and clean-up, and as CEO of Dow Chemical Company. He also currently sits on the board of directors of PV Crystalox Solar PLC, a company which is a specialized supplier to the world's leading solar cell manufacturers, and acts as Chairman of the Board of Street League, a not-for-profit U.K. organization and charity which utilizes football to engage with inactive youth (16-25) with the aim of achieving their integration back into school, the workforce and training.

Jacques Bougie, who is the Chair of the Governance and Ethics Committee since March 16, 2015 as well as a member of the Human Resources Committee and the Safety, Workplace and Project Risk Committee, has been sitting on Environment committees for the past 25 years. Alcan, of which Mr. Bougie was President and CEO, was the first company to publicly release a CSR report within its industry. Furthermore, Mr. Bougie has been very active as a volunteer, member or chair of not-for-profit, academic and/or community organizations throughout the years.

Many other Board members have acquired significant experience as directors of various not-for-profit organizations with social mandates, and as a result, their conscientiousness and sensitivity to CSR carry through to our Board of Directors.

The Board of Directors and management consider that the Board's composition is not in any way deficient with respect to CSR and environment. Given the foregoing, we are confident that the Board of Directors is very well equipped to evaluate and define social responsibility and environmental issues as they make decisions affecting SNC-Lavalin's long-term interests.

Given the above, the Board of Directors considers this proposition to be not applicable and recommends that the shareholders vote against this proposal.

SCHEDULE B – MANDATE OF THE BOARD OF DIRECTORS

The Board of Directors of SNC-Lavalin Group Inc. (the "Corporation") supervises the management of the Corporation's business and affairs.[(1)]

Composition. The articles of the Corporation provide that the Board of Directors shall consist of a minimum number of eight (8) and a maximum number of twenty (20) Directors to be elected annually. A majority of Directors must be "independent", as determined by the Board including in light of Canadian securities legislation and regulations. The only officer who is currently a member of the Board is the President and Chief Executive Officer ("CEO").

Although Directors may be nominated by the Board and elected by shareholders to bring a special expertise, experience or point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interest of the Corporation must be paramount at all times, taking into account those interests, which in its judgment, the Board may consider appropriate to consider from time to time. The Board strives to include within its ranks a diverse group of individuals including, but not limited to, both gender and ethnic diversity.

Directors' commitment. The involvement and commitment of Directors is evidenced by regular Board and Committee attendance, review of available meeting materials in advance, availability to consult with other Directors or management as necessary, and preparation and active participation in Board deliberations.

Interaction with management. Management of the Corporation's business and affairs is carried out through the CEO, who is charged with the day-to-day management of the Corporation. The Board approves the mission and goals of the business and the objectives and policies within which it is managed and evaluates management performance. Reciprocally, management keeps the Board fully informed of the progress of the Corporation toward the achievement of its established mission and goals, and of all material deviations from the goals or objectives and policies established by the Board, in a timely and candid manner.

Committees. The Board may establish, seek the recommendations of, and delegate responsibilities to Committees of the Board. Such delegation does not relieve the Board of its overall responsibilities. The Board reserves the right to supervise, review and approve Committee activity. Committees review specific aspects of the Corporation's business and affairs as outlined in their mandates. They provide a smaller, more intimate forum than full Board meetings and are designed to be more conducive to deeper discussion on assigned subjects. Committees analyze policies and strategies which are developed by management.

They examine alternatives and where appropriate make recommendations to the full Board. Committees do not take action or make decisions on behalf of the Board unless specifically mandated to do so.

The Board has established the following standing Committees:

- Audit Committee;
- Governance and Ethics Committee;
- Human Resources Committee; and
- Safety, Workplace and Project Risk Committee.

The members of the above-mentioned standing Committees must be Directors who are "independent" as determined by the Board including in light of Canadian securities legislation and regulations.

PRINCIPAL BOARD DUTIES

The Board's principal duties fall into the following eight (8) categories. Section 9 below addresses meeting organization and procedures.

1.BOARD AND SENIOR MANAGEMENT

(a)Subject to the Articles and By-Laws of the Corporation, the Board manages its own affairs, including planning its size and composition and that of its Committees, selecting its Chairman, who shall not be the CEO, nominating candidates for election to the Board, appointing the members of its Committees, establishing the responsibilities of its Committees, determining Board compensation, monitoring the Board succession planning process and assessing, through the Governance and Ethics Committee, the performance of the Board, Board Committees, Chairman of the Board, Board Committee chairs and individual directors.

(b)The Board provides advice and counsel to the CEO, and takes action if and when performance falls short of its goals or other special circumstances warrant.

(c)The Board chooses the CEO. Upon the advice of the CEO, it approves the appointment and replacement of senior management. It also monitors the succession planning process of the CEO and other members of senior management.

[(1)] This is sometimes referred to as the Board's oversight function.

(d)The Board reviews the list of objectives of senior management for the ensuing year, including that of the CEO, assesses their performance and approves their compensation.

(e)The Board provides an orientation and induction program for new Directors and encourages and provides opportunities for all Directors to periodically update their skills, as well as their knowledge of the Corporation, its business and affairs, and its senior management.

2.STRATEGIC SUPERVISION AND MONITORING

(a)The Board participates directly or through its Committees, in developing and approving the mission of the Corporation's business, its objectives and goals, and the strategy for their achievement. The Board, among other assessment processes, evaluates management's analysis of the strategies of the Corporation's competitors or of companies of a scale similar to that of the Corporation.

(b)The Board reviews the Corporation's annual strategic plan and budget with senior management prior to the commencement of each year and approves them. The plan shall take into account, among other things, the opportunities and risks of the Corporation's business.

(c)The Board monitors the Corporation's progress toward its goals, and revises and alters its direction in light of changing circumstances. At every regularly scheduled meeting, the Board reviews recent developments, if any, that affect the Corporation's strategy. The Board shall, as part of its annual strategic planning process, conduct a review of human, technological and capital resources required to implement the Corporation's strategy and of the regulatory, cultural or governmental factors or constraints which are relevant to the Corporation's business.

