



# SNC-LAVALIN GROUP INC.

ANNUAL INFORMATION FORM  
YEAR ENDED DECEMBER 31, 2023

FEBRUARY 29, 2024

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## Interpretation

References in this Annual Information Form to the "Company", "AtkinsRéalis", "we", "us" and "our" mean, as the context may require, SNC-Lavalin Group Inc. (doing business under the name "AtkinsRéalis") and all or some of its subsidiaries or joint arrangements or associates, or SNC-Lavalin Group Inc. or one or more of its subsidiaries, joint arrangements or associates.

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

Unless otherwise expressly stated herein, information or documents found on our website that are referred to in this Annual Information Form do not form part of and are not incorporated by reference into this Annual Information Form.

Information in this Annual Information Form is as at December 31, 2023 unless otherwise indicated.

## Caution Regarding Forward-Looking Statements

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

Forward-looking statements made in this Annual Information Form and the Company's other public disclosure documents are based on a number of assumptions believed by the Company to be reasonable on February 29, 2024. The assumptions are set out throughout the Company's 2023 Management's Discussion and Analysis dated February 29, 2024 (the "**2023 Management's Discussion and Analysis**") (particularly in the sections entitled "Critical Accounting Judgements and Key Sources of Estimation Uncertainty" and "How We Analyze and Report Our Results").

The assumptions regarding the Company's greenhouse gas emissions reduction forecast are based on the Company's current strategic plan, geographic footprint, mix of lines of business and overall size and scope of operations. The Company's commitments, targets and actions regarding the proportion of women in leadership are based on a number of assumptions, including, without limitation, the following material assumptions: the Company's ability to leverage partnerships and recruitment agencies to help identify qualified diverse talent for vacant positions and sufficient diverse labour market availability.

If these assumptions are inaccurate, the Company's actual results could differ materially from those expressed or implied in such forward-looking statements. In addition, important risk factors could cause the Company's assumptions and estimates to be inaccurate and actual results or events to differ materially from those expressed in or implied by these forward-looking statements. These risks include, but are not limited to, matters relating to: (a) fixed-price contracts or the Company's failure to meet contractual schedule, performance requirements or to execute projects efficiently; (b) backlog and contracts with termination for convenience provisions; (c) contract awards and timing; (d) being a provider of services to government agencies; (e) international operations; (f) nuclear liability; (g) ownership interests in investments; (h) dependence on third parties; (i) supply chain disruptions; (j) joint arrangements and partnerships; (k) information systems and data and compliance with privacy legislation; (l) artificial intelligence ("AI") and other innovative technologies; (m) qualified personnel; (n) strategic direction; (o) competition; (p) professional liability or liability for faulty services; (q) monetary damages and penalties in connection with professional and engineering reports and opinions; (r) gaps in insurance coverage; (s) health and safety; (t) work stoppages, union negotiations and other labour matters; (u) epidemics, pandemics and other health crises (v) global climate change, extreme weather conditions and the impact of natural or other disasters; (w) environmental, social and governance ("ESG"); (x) divestitures and the sale of significant assets; (y) intellectual property; (z) liquidity and financial position; (aa) indebtedness; (bb) impact of operating results and level of indebtedness on financial situation; (cc) security under the CDPQ Loan Agreement (as hereinafter defined); (dd) dependence on subsidiaries to help repay indebtedness; (ee) dividends; (ff) post-employment benefit obligations, including pension-related obligations; (gg) working capital requirements; (hh) collection from customers; (ii) impairment of goodwill and other non-current intangible and tangible assets; (jj) the impact on the Company of legal and regulatory proceedings, investigations and dispute settlements; (kk) employee, agent or partner misconduct or failure to comply with anti-corruption and other government laws and regulations; (ll) reputation of the Company; (mm) inherent limitations to the Company's control framework; (nn) environmental laws and regulations; (oo) global economic conditions; (pp) inflation; (qq) fluctuations in commodity prices; and (rr) income taxes.

The Company cautions that the foregoing list of factors is not exhaustive. For more information on risks and uncertainties, and assumptions that could cause the Company's actual results to differ from current expectations, please refer to the sections "Risks and Uncertainties", "How We Analyze and Report Our Results" and "Critical Accounting Judgements and Key Sources of Estimation Uncertainty" in the 2023 Management's Discussion and Analysis filed with the securities regulatory authorities in Canada, available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) or on the Company's website at [www.atkinsrealis.com](http://www.atkinsrealis.com) under the "Investors" section.