3.RISK EVALUATION

The Board ensures through reasonable measures that the principal risks of the Corporation's business and affairs are identified and that measures to mitigate and manage such risks are implemented. The Board also monitors progress on corrective and mitigation actions.

4.CORPORATE GOVERNANCE, ETHICS, POLICIES AND PROCEDURES

(a)The Board adopts, updates and monitors compliance with the corporate governance practices described in the Corporate Governance Handbook as well as all significant policies and procedures it approves.

(b)The Board adopts, updates and monitors compliance with the Corporation's written Code of Ethics and Business Conduct, grants any waivers from compliance to Directors and officers and, if required, causes disclosure of any such waivers to be made in the Corporation's next quarterly report, including the circumstances and rationale for granting the waiver.

(c)The Board monitors through reasonable measures the Corporation's compliance with applicable legal and regulatory requirements.

(d)The Board takes reasonable measures to satisfy itself as to the integrity of executive officers and that executive officers create a culture of integrity throughout the Corporation.

5.DISCLOSURE TO SHAREHOLDERS AND OTHERS

(a)The Board ensures through reasonable measures that the performance of the Corporation is adequately reported to its shareholders, its other security holders, the investment community, the relevant regulators and the public on a timely and regular basis in compliance with applicable laws.

(b)The Board ensures through reasonable measures that timely disclosure is made by press release of any development that results in, or may reasonably be expected to result in, a significant change in the value or market price of the Corporation's listed securities in compliance with applicable laws.

(c)The Board reviews and approves the Corporation's annual information form and management proxy circular, as well as prospectuses and any other disclosure document required to be disclosed or filed by the Corporation under applicable securities laws, before their public disclosure or filing with regulatory authorities.

(d)In relation to communications with shareholders, the Board approves resolutions to call meetings of shareholders or renews any normal course issuer bid, and reviews and approves the general content of the disclosure documents disclosed or filed by the Corporation in relation to meetings of shareholders.

(e)The Board reviews the Corporation's communication policy governing the Corporation's communications with analysts, investors and the public.

6.FINANCIAL MATTERS AND INTERNAL CONTROLS

(a)The Board: (i) reviews and approves the Corporation's unaudited quarterly financial statements and accompanying notes, together with the related management's discussion and analysis and press release, (ii) ensures through reasonable measures that the Corporation's audited annual financial statements are presented fairly and in accordance with generally accepted accounting standards, and (iii) reviews and approves such audited annual financial statements and accompanying notes, together with the related management's discussion and analysis and press release.

(b)The Board monitors through reasonable measures the Corporation's internal control and management information systems.

7.HEALTH & SAFETY, SECURITY AND ENVIRONMENT

(a)The Board ensures through reasonable measures that the Corporation has appropriate policies, practices, systems and resources to provide for the health & safety, security and environmental performance of the Corporation in accordance with applicable laws.

8.GENERAL LEGAL OBLIGATIONS APPLYING TO AND GOVERNING CONDUCT

The Board shall act in accordance with the *Canada Business Corporations Act*, securities, environmental and other relevant legislation and the Corporation's Articles and By-Laws, including:

(a)to supervise the management of the business and affairs of the Corporation;

(b)to act honestly and in good faith with a view to the best interests of the Corporation;

(c)to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and

(d)to consider as the full Board and not delegate to a Committee:

(i)any submission to the shareholders of a question or matter requiring the approval of the shareholders;

(ii)the filling of a vacancy among the Directors or appointing additional Directors;

(iii)the manner and the terms of the issuance of securities;

(iv)the declaration of dividends;

(v)the purchase, redemption or any other form of acquisition of shares issued by the Corporation;

(vi)the approval of a management proxy circular;

(vii)the approval of any takeover bid circular or Directors' circular;

(viii)the approval of the annual financial statements of the Corporation; or

(ix)the adoption, amendment or repeal of By-Laws of the Corporation.

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

9.MEETING ORGANIZATION AND PROCEDURES

(a)Meetings of the Board shall be held at least quarterly and as required. In addition, another meeting of the Board shall be held, at least annually, to review the Corporation's strategic plan. The quorum at any meeting of the Board is a majority of Directors in office. The Board sets the schedule of the Board and Board Committee meetings to be held in any given calendar year, a year or more in advance.

(b)The Chairman of the Board and the CEO shall develop the agenda for each meeting of the Board, in consultation with the Corporate Secretary. The agenda and appropriate materials shall be provided to Board members in a timely manner prior to any meeting of the Board. Senior management will be made accessible to Board members at Board and Board Committee meetings to help them to fulfill their obligations.

(c)A Director may participate in a meeting of the Board or of a Board Committee by means of telephone or other communications facilities which permit all persons participating in the meeting to hear each other, and a Director participating in such a meeting by such means is deemed to be present at the meeting. If a regular meeting has been convened, physical participation in the meeting by individual Board members is encouraged and expected, except in special circumstances.

(d)At the beginning or end of each of the regularly scheduled meetings of the Board and Board Committees, an *in camera* session of the independent Directors shall be held, including when compensation issues are discussed.

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SCHEDULE C – SUMMARY OF LEGACY LONG-TERM INCENTIVE PLANS

STOCK OPTION PLANS

Starting in 2014, the Company decided to no longer make recurring annual grants of stock options.

During 2013, the 2007, 2009 and 2011 stock plan texts were amended to incorporate the following changes:

•Removal of all share ownership conditions prior to the exercise of vested options for participants who are no longer subject to such ownership requirements; and

•For those with share ownership requirements, possibility to exercise their vested options prior to meeting such ownership requirement provided that 100% of the net gain after tax and payment of the exercise price of the shares be kept in shares (with a prohibition to sell such shares while the ownership level is not met).

The following table presents information concerning stock options granted over the last five (5) years, totalling 4,650,400.