The Company may, from time to time, make oral forward-looking statements. The Company advises that the above paragraphs and the risk factors described in the 2023 Management's Discussion and Analysis and in the Company's other documents filed with the securities regulatory authorities in Canada should be considered for a description of certain factors that could cause the actual results of the Company to differ materially from those in the oral forward-looking statements. The forward-looking statements herein reflect the Company's expectations as at February 29, 2024, the date on which the Company's Board of Directors (the "**Board of Directors**") approved this document, and they are subject to change after such date. The Company does not undertake to update publicly or to revise any written or oral forward-looking information or statements whether as a result of new information, future events or otherwise, unless required by applicable legislation or regulation. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement.

## 1. Corporate Structure

### 1.1 Incorporation of the Company

SNC-Lavalin Group Inc. (doing business under the name "AtkinsRéalis") was incorporated under the laws of Canada on May 18, 1967 and was continued under the *Canada Business Corporations Act* on March 24, 1980. The articles of the Company were amended on several occasions, including for the following purposes: the split of its outstanding shares on a three-for-one basis, the change of its corporate name, the creation of new classes of shares and the reorganization of its outstanding share capital, the modification of the maximum number of

directors, the addition of a requirement that at least two-thirds of the directors must not be employees of the Company or its affiliates, the re-designation of its class A subordinate voting shares as common shares, the permission that the Board of Directors appoints one or more additional directors to hold office until the close of the next annual meeting of shareholders, subject to the total number of directors so appointed not exceeding one-third of the number of directors elected at the previous annual meeting of shareholders and, the possibility of holding shareholders and directors meetings entirely by telephonic, electronic or other communication facility.

As previously announced, the Company will seek shareholder approval at its 2024 annual meeting of shareholders to change its corporate name from "SNC-Lavalin Group Inc." to "AtkinsRéalisis Group Inc." further to which its articles of incorporation will be amended.

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

## 1.2. Subsidiaries

The main subsidiaries of the Company as at December 31, 2023, their country of incorporation or formation and the percentage of voting shares or other interests beneficially owned, controlled or directed, directly or indirectly by the Company were as follows.

SUBSIDIARIES	DECEMBER 31	COUNTRY
	2023 %	
Atkins China Limited	100	China
Atkins Nuclear Secured Holdings Corporation	100	United States
Atkins US Holdings Inc.	100	United States
AtkinsRéalisis Canada Inc. (previously, SNC-Lavalin Inc.)	100	Canada
AtkinsRéalisis Capital Inc. (previously, SNC-Lavalin Capital Inc.)	100	Canada
AtkinsRéalisis Construction (USA) Inc. (previously, SNC-Lavalin Constructors Inc.)	100	United States
AtkinsRéalisis (GB) Holdings Limited (previously, SNC-Lavalin (GB) Holdings Limited)	100	United Kingdom
AtkinsRéalisis (GBL) Limited (previously, SNC-Lavalin (GB) Limited)	100	United Kingdom
AtkinsRéalisis Highway Holding Inc. (previously, SNC-Lavalin Highway Holdings Inc.)	100	Canada
AtkinsRéalisis International Holdings Limited (previously, Atkins International Holdings Limited)	100	United Kingdom
AtkinsRéalisis Investments Inc. (previously, SNC-Lavalin Investments Inc.)	100	Canada
AtkinsRéalisis Major Projects Inc. (previously, SNC-Lavalin Major Projects Inc.)	100	Canada
AtkinsRéalisis Operations & Maintenance Inc. (previously, SNC-Lavalin Operations & Maintenance Inc.)	100	Canada
AtkinsRéalisis PPS Limited (previously, Faithful+Gould Limited)	100	United Kingdom
AtkinsRéalisis Rail & Transit Limited (previously, SNC-Lavalin Rail & Transit Limited)	100	United Kingdom
AtkinsRéalisis Stavibel Inc. (previously, SNC-Lavalin Stavibel Inc.) <sup>(1)</sup>	100	Canada
AtkinsRéalisis UK International Limited (previously, WS Atkins International Limited)	100	United Kingdom