	2010	2011	2012	2013	2014
Number of Stock Options Granted	1,110,500	1,119,200	1,173,900	1,246,800	0
Number of Employees who were Granted Stock Options	279	300	198	90	0
Number of Stock Options Outstanding as at Year End	5,126,117	5,357,515	5,363,600	4,438,529	3,179,369
Average Weighted Exercise Price of Stock Options Outstanding	$40.61	$44.57	$44.19	$44.37	$45.42
Number of Stock Options Granted as a % of Outstanding Shares	0.74%	0.74%	0.78%	0.82%	0.00%
Number of Stock Options Exercised	902,465	820,216	210,140	737,876	657,869

The total number of options exercised in 2014 under the 2011, 2009, and 2007 Stock Option Plans is as follows:

Number of Optionees Having Exercised Options	Number of Stock Options Exercised	Exercise Price
2011 Stock Option Plan		
45 employees	105,445	$37.04
17 employees	52,573	$54.07
2009 Stock Option Plan		
246 employees	109,958	$37.53
36 employees	179,000	$52.40
2007 Stock Option Plan		
189 employees	210,893	$31.59
TOTAL	657,869	

The following table presents information concerning securities authorized for issuance under the Company's equity compensation plans as at December 31, 2014.

Equity Compensation Plan category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants And Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plan s
Approved by Security holders	3,179,369	$45.42	2,865,402
Not approved by Security holders	–	–	–
Total	3,179,369	$45.42	2,865,402

SUMMARY OF 2007 STOCK OPTION PLAN

On February 23, 2007, subject to the approval of the Toronto Stock Exchange ("TSX") and the Company's shareholders, which approvals were subsequently obtained, the Board of Directors of the Company adopted the 2007 Stock Option Plan (the "2007 Plan") in favour of key employees of the Company and its subsidiaries and other corporations in which the Company has an equity interest.

The 2007 Plan provides for the granting of non-transferable options to purchase Common Shares. The total number of authorized and unissued Common Shares available for options under the 2007 Plan is equal to 3,500,000 which, together with the number of options outstanding (i.e., granted but not exercised) as at March 5, 2007 under previous stock option plans, totaled less than 5% of the Common Shares of the Company outstanding as at the same date. The Board of Directors of the Company shall select the optionees (the "Optionees") and shall establish the number of Common Shares under each option. The grant of options under the 2007 Plan shall take effect on the sixth trading day (the "Date of Effect") following the date of such grant. The exercise price per Common Share, in respect of any option granted under the 2007 Plan, shall be the greater of: (i) the average closing price per Common Share for a board lot (100 Shares) of the Common Shares traded on the TSX for the five trading days immediately preceding the Date of Effect; and (ii) the closing price per Common Share on the first trading day immediately preceding the Date of Effect. Each option may be exercised only during a period commencing on the first day of the third year following the Date of Effect of the option and expiring on the last day of the fifth year following the Date of Effect (the "Option Period"). Each option may be exercised during the Option Period in accordance with the following schedule: (i) during the first year of the Option Period, an Optionee may exercise up to 33.33% of the number of Common Shares initially under option; (ii) during the second year of the Option Period, the Optionee may exercise up to 33.33% of the number of Common Shares initially under option, plus the number of Common Shares with respect to which he/she has not exercised the option during the first year of the Option Period; and (iii) during the third year of the Option Period, the Optionee may exercise the option up to the balance (including all) of the Common Shares initially under option. The 2007 Plan prohibits any modification to the option exercise price and the number of unexercised options, except in the limited circumstances of a declaration of a stock dividend or of a cash dividend other than in the ordinary course of business, or a subdivision, consolidation, reclassification or other change with respect to the Common Shares. In these limited circumstances, the Board may make the modifications that it deems appropriate to the exercise price and to the number of unexercised options, subject always to the approval of the TSX.

On December 6, 2013, the Board of Directors approved certain amendments to the 2007 Plan to allow certain senior executives of the Company to exercise options even if they fail to comply with minimum shareholding requirements applicable to them, provided that they comply with those requirements discussed below. The foregoing amendments did not require shareholder approval. Under the 2007 Plan, as amended as of December 6, 2013, at the time of exercising options, (i) an Optionee who is an Executive Vice-President of the Company is required to own Common Shares having a value at least equal to two times his/her annual base salary, (ii) an Optionee who is President of a business unit/product, as determined by the Board of Directors, is required to own Common Shares having a value at least equal to three times his/her annual base salary, and (iii) an Optionee who is the President and CEO of the Company is required to own Common Shares having a value at least equal to five times his/her annual base salary. Should an Executive Vice-President, a President of a business unit/product, or the President and CEO of the Company fail to comply with the shareholding requirements described above at the time of exercising his/her options, he/she will be required to hold (and is prohibited from selling) underlying Common Shares equivalent in value to the entire "after tax gain" resulting from the exercise of such options, until the requirements are met. For the purposes of the above, "after tax gain" means, with respect to the exercise of options, the amount corresponding to the difference between (i) the market price of the Common Shares issued pursuant to such exercise, and (ii) the sum of the exercise prices and all taxes to be paid by the Optionee with respect to the exercise of such options.

The 2007 Plan includes the following quantitative restrictions: (i) the number of Common Shares issuable to insiders, at any time, under the 2007 Plan and all other share compensation arrangements of the Company must be less than 5% of the issued Common Shares; (ii) the number of Common Shares issued under the 2007 and all other share compensation arrangements of the Company (a) to insiders, within any one-year period, must be less than 5% of the issued Common Shares; and (b) to any one insider and such insider's associates, within any one-year period, must be less than 2.5% of the issued Common Shares; and (iii) the aggregate number of Common Shares reserved for issuance pursuant to options granted to any one person under the 2007 Plan must be less than 2.5% of the issued Common Shares.

An Optionee who becomes a Retiree before the expiration of the Option Period may exercise his/her options as per any other Optionee, in accordance with the Plan. A "Retiree" means an Optionee who, upon his/her last day of work as a full-time regular employee, has voluntarily terminated his/her employment and has completed a minimum of ten years of continuous service with the Company. For the calculation of the value of the Common Shares, which a Retiree is required to hold when he/she wishes to exercise his/her options, his/her annual base salary in effect at the time of his/her retirement shall be deemed to be his/her annual base salary at the time of such exercise.(1) If an Optionee becomes a Retiree before the expiration of the Option Period but he/she engages in certain activities competing with those of the Company, as more fully described in the 2007 Plan, his/her options will terminate, effective upon his/her last day of work as a full-time regular employee of the Company.

If an Optionee is granted authorized leave of absence for sickness or other reasons, the Optionee will be entitled to exercise his/her options during his/her leave of absence according to the provisions of the 2007 Plan. Similarly, if an Optionee dies before the expiration of the Option Period, his/her legal representatives will be entitled to exercise his/her options according to such provisions.

Under the 2007 Plan, an Optionee may exercise all or any portion of his/her options at any time after the occurrence of any of the following events: (i) a person or a group of persons holds or exercises control over, directly or indirectly, 50% or more of the shares of a class of voting shares of the Company; (ii) a person or a group of persons launches a take-over bid or an exchange bid for 50% or more of the shares of a class of voting shares of the Company; or (iii) the persons who are directors of the Company cease at any time to constitute a majority of the members of the Board, except in certain limited circumstances.

The 2007 Plan includes an amendment procedure pursuant to which the Board may amend the 2007 Plan or amend the terms of any then-outstanding award of options under the 2007 Plan, provided, however, that the Company shall obtain shareholder approval for: (i) any amendment to the number of Common Shares issuable under the 2007 Plan, except for certain adjustments in the case of changes affecting the Common Shares ("Shares Adjustment"); (ii) any change which would allow non-employee directors to participate under the 2007 Plan; (iii) any amendment which would permit any option granted under the 2007 Plan to be transferable or assignable other than by will or pursuant to the laws of succession; (iv) the addition of a cashless exercise feature, payable in cash or Common Shares, which does not provide for a full deduction of the number of underlying securities from the 2007 Plan reserve; (v) the addition of provisions which results in employees receiving Common Shares while no cash consideration is received by the Company; (vi) any reduction in the exercise price of an option after the option has been granted, except in the case of a Shares Adjustment; (vii) any extension to the term of an option beyond the original expiry date; (viii) any increase to the number of Common Shares that may be granted to insiders under the 2007 Plan and other share compensation arrangements of the Company, except in the case of a Shares Adjustment; (ix) the addition of any form of financial assistance for Optionees in the 2007 Plan; and (x) a change to the vesting provisions of an option or of the 2007 Plan.

On March 16, 2015, there were no options outstanding under the 2007 Plan.

The Board may, in its sole discretion, make all other amendments to the 2007 Plan, including: (i) amendments of a "housekeeping" or clerical nature as well as any amendment clarifying any provision of the 2007 Plan; (ii) a change to the termination provisions of an option or the 2007 Plan which does not entail an extension beyond the original expiry date; (iii) any Shares Adjustment; and (iv) suspending or terminating the 2007 Plan.

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SUMMARY OF 2009 STOCK OPTION PLAN

On March 6, 2009, subject to the approval of the Toronto Stock Exchange ("TSX") and the Company's shareholders, which approvals were subsequently obtained, the Board of Directors of the Company adopted the 2009 Stock Option Plan (the "2009 Plan") in favour of key employees of the Company and its subsidiaries and other corporations in which the Company has an equity interest.

The 2009 Plan provides for the granting of non-transferable options to purchase Common Shares. The total number of authorized and unissued Common Shares available for options under the 2009 Plan is equal to 2,000,000 which, together with the number of options outstanding (i.e., granted but not exercised) as at March 6, 2009 under previous stock option plans, totaled less than 5% of the Common Shares of the Company outstanding as at the same date. The Board of Directors of the Company shall select the optionees (the "Optionees") and shall establish the number of Common Shares under each option. The grant of options under the 2009 Plan shall take effect on the sixth trading day (the "Date of Effect") following the date of such grant. The exercise price per Common Share, in respect of any option granted under the 2009 Plan, shall be the greater of: (i) the average closing price per Common Share for a board lot (100 Shares) of the Common Shares traded on the TSX for the five trading days immediately preceding the Date of Effect; and (ii) the closing price per Common Share on the first trading day immediately preceding the Date of Effect. Each option may be exercised only during a period commencing on the first day of the third year following the Date of Effect of the option and expiring on the last day of the fifth year following the Date of Effect (the "Option Period"). Each option may be exercised during the Option Period in accordance with the following schedule: (i) during the first year of the Option Period, an Optionee may exercise up to 33.33% of the number of Common Shares initially under option; (ii) during the second year of the Option Period, the Optionee may exercise up to 33.33% of the number of Common Shares initially under option, plus the number of Common Shares with respect to which he/she has not exercised the option during the first year of the Option Period; and (iii) during the third year of the Option Period, the Optionee may exercise the option up to the balance (including all) of the Common Shares initially under option. The 2009 Plan prohibits any modification to the option exercise price and the number of unexercised options, except in the limited circumstances of a declaration of a stock dividend or a subdivision, consolidation or reclassification, other change or action affecting the Common Shares. In these limited circumstances, the Board may make the modifications that it deems appropriate to the exercise price and to the number of unexercised options, subject always to the approval of the TSX.

On December 6, 2013, the Board of Directors approved certain amendments to the 2009 Plan to allow certain senior executives of the Company to exercise options even if they fail to comply with minimum shareholding requirements applicable to them, provided that they comply with those requirements discussed below. The foregoing amendments did not require shareholder approval. Under the 2009 Plan, as amended as of December 6, 2013, at the time of exercising options, (i) an Optionee who is an Executive Vice-President of the Company is required to own Common Shares having a value at least equal to two times his/her annual base salary, (ii) an Optionee who is President of a business unit/product, as determined by the Board of Directors, is required to own Common Shares having a value at least equal to three times his/her annual base salary, and (iii) an Optionee who is the President and CEO of the Company is required to own Common Shares having a value at least equal to five times his/her annual base salary. Should an Executive Vice-President, a President of a business unit/product, or the President and CEO of the Company fail to comply with the shareholding requirements described above at the time of exercising his/her options, he/she will be required to hold (and is prohibited from selling) underlying Common Shares equivalent in value to the entire "after tax gain" resulting from the exercise of such options, until the requirements are met. For the purposes of the above, "after tax gain" means, with respect to the exercise of options, the amount corresponding to the difference between (i) the market price of the Common Shares issued pursuant to such exercise, and (ii) the sum of the exercise prices and all taxes to be paid by the Optionee with respect to the exercise of such options.