SUBSIDIARIES	DECEMBER 31	COUNTRY
	2023 %	
AtkinsRéalís UK Limited (previously, Atkins Limited)	100	United Kingdom
AtkinsRealis USA Holdings LLC (previously, Atkins North America Holdings LLC)	100	United States
AtkinsRealis USA Inc. (previously, Atkins North America, Inc.)	100	United States
AtkinsRéalís (WS) Limited (previously, WS Atkins Limited)	100	United Kingdom
Candu Energy Inc.	100	Canada
Faithful+Gould Saudi Arabia Limited	51	Saudi Arabia
Isotek Systems, LLC	100	United States
Linxon Gulf L.L.C.	49	United Arab Emirates
Linxon India Private Limited	99	India
Linxon Pvt Ltd	51	United Kingdom
Linxon Saudi Arabia Co. Ltd.	100	Saudi Arabia
Linxon Sweden AB	100	Sweden
Linxon Switzerland Ltd	100	Switzerland
Linxon UK Ltd.	100	United Kingdom
Linxon US LLC.	100	United States
Protrans BC Operations Ltd.	100	Canada
SNC-Lavalin Algérie, EURL	100	Algeria
SNC-Lavalin Arabia Co. Ltd.	100	Saudi Arabia
SNC-Lavalin ATP Inc.	100	Canada
SNC-Lavalin Construction Inc.	100	Canada
SNC-Lavalin Constructors International Inc.	100	Canada
SNC-Lavalin Constructors (Pacific) Inc.	100	Canada
SNC-Lavalin Europe B.V.	100	Netherlands
SNC-Lavalin (Guernsey) Holdings Ltd.	100	Guernsey
SNC-Lavalin International Inc.	100	Canada
SNC-Lavalin International S.A.S.	100	France
SNC-Lavalin Nuclear Inc.	100	Canada
SNC-Lavalin Peru S.A.	100	Peru
SNC-Lavalin Projetos Industriais Ltda.	100	Brazil
SNC-Lavalin Romania S.A.	100	Romania
The SNC-Lavalin Corporation	100	United States
TransitNEXT General Partnership	100	Canada
WS Atkins Ireland Limited	100	Ireland
WS Atkins & Partners Overseas	100	United Kingdom
WS Atkins & Partners Overseas Engineering Consultants	75	Saudi Arabia

<sup>(1)</sup> On January 1, 2024, AtkinsRéalís Stavibel Inc. was merged into AtkinsRéalís Canada Inc.

Additional direct and indirect subsidiaries of the Company (i) holding, individually, 10% or less, and in the aggregate, 20% or less of the Company's consolidated assets, and (ii) generating, individually, 10% or less, and in the aggregate, 20% or less of the Company's consolidated sales and operating revenues, in each case, as at and for the year ended December 31, 2023, have been omitted.

## 2. General Development of the Business

The highlights relating to the development of the Company's business over the past three years and the recent developments in 2024 are described below.

### Recent Developments in 2024

#### Executive Changes

Beginning in 2024, the Company has implemented a new operational structure to unify and simplify the Company in the regions where it operates. As a result of this new structure, internal appointments were made, including Steve Morriss being appointed to the role of President, U.S. and LATAM, Minerals & Metals and Richard Robinson being appointed to the role of President, U.K. and Ireland. Philip Hoare was also appointed to the role of Chief Operating Officer (a "**COO**"). The newly created permanent COO office will be focusing on the development and deployment of our global capabilities locally to our clients to drive excellence and optimize the Company's overall operational and financial performance.

On February 13, 2024, Christine Healy was appointed to the role of President Asia, Middle East & Australia (AMEA), effective February 19, 2024.

#### Normal Course Issuer Bid

On February 29, 2024, the Toronto Stock Exchange (the "**TSX**") approved the renewal of the Company's normal course issuer bid (the "**2024 NCIB**") pursuant to which the Company may purchase for cancellation up to 1,500,000 of its common shares, representing 0.85% of the issued and outstanding common shares as of February 23, 2024. The 2024 NCIB will commence on March 8, 2024 and will end no later than March 7, 2025. The Company will also be permitted to purchase its common shares from Caisse de dépôt et placement du Québec ("**CDPQ**") in accordance with an exemption granted by the TSX in connection with the 2024 NCIB in order to maintain CDPQ's proportionate shareholding percentage as close as possible to, without exceeding, 19.9% of the issued and outstanding common shares (for more information on the right of CDPQ to request that the Company repurchases certain of its common shares under a normal course issuer bid, please refer to the section "Material Contracts – Investor's Rights Agreement").