The 2009 Plan includes the following quantitative restrictions: (i) the number of Common Shares issuable to insiders, at any time, under the 2009 Plan and all other share compensation arrangements of the Company must be less than 5% of the issued Common Shares; (ii) the number of Common Shares issued under the 2009 and other share compensation arrangements of the Company (a) to insiders, within any one-year period, must be less than 5% of the issued Common Shares; and (b) to any one insider and such insider's associates, within any one-year period, must be less than 2.5% of the issued Common Shares; and (iii) the aggregate number of Common Shares reserved for issuance pursuant to options granted to any one person under the 2009 Plan must be less than 2.5% of the issued Common Shares.

An Optionee who becomes a Retiree before the expiration of the Option Period may exercise his/her options as per any other Optionee, in accordance with the Plan. A "Retiree" means an Optionee who, upon his/her last day of work as a full-time regular employee, has voluntarily terminated his/her employment and has completed a minimum of ten years of continuous service with the Company and is 55 years of age or older. For the calculation of the value of the Common Shares, which a Retiree is required to hold when he/she wishes to exercise his/her options, his/her annual base salary in effect at the time of his/her retirement shall be deemed to be his/her annual base salary at the time of such exercise.(1) If an Optionee becomes a Retiree before the expiration of the Option Period but he/she engages in certain activities competing with those of the Company, as more fully described in the 2009 Plan, his/her options will terminate, effective upon his/her last day of work as a full-time regular employee of the Company.

If an Optionee is granted authorized leave of absence for sickness or other reasons, the Optionee will be entitled to exercise his/her options during his/her leave of absence according to the provisions of the 2009 Plan. Similarly, if an Optionee dies before the expiration of the Option Period, his/her legal representatives will be entitled to exercise his/her options according to such provisions.

Under the 2009 Plan, an Optionee may exercise all or any portion of his/her options at any time after the occurrence of any of the following events: (i) a person or a group of persons holds or exercises control over, directly or indirectly, 50% or more of the shares of a class of voting shares of the Company; (ii) a person or a group of persons launches a take-over bid or an exchange bid for 50% or more of the shares of a class of voting shares of the Company; or (iii) the persons who are directors of the Company cease at any time to constitute a majority of the members of the Board, except in certain limited circumstances.

The 2009 Plan includes an amendment procedure pursuant to which the Board may amend any of the provisions of the 2009 Plan or amend the terms of any then-outstanding award of options under the 2009 Plan, provided, however, that the Company shall obtain shareholder approval for: (i) any amendment to the number of Common Shares issuable under the 2009 Plan, except for adjustments in the case of a declaration of dividend, a subdivision, consolidation, reclassification, issue of rights or changes affecting the Common Shares ("Shares Adjustment"); (ii) any change which would allow non-employee directors to participate under the 2009 Plan; (iii) any amendment which would permit any option granted under the 2009 Plan to be transferable or assignable other than by will or pursuant to the laws of succession; (iv) the addition of a cashless exercise feature, payable in cash or Common Shares, which does not provide for a full deduction of the number of underlying securities from the 2009 Plan reserve; (v) the addition of deferred or restricted share unit provisions or any other provisions which results in employees receiving Common Shares while no cash consideration is received by the Company; (vi) any reduction in the exercise price of an option after the option has been granted, or any cancellation of an option and the substitution of that option by a new option with a reduced exercise price, except in the case of a Shares Adjustment; (vii) any extension to the term of an option beyond the Option Period, unless the end of the Option Period falls within a period during which insiders are prohibited from trading, in which case the Option Period shall be extended by ten trading days following the end of the period during which insiders are prohibited from trading. However, such ten trading day extension shall not apply in cases where the Option Period ends: (a) during a pre-determined, regularly scheduled period during which insiders of the Company are prohibited from trading; or (b) during a cease trade order; (viii) any increase to the number of Common Shares that may be granted to (1) insiders under the 2009 Plan and other share compensation arrangements of the Company or (2) any one insider and such insider's associates in any one-year period, except in the case of a Shares Adjustment; (ix) the addition in the 2009 Plan of any form of financial assistance and any amendment to a financial assistance provision which is more favourable to Optionees; and (x) a change to the vesting provisions of an option or of the 2009 Plan.

No amendment, suspension or termination shall, except with the written consent of the Optionees concerned, affect the terms and conditions of options previously granted under the 2009 Plan, to the extent that such options have not then been exercised, unless the rights of the Optionees shall then have terminated in accordance with the 2009 Plan.

On March 16, 2015, there were 12,000 options outstanding under the 2009 Plan, representing 0.01% of the total number of Common Shares of the Company outstanding (i.e. 152,467,586) on that date.

The Board may, subject to receipt of TSX approval, where required, in its sole discretion, make all other amendments to the 2009 Plan that are not contemplated above, including without limitation, the following: (i) amendments of a "housekeeping" or clerical nature as well as any amendment clarifying any provision of the 2009 Plan; (ii) a change to the termination provisions of an option or the 2009 Plan which does not entail an extension beyond the Option Period, as extended pursuant to item (vii) above, if applicable; (iii) any Shares Adjustment; and (iv) suspending or terminating the 2009 Plan.

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SUMMARY OF 2011 STOCK OPTION PLAN

On March 4, 2011, subject to the approvals of the Toronto Stock Exchange ("TSX") and the Company's shareholders, which approvals were subsequently obtained, the Board of Directors of the Company adopted the 2011 Stock Option Plan (the "2011 Plan") in favour of key employees of the Company and its subsidiaries and other corporations in which the Company has an equity interest.

The 2011 Plan provides for the granting of non-transferable options to purchase Common Shares. The total number of authorized and unissued Common Shares available for options under the 2011 Plan is equal to 2,300,000 which, together with the number of options outstanding (i.e., granted but not exercised) as at March 4, 2011 under previous stock option plans, totaled less than 5% of the Common Shares of the Company outstanding as at the same date. The Board of Directors of the Company shall select the optionees (the "Optionees") and shall establish the number of Common Shares under each option. The grant of options under the 2011 Plan shall take effect on the sixth trading day (the "Date of Effect") following the date of such grant. The exercise price per Common Share, in respect of any option granted under the 2011 Plan, shall be the greater of: (i) the average closing price per Common Share for a board lot (100 Shares) of the Common Shares traded on the TSX for the five trading days immediately preceding the Date of Effect; and (ii) the closing price per Common Share on the first trading day immediately preceding the Date of Effect. Each option may be exercised only during a period commencing on the first day of the third year following the Date of Effect of the option and expiring on the last day of the fifth year following the Date of Effect (the "Option Period"). Each option may be exercised during the Option Period in accordance with the following schedule: (i) during the first year of the Option Period, an Optionee may exercise up to 33.33% of the number of Common Shares initially under option; (ii) during the second year of the Option Period, the Optionee may exercise up to 33.33% of the number of Common Shares initially under option, plus the number of Common Shares with respect to which he/she has not exercised the option during the first year of the Option Period; and (iii) during the third year of the Option Period, the Optionee may exercise the option up to the balance (including all) of the Common Shares initially under option. The 2011 Plan prohibits any modification to the option exercise price and the number of unexercised options, except in the limited circumstances of a declaration of a stock dividend or a subdivision, consolidation or reclassification, other change or action affecting the Common Shares. In these limited circumstances, the Board may make the modifications that it deems appropriate to the exercise price and to the number of unexercised options, subject always to the approval of the TSX.

On December 6, 2013, the Board of Directors approved certain amendments to the 2011 Plan to allow certain senior executives of the Company to exercise options even if they fail to comply with minimum shareholding requirements applicable to them, provided that they comply with those requirements discussed below. The foregoing amendments did not require shareholder approval. Under the 2011 Plan, as amended as of December 6, 2013, at the time of exercising options, (i) an Optionee who is an Executive Vice-President of the Company is required to own Common Shares having a value at least equal to two times his/her annual base salary, (ii) an Optionee who is President of a business unit/product, as determined by the Board of Directors, is required to own Common Shares having a value at least equal to three times his/her annual base salary, and (iii) an Optionee who is the President and CEO of the Company is required to own Common Shares having a value at least equal to five times his/her annual base salary. Should an Executive Vice-President, a President of a business unit/product, or the President and CEO of the Company fail to comply with the shareholding requirements described above at the time of exercising his/her options, he/she will be required to hold (and is prohibited from selling) underlying Common Shares equivalent in value to the entire "after tax gain" resulting from the exercise of such options, until the requirements are met. For the purposes of the above, "after tax gain" means, with respect to the exercise of options, the amount corresponding to the difference between (i) the market price of the Common Shares issued pursuant to such exercise, and (ii) the sum of the exercise prices and all taxes to be paid by the Optionee with respect to the exercise of such options.

The 2011 Plan includes the following quantitative restrictions: (i) the number of Common Shares issuable to insiders, at any time, under the 2011 Plan and all other share compensation arrangements of the Company must be less than 5% of the issued Common Shares; (ii) the number of Common Shares issued under the 2011 and other share compensation arrangements of the Company (a) to insiders, within any one-year period, must be less than 5% of the issued Common Shares; and (b) to any one insider and such insider's associates, within any one-year period, must be less than 2.5% of the issued Common Shares; and (iii) the aggregate number of Common Shares reserved for issuance pursuant to options granted to any one person under the 2011 Plan must be less than 2.5% of the issued Common Shares.

An Optionee who becomes a Retiree before the expiration of the Option Period may exercise his/her options as per any other Optionee, in accordance with the Plan. A "Retiree" means an Optionee who, upon his/her last day of work as a full-time regular employee, has voluntarily terminated his/her employment and has completed a minimum of ten years of continuous service with the Company and is 55 years of age or older. For the calculation of the value of the Common Shares, which a Retiree is required to hold when he/she wishes to exercise his/her options, his/her annual base salary in effect at the time of his/her retirement shall be deemed to be his/her annual base salary at the time of such exercise.(1) If an Optionee becomes a Retiree before the expiration of the Option Period but he/she engages in certain activities competing with those of the Company, as more fully described in the 2011 Plan, his/her options will terminate, effective upon his/her last day of work as a full-time regular employee of the Company.

If an Optionee is granted authorized leave of absence for sickness or other reasons, the Optionee will be entitled to exercise his/her options during his/her leave of absence according to the provisions of the 2011 Plan. Similarly, if an Optionee dies before the expiration of the Option Period, his/her legal representatives will be entitled to exercise his/her options according to such provisions.

Under the 2011 Plan, unless otherwise determined by the Board, if an Optionee is terminated without cause or submits a resignation for good reason within 24 calendar months after a change of control (as defined below): (i) each exercisable option then held by the Optionee shall remain exercisable for a period of 24 calendar months from the date of termination or resignation, but not later than the end of the Option Period, and thereafter any such option shall expire; and (ii) each non-exercisable option then held by the Optionee shall become exercisable upon such termination or resignation and shall remain exercisable for a period of 24 calendar months from the date of such termination or resignation, but not later than the end of the Option Period, and thereafter any such option shall expire. For the purposes of the 2011 Plan, a "change of control" means the occurrence of any of the following events: (i) a person or a group of persons holds or exercises control over, directly or indirectly, 50% or more of the shares of a class of voting shares of the Company; (ii) a person or a group of persons launches a take-over bid or an exchange bid for 50% or more of the shares of a class of voting shares of the Company; or (iii) the persons who are directors of the Company cease at any time to constitute a majority of the members of the Board, except in certain limited circumstances.