## 2023 Highlights

### Executive Changes

On October 18, 2023, Stéphanie Vaillancourt was appointed to the role of President of Canada while remaining responsible for the Capital business. Ms. Vaillancourt was previously President, Capital and Operations & Maintenance.

### Rebranding to AtkinsRéalis

On September 12, 2023, the Company announced that it had rebranded to AtkinsRéalis. The name AtkinsRéalis is a created term that combines Atkins, a legacy brand that is well established across the Company's international markets, and "Réalis," inspired by the city of Montréal and the Company's French-Canadian roots. "Réalis" also resembles the verb "to realize" or "to make happen" which emphasizes the Company's focus on outcomes and project delivery. As previously announced, the Company will seek shareholder approval at its 2024 annual meeting of shareholders to change its corporate name from "SNC-Lavalin Group Inc." to "AtkinsRéalis Group Inc."

### Various Developments

#### Normal Course Issuer Bid

On March 2, 2023, the TSX approved the Company's normal course issuer bid (the "**2023 NCIB**") pursuant to which the Company may purchase for cancellation up to 1,500,000 of its common shares, representing 0.85% of the issued and outstanding common shares as of February 28, 2023. The 2023 NCIB commenced on March 8, 2023 and will end no later than March 7, 2024.

### Transaction

#### Disposal of the Company's Scandinavian Engineering Services Business

On August 31, 2023, the Company announced that it had completed the sale of its Scandinavian Engineering Services business (comprising Denmark, Sweden and Norway) to SYSTRA Group, a France-based engineering and consulting group specialized in public transport and mobility solutions. The gain on disposal amounted to \$46.2 million.

### Financing Activities

#### Amendment to the Credit Agreement

In the second quarter of 2023, the Company entered into an agreement with its lenders to extend the maturity of its revolving credit facility (the "**Revolving Credit Facility**") and unsecured, non-revolving, variable interest bearing term loan (the "**Term Loan**", and with the Revolving Credit Facility the "**Credit Facilities**") from May 13, 2025 to May 31, 2026. In addition, and as a result of this amendment: (i) the notional amount of Tranche A of the Revolving Credit Facility is \$1,350 million until May 13, 2025 and \$1,315.1 million thereafter and until May 31, 2026; (ii) the notional amount of Tranche B of the Revolving Credit Facility is \$450 million until May 13, 2025 and \$438.4 million thereafter and until May 31, 2026; and (iii) the notional amount of the Term Loan remains at \$500 million until May 31, 2026.



## [Amendments to the CDPQ Loan](#)

In the third quarter of 2023, the Company entered into an agreement with CDPQ Revenu fixe I Inc. (the “**CDPQ RF**”, formerly CDPQ Revenu Fixe Inc.) mainly to extend the maturity of the CDPQ Loan (as such term is defined in the section “Interest of Management and Others in Material Transactions” of this Annual Information Form) from July 2024 to July 2026. The notional amount of the CDPQ Loan remains at \$400 million until July 2026.

## 2022 Highlights

### Executive and Director Changes

On March 15, 2022, the Company announced the appointment of Joseph St. Julian, as the new President of Nuclear, starting April 1, 2022, replacing Alexander Taylor.

On May 5, 2022, Baroness Ruby McGregor-Smith, CBE and Robert Paré were elected to the Board of Directors.

On November 21, 2022, the Company announced the appointment of Andrée-Claude Bérubé to the role of Executive Vice-President and General Counsel, effective December 1, 2022, replacing Charlene Ripley.

### Various Developments

On May 11, 2022, the Company announced the Québec Superior Court’s approval of a remediation agreement (the “**Remediation Agreement**”) following negotiations between the Company and the Québec Crown Prosecutor’s Office (“**DPCP**”). In accordance with the Remediation Agreement, the Company will pay \$29.6 million over three years regarding the charges laid against SNC-Lavalin Inc. and SNC-Lavalin International Inc. in connection with events concerning the Jacques Cartier Bridge refurbishment project that occurred between 1997 and 2004.

On the same date, the Company announced the signing of an administrative agreement with Public Services and Procurement Canada with regard to the same events mentioned above. This agreement allows the Company to continue to do business with the Government of Canada in accordance with its Integrity Regime originally adopted on July 3, 2015.

### Transactions

On February 7, 2022, the Company announced that it had closed the sale and transfer of its ownership interest in a sixth public-private partnership (P3) asset, InPower BC General Partnership, to SNC-Lavalin Infrastructure Partners LP (“**SNCL IP Partnership**”) for a total cash consideration to the Company of approximately \$41 million. InPower BC General Partnership is the entity contracted to deliver and provide services to the John Hart Generating Station in British Columbia. The Company holds a 20% interest in SNCL IP Partnership, which infrastructure fund was launched and announced on June 30, 2017. The initial closing of the first four assets occurred on September 27, 2017, with a fifth asset transfer completed on June 28, 2018.

In the third quarter of 2022, the Company settled with the purchaser on purchase price adjustments related to the consideration receivable, which resulted in a reduction of the gain on disposal of the Oil & Gas business of \$7.5 million before income taxes (\$6.9 million after income taxes). For more information on the disposal of the Oil & Gas business, please refer to the below section “*General Development of the Business – 2021 Highlights – Transaction – Disposal – Oil & Gas business*” of this Annual Information Form.

In the fourth quarter of 2022, the Company completed the sale of its ownership interest in Carlyle Global Infrastructure Opportunity L.P. (“**Carlyle**”) for a total consideration of US\$52.1 million (approximately \$71.2 million), of which US\$21.5 million (approximately \$29.5 million) was collected in 2022 and the remaining

balance was collected in 2023. The Company's ownership interest in Carlyle was accounted for at fair value through other comprehensive income.

## Financing Activities

### [Amendment to the Credit Agreement](#)

On May 16, 2022, the Company announced the signature of an agreement with its lenders to amend its credit agreement. Pursuant to the amended and restated agreement, the notional amount of the Company's Revolving Credit Facility was reduced from \$2,6 million to \$2 million, with Tranche A being reduced to \$1,500 million and Tranche B being reduced to \$500 million, and the Term Loan remained at \$500 million. The maturity date of both the Revolving Credit Facility and the Term Loan has been extended until May 2025.

The amendments also incorporated certain ESG targets based on the achievement of reducing the Company's greenhouse gas emissions, as defined in the agreement, by 60% by 2025, using 2019 as a baseline year, and increasing diversity within the Company's workforce, focusing on achieving 25% of women representation in managerial and senior professional roles by 2025. If the Company achieves those targets, the overall borrowing costs under the Credit Facilities will decrease. If the Company fails to achieve its targets, the overall borrowing costs under the Credit Facilities will increase.

### [Bond Issuance](#)

On November 22, 2022, the Company issued, on a private placement basis, new Series 7 Debentures in the principal amount of \$300 million, which bear interest at the rate of 7% per annum and mature on June 12, 2026. The net proceeds of the offering were used to repay indebtedness and for general corporate purposes.

## 2021 Highlights

### Growth Strategy

On September 28, 2021, the Company released its three-year global "Pivoting to Growth Strategy" outlining how and where the Company intends to drive profitable growth through 2024 and establishing certain financial targets. The strategic plan is underpinned mainly by a focus on core geographic areas of operation – primarily Canada, the United Kingdom and the United States and distinct end customer markets. Across the Company's services, AtkinsRéalis leverages its end-to-end global capabilities to meet the demands of the future for the Company's clients in decarbonization and sustainable solutions by connecting people, data and technology, and expects that the strategy be driven largely by four growth areas: (i) engineering services in the United States, (ii) nuclear lifecycle services, including decommissioning and waste management, (iii) major projects with a focus on collaborative contract models and (iv) digital transformation.