The 2011 Plan includes an amendment procedure pursuant to which the Board may amend any of the provisions of the 2011 Plan or amend the terms of any then outstanding award of options under the 2011 Plan, provided, however, that the Company shall obtain shareholder approval for: (i) any amendment to the number of Common Shares issuable under the 2011 Plan, except for adjustments in the case of a declaration of dividend, a subdivision, consolidation, reclassification, issue of rights or changes affecting the Common Shares ("Shares Adjustment"); (ii) any change which would allow non-employee directors to participate under the 2011 Plan; (iii) any amendment which would permit any option granted under the 2011 Plan to be transferable or assignable other than by will or pursuant to the laws of succession; (iv) the addition of a cashless exercise feature, payable in cash or Common Shares, which does not provide for a full deduction of the number of underlying securities from the 2011 Plan reserve; (v) the addition of deferred or restricted share unit provisions or any other provisions which results in employees receiving Common Shares while no cash consideration is received by the Company; (vi) any reduction in the exercise price of an option after the option has been granted, or any cancellation of an option and the substitution of that option by a new option with a reduced exercise price, except in the case of a Shares Adjustment; (vii) any extension to the term of an option beyond the Option Period, unless the end of the Option Period falls within a period during which insiders are prohibited from trading, in which case the Option Period shall be extended by ten trading days following the end of the period during which insiders are prohibited from trading. However, such ten trading day extension shall not apply in cases where the Option Period ends: (a) during a pre-determined, regularly scheduled period during which insiders of the Company are prohibited from trading; or (b) during a cease trade order; (viii) any increase to the number of Common Shares that may be granted to (1) insiders under the 2011 Plan and other share compensation arrangements of the Company or (2) any one insider and such insider's associates in any one-year period, except in the case of a Shares Adjustment; (ix) the addition in the 2011 Plan of any form of financial assistance and any amendment to a financial assistance provision which is more favourable to Optionees; and (x) a change to the vesting provisions of an option or of the 2011 Plan.

No amendment, suspension or termination shall, except with the written consent of the Optionees concerned, affect the terms and conditions of options previously granted under the 2011 Plan, to the extent that such options have not then been exercised, unless the rights of the Optionees shall then have terminated in accordance with the 2011 Plan.

[(1)] Given the fact that the vesting of stock options continues after retirement it is, therefore, not necessary to include a hold period within the stock option plan as this hold period is implicit.

On March 16, 2015, there were 1,426,019 options outstanding under the 2011 Plan, representing 0.94% of the total number of Common Shares of the Company outstanding (i.e. 152,467,586) on that date.

The Board may, subject to receipt of TSX approval, where required, in its sole discretion, make all other amendments to the 2011 Plan that are not contemplated above, including without limitation, the following: (i) amendments of a "housekeeping" or clerical nature as well as any amendment clarifying any provision of the 2011 Plan; (ii) a change to the termination provisions of an option or the 2011 Plan which does not entail an extension beyond the Option Period, as extended pursuant to item (vii) above, if applicable; (iii) any Shares Adjustment; and (iv) suspending or terminating the 2011 Plan.

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SUMMARY OF 2013 STOCK OPTION PLAN

On March 8, 2013, subject to the approvals of the Toronto Stock Exchange ("TSX") and the Company's shareholders, which approvals were subsequently obtained, the Board of Directors of the Company adopted the 2013 Stock Option Plan (the "2013 Plan") in favour of key employees of the Company and its subsidiaries and other corporations in which the Company has an equity interest.

The 2013 Plan provides for the granting of non-transferable options to purchase Common Shares. The total number of authorized and unissued Common Shares available for options under the 2013 Plan is equal to 3,200,000 which, together with the number of options outstanding (i.e., granted but not exercised) as at March 11, 2013 under previous stock option plans, totals less than 5% of the Common Shares of the Company outstanding as at the same date. The Board of Directors of the Company will select the optionees (the "Optionees"), determine the number of Common Shares covered under each option, and the grant date for each option. The Board of Directors shall further have the discretion to establish, within the restrictions set forth in the 2013 Plan, the time of exercise, expiry dates, exercise price and other particulars applicable to an option granted under the 2013 Plan. The exercise price for an option on a grant date will be determined by the Board of Directors and will not be less than the average closing price per Common Share on the TSX for the five trading days immediately preceding such grant date (the "Share Value"). Should the Board of Directors resolve to grant an option during a period self-imposed by the Company during which Directors, officers and certain employees of the Company are precluded from trading in the securities of the Company (a "Blackout Period"), the exercise price for such option is presumed to be the Share Value on the sixth trading day following the end of the Blackout Period. Each option may only be exercised during a period commencing on the first day of the third year following the grant date of the option and expiring on the last day of the sixth year following such grant date or the last day of an extension of ten business days from the end of a Blackout Period if the expiry date of an option falls within the Blackout Period or within ten business days after the end of the Blackout Period (the "Blackout Extension Term") (and collectively, such period the "Option Period"). Options may be exercised during the Option Period to which they relate in accordance with the following schedule: (i) during the first year of the Option Period, an Optionee may exercise up to 33.33% of the options; (ii) during the second year of the Option Period, the Optionee may exercise an additional 33.33% of the options; and (iii) during the third year of the Option Period, the Optionee may exercise the balance (including all) of the options.

At the time of exercising options, (i) an Optionee who is an Executive Vice-President of the Company is required to own Common Shares having a value at least equal to twice his/her annual base salary, (ii) an Optionee who is president of business units/products, as determined by the Board of Directors, is required to own Common Shares having a value at least equal to three times his/her annual base salary, and (iii) an Optionee who is the President and CEO of the Company is required to own Common Shares having a value at least equal to five times his/her annual base salary. Should an Executive Vice-President, a president of business unit/products or the President and CEO of the Company fail to comply with the shareholding requirements described above at the time of exercising his/her options, he/she will be required to hold (and is prohibited from selling) underlying Common Shares equivalent to at least 25% of the after-tax gain resulting from such exercise until the requirements are met.