### Lump-sum Turnkey ("LSTK") Legacy and Ongoing Projects Review

On February 9, 2021, the Company completed its previously announced review of legacy LSTK litigation matters, which was expanded to include all other significant claims, while concurrently reassessing the costs associated with its three remaining Canadian light rail projects in light of COVID-19. As a result, \$140 million of provisions and \$155 million of commercial claims receivable reduction was taken in the fourth quarter of 2020 financial accounts related to legacy LSTK litigation matters and commercial claims receivable. Additionally, following the review of the three remaining Canadian light rail projects, an updated cost reassessment based on the latest facts and information available at the time was completed. This included the cost impact of the unprecedented COVID-19 related challenges involving lower productivity attributable to revised working conditions caused by the pandemic and supply chain disruptions. In light of the ongoing uncertainty on the timing and scope of reimbursement of these COVID-19 incremental costs, an additional provision of \$90 million was taken in the 2020 year-end accounts.

## Executive Changes

On February 10, 2021, the Company announced that Steve Morriss, who had recently joined the Company as President, Middle East and Asia Pacific, would assume the executive leadership of the Latin America region as well as the Mining & Metallurgy business (now "Minerals & Metals"). Mr. Morriss was appointed President, Engineering Services, United States, Asia Pacific and Mining & Metallurgy effective January 1, 2022.

## Transaction

### Disposal – Oil & Gas Business

On February 9, 2021, the Company announced that it had entered into a binding agreement to sell its Resources Oil & Gas business, including services and LSTK projects. On July 29, 2021, the Company completed the sale of a substantial portion of its Oil & Gas business and the sale of the remaining Saudi Arabian portion of the business was completed on August 15, 2021. For accounting purposes, the transaction resulted in a gain on disposal of \$573 million before income taxes (\$565.9 million after income taxes), mainly from the reclassification from equity to net income of a cumulative exchange gain on translating foreign operations.

## 3. Description of the Business

### 3.1 General

Created by the integration of long-standing organizations dating back to 1911, AtkinsRéalis is a world-leading professional services and project management company dedicated to **Engineering a better future for our planet and its people**. The Company creates sustainable solutions that connect people, data and technology to transform the world's infrastructure and energy systems. The Company deploys global capabilities locally to its clients and delivers unique end-to-end services across the whole life cycle of an asset including consulting, advisory & environmental services, intelligent networks & cybersecurity, design & engineering, procurement, project & construction management, operations & maintenance ("**O&M**"), decommissioning and capital.

### How We Conduct our Business and Report our Results

For the financial year ended December 31, 2023, we report and break down the results of our activities in six reportable segments, namely: (i) Engineering Services; (ii) Nuclear; (iii) O&M; (iv) Linxon; (v) LSTK Projects; and (vi) Capital.

In addition, we further report certain results and provide certain financial information separately for (i) Professional Services & Project Management ("**PS&PM**") activities, which is comprised of five of our six segments, namely Engineering Services, Nuclear, O&M, and Linxon (combined, these four segments are presented under the AtkinsRéalis Services (previously SNCL Services) line of business) as well as LSTK Projects, and (ii) Capital.

### Operating and Reportable Segments

**Engineering Services** incorporates consultancy, engineering, design and project management services around the world, primarily for the building & places, defence, industrial, minerals & metals, power & renewables, transportation and water markets. A significant portion of Engineering Services revenues are derived from the public sector, including national, provincial, state and local and municipal authorities.

**Nuclear** supports clients across the entire nuclear lifecycle with the full spectrum of services from consultancy, engineering, procurement and construction management services, field services, technology services, spare parts, reactor support and decommissioning and waste management. As stewards of the CANDU® technology, it also provides new-build and full refurbishment services of CANDU® reactors.

**O&M** consists of providing operations, maintenance and asset management solutions for bridges, transit systems, highways, buildings and industrial plants including power plants, water supply and treatment systems and desalination plants, as well as postal services and ships.

**Linxon** offers engineering, procurement, management and construction services for execution of large, complex alternative current power substations including expansions and electrification, notably through repetitive engineering, procurement and construction (“EPC”)<sup>1</sup> offerings in the following markets: Utilities, Renewable, Conventional Generation, Transportation and Data centers.

**LSTK Projects** is comprised of the remaining LSTK construction contracts of the Company, notably mass transit projects in Canada and one LSTK project in the Middle East. This segment also includes the financial results of legacy warranty costs and claims from completed LSTK projects. In July 2019, the Company decided to cease bidding on new LSTK construction contracts.