The 2013 Plan includes the following quantitative restrictions: (i) the number of Common Shares issuable to insiders, at any time, under the 2013 Plan and other share compensation arrangements of the Company must be less than 5% of the issued Common Shares; (ii) the number of Common Shares issued under the 2013 Plan and other share compensation arrangements of the Company (a) to insiders, within any one-year period, must be less than 5% of the issued Common Shares; and (b) to any one insider and such insider's associates, within any one-year period, must be less than 2.5% of the issued Common Shares; and (iii) the aggregate number of Common Shares reserved for issuance pursuant to options granted to any one individual under the 2013 Plan must be less than 2.5% of the issued Common Shares. Common Shares in respect of which options are granted but not exercised prior to the expiration, termination or lapse of such options shall be available for new grants of options pursuant to the provisions of the 2013 Plan.

An Optionee who becomes a Retiree before the expiration of the Option Period may exercise his/her options as per any other Optionee, in accordance with the Plan. A "Retiree" means an Optionee who, upon his/her last day of work as a full-time regular employee, has voluntarily terminated his/her employment and has completed a minimum of 5 years of continuous service with the Company and is 55 years of age or older. If an Optionee becomes a Retiree before the expiration of the Option Period but he/she engages in certain activities competing with those of the Company, as more fully described in the 2013 Plan, his/her unexercised vested options will be forfeited and his/her unvested options will expire, effective upon his/her last day of work as a full-time regular employee of the Company.

If an Optionee is granted authorized leave of absence for sickness or other reasons, before the expiration of the Option Period, the Optionee will be entitled to exercise his/her options during his/her leave of absence. If an Optionee dies before the expiration of the Option Period, his/her legal representatives will be entitled to exercise his/her vested options within a period of one year following such death and all unvested options will expire as of the date of the death.

Under the 2013 Plan, unless otherwise determined by the Board, if an Optionee is terminated without cause or submits a resignation for good reason within 24 months following a change of control (as defined below): (i) each unexercised vested option then held by the Optionee shall remain exercisable for a period of 24 months from the date of termination or resignation, but not later than the end of the Option Period, and thereafter any such option shall expire; and (ii) each unvested option then held by the Optionee shall become exercisable upon such termination or resignation and shall remain exercisable for a period of 24 calendar months from the date of such termination or resignation, but not later than the end of the Option Period, and thereafter any such option shall expire. For the purposes of the 2013 Plan, a "change of control" means, at any time, the occurrence of any of the following events: (a) a person or a number of persons acting jointly or in concert holds or exercises control over, directly or indirectly, 50% or more of the shares of a class of voting shares of the Company; (b) a person or a number of persons acting jointly or in concert successfully completes a take-over bid or an exchange bid for 50% or more of the shares of a class of voting shares of the Company; (c) a majority of the members of the Board of Directors of the Company is replaced during any twelve-month period by directors whose appointment or election is not proposed by management and endorsed by a majority of the members of the Board of Directors of the Company prior to the date of the appointment or election; or (d) a person or a number of persons acting jointly or in concert acquires (or has acquired during the twelve-month period ending on the day of the most recent acquisition by such person or persons) assets representing 50% or more of the total gross fair market value of all assets directly involved in the engineering activities of the Company immediately prior to such acquisition or acquisitions.

If an Optionee's employment is otherwise terminated or if an Optionee should resign from his/her employment, all of his/her unvested options will expire effective on the date of such termination or resignation, and he/she will have a period of 30 days from the date of such termination or resignation to exercise his/her unexercised vested options, at the end of which period such options will expire.

The 2013 Plan includes an amendment provision pursuant to which the Board may amend any of the provisions of the 2013 Plan or amend the terms of any then-outstanding award of options under the 2013 Plan, provided, however, that the Company shall obtain shareholder approval for: (a) any amendment to the number of Common Shares issuable under the 2013 Plan, except for adjustments in the case of a declaration of dividend, a subdivision, consolidation, reclassification or other change or action affecting the Common Shares ("Shares Adjustment"); (b) any change which would allow non-employee Directors to participate in the 2013 Plan; (c) any amendment which would permit any option granted under the 2013 Plan to be transferable or assignable other than by will or pursuant to the laws of succession; (d) any reduction in the exercise price of an option after the option has been granted or any cancellation of an option and the substitution of that option by a new option with a reduced exercise price, except in the case of Shares Adjustment; (e) any extension to the term of an option beyond the original Option Period, unless it falls within a Blackout Period, in which case the Option Period will be extended by the Blackout Extension Term; (f) any increase to the number of Common Shares that may be granted to (i) insiders under the 2013 Plan and other share compensation arrangements of the Company or (ii) any one insider and such insider's associates in any one-year period, except in the case of Shares Adjustment; and (g) any change to the amendment provision other than amendments of a "housekeeping" or clerical nature or to clarify such provision.

No amendment, suspension or termination shall, except with the written consent or deemed consent of the Optionees concerned, have an adverse effect on unexercised options previously granted under the 2013 Plan.

On March 16, 2015, there were 1,029,300 options outstanding under the 2013 Plan, representing 0.68% of the total number of Common Shares of the Company outstanding (i.e. 152,467,586) on that date.

The Board may, subject to receipt of TSX approval, if required, in its sole discretion, make all other amendments to the 2013 Plan or to awards of options that are not contemplated above, including, without limitation, the following: (a) amendments of a "housekeeping" or clerical nature as well as any amendment clarifying any provision of the 2013 Plan; (b) a change to the vesting provisions of an option; (c) a change to the termination provisions of an option which does not entail an extension beyond the original Option Period, as extended by the Blackout Extension Term, if applicable; (d) any change to the value of the Common Shares which certain officers and/or employees are required to maintain in order to exercise their options, such minimum Common Share holding requirements being discussed above; (e) any Shares Adjustment; and (f) suspending or terminating the 2013 Plan.

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SNC·LAVALIN

HEAD OFFICE

455 René-Lévesque Blvd. West
Montreal, QC, H2Z 1Z3, Canada
Tel.: 514 393-1000 Fax: 514 866-0795