**Capital** is AtkinsRéalis’ investment, financing and asset management arm, responsible for developing projects, arranging financing, investing equity, undertaking complex financial modeling and managing its infrastructure investments for optimal returns. Its activities are principally concentrated in infrastructure such as bridges, highways, mass transit systems, power facilities, energy infrastructure, water treatment plants and social infrastructure (e.g. hospitals). The Capital segment includes AtkinsRéalis’ 20% ownership interest in and management of SNC-Lavalin Infrastructure Partners LP.

While our contracts are negotiated using a variety of contracting options, PS&PM revenues are derived primarily from three major types of contracts: reimbursable and engineering services contracts, LSTK construction contracts, and standardized EPC contracts. PS&PM contracts can be found in the following segments and lines of business:

PS&PM Breakdown					
	AtkinsRéalis Services Line of Business				LSTK Projects Segment
	Engineering Services Segment	Nuclear Segment	O&M Segment	Linxon Segment	
Reimbursable and engineering services contracts	✓	✓	✓	✓	N/A
LSTK construction contracts	N/A	N/A <sup>(1)</sup>	N/A	N/A	✓
Standardized EPC contracts	✓	N/A	N/A	✓	N/A

<sup>(1)</sup> Nuclear includes one legacy LSTK construction contract.

<sup>1</sup> Contracts that include engineering services, providing materials and providing or fabricating equipment, and construction activities are often referred to as “EPC contracts”.

® CANDU is a registered trademark of Atomic Energy of Canada Limited, used under exclusive license by Candu Energy Inc., a subsidiary of the Company.

## Competitive Conditions

AtkinsRéalis derives its competitive strength from its fully integrated professional services and project management expertise, its reputation for quality and delivery, its ability to work globally, its highly skilled and experienced technical personnel and its ability to execute projects of varying sizes calling for a wide range of services and technologies. AtkinsRéalis truly differentiates itself by its purpose of **Engineering a better future for our planet and its people** as well as its rigorous emphasis on client needs, commitment to health and safety matters and scope of its geographical presence.

The Company operates in a highly competitive environment and has numerous competitors in all of its market segments. The competitive landscape varies by industry, end-markets, geographic region and services rendered. The Company's competitors are principally: AECOM, Arcadis, Jacobs Engineering Group Inc., Stantec, Tetra Tech, Wood and WSP Global.

The Company's core geographies are Canada, the United States and the United Kingdom, with targeted geographies in the Middle East, Asia-Pacific, and Latin America. Many of AtkinsRéalis' clients are repeat clients. In any given year, a single client may represent a material portion of the Company's consolidated revenues due to the size of a particular project and the progress accomplished on such project.

Clients of engineering firms in Canada range from small to large industrial companies and Crown corporations to municipal, provincial and federal governments as well as other statutory entities, such as CDPQ.

## Cash Management Policy

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

## Organizational Structure

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

## 3.2 Revenue Backlog

A discussion of the revenue backlog of AtkinsRéalis is presented in the 2023 Management's Discussion and Analysis, under the heading "Backlog (Remaining Performance Obligations)" which discussion is incorporated herein by reference. The 2023 Management's Discussion and Analysis is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and on the Company's website at [www.atkinsrealis.com](http://www.atkinsrealis.com) under the "Investors" section.

### 3.3 Risk Factors

The Company is subject to a number of risks and uncertainties in carrying out its activities. AtkinsRéalis has measures in place to identify, monitor and, to a certain extent, mitigate such risks and uncertainties. Such measures include, among others:

- The Company has a governance framework, comprising a structure, roles, and levels of authority to effectively manage the Company's risk exposure. Corporate support functions and associated policies, statements, standards and procedures play an important role in managing specific risks to the Company;
- Prior to commitment, every proposed mandate is internally reviewed and evaluated in terms of risk exposure to the Company and approved at the appropriate level of authority. Business functions maintain systems and formal processes for managing risk exposure on the mandates they undertake and integrate consideration of risk exposure in management decision-making;
- The Chief Risk Officer, a newly created role emphasizing the importance of risk management for the Company, through the risk and project oversight function, is responsible for effective implementation of the Company's enterprise risk management program (the "**ERM Program**"). The Board of Directors undertakes an annual assessment of the ERM Program;
- The Executive Committee of the Company, which is the committee established by management comprised of the President and Chief Executive Officer (a "**CEO**") and other senior officers (together, the "**Executive Committee**"), reviews and validates the Company's top and emerging risks on a quarterly basis, and Executive Committee members report up to the Board of Directors and its committees on the Company's risk profile and related mitigation measures;
- At meetings throughout the year, the committees of the Board of Directors receive and review reports from management on the various key risks facing the Company and the responses in place to mitigate them. The President and CEO (for the Board of Directors), the General Counsel (for the Governance, Ethics and Sustainability Committee), the Chief Financial Officer (a "**CFO**") (for the Audit and Risk Committee), the Chief Risk Officer (for the Safety, Project Oversight and Technology Committee) and the Chief Human Resources Officer (for the Human Resources Committee) are directly accountable for effectively integrating risk management in the Company's planning, decision-making and operations for the risks over which they have oversight in accordance with the Company's *Risk Management Policy*;
- The Internal Audit function, which reports to the Audit and Risk Committee, provides independent assurance regarding the effectiveness and efficiency of mandatory controls related to risk management; and
- The Board of Directors provides strategic direction to and guidance on risks and uncertainties and has delegated certain responsibilities in that regard to its committees as further described in the Company's Management Proxy Circular relating to the May 18, 2023 annual meeting of shareholders available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) or on the Company's website at [www.atkinsrealis.com](http://www.atkinsrealis.com) under the "Investors" section. These committees are responsible for satisfying themselves that the Company's management has taken appropriate actions to ensure the effective management of its risks.

A discussion of the risks and uncertainties to which AtkinsRéalis is subject is presented in the 2023 Management's Discussion and Analysis under the heading "Risks and Uncertainties" which discussion is incorporated herein by reference. The 2023 Management's Discussion and Analysis is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and on the Company's website at [www.atkinsrealis.com](http://www.atkinsrealis.com) under the "Investors" section.

## 3.4 Number of Employees

The Company had a global workforce of 37,246 as at December 31, 2023. The number of employees varies depending on the number and nature of ongoing projects, acquisitions, divestitures and restructuring initiatives.

## 3.5 Social and Other Important Policies: The Values that Guide Us

Created by the integration of long-standing organizations dating back to 1911, AtkinsRéalis is a world-leading professional services and project management company dedicated to ***Engineering a better future for our planet and its people.***

We speak over 70 languages, represent 130 nationalities across six continents, and we are making great strides in the inclusiveness of our workforce. These differences are one of our greatest strengths and key to understanding the needs of our clients worldwide.

We have created an inclusive, diverse and energized work environment and share an open culture founded on our core values: SAFETY, INTEGRITY, INNOVATION, COLLABORATION and EXCELLENCE. Our shared values are the essence of our Company's identity. They represent how we act, speak and behave together, and how we engage with our clients and stakeholders.

### Safety

For AtkinsRéalis, safety means protecting people, assets and the environment from harm and is regarded as an ethical responsibility. Safety is embedded in everything we do and is one of our core values. Safety is about more than numbers, processes and procedures. It is about our culture of care and ensuring that every person involved in our operations returns home safely at the end of each day. We also fully understand that supporting the wellbeing of our employees and providing a psychologically safe working environment is critical to ensure they flourish and achieve their full potential.

Our aspiration is to create environments in which our people thrive and deliver safe work in a complex world.

AtkinsRéalis has a Global Health, Safety and Environment (“HSE”) Policy Statement (the “**HSE Policy Statement**”) that sets the tone for any work we undertake across the globe. The HSE Policy Statement is available on the Company's website at [www.atkinsrealis.com](http://www.atkinsrealis.com). The HSE Policy Statement is based on the principles of visible safety leadership, consulting our employees, creating secure working conditions and respecting the environment at all levels. Our Global HSE Management System along with a series of tools have been developed to support these principles. Global HSE metrics form part of the Company's annual incentive plan, highlighting their importance for our Company.

### Integrity

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

Our Integrity Program – many times recognized – is a benchmark in our industry and is an integral part of our daily work and decision-making process. We demand integrity and professionalism of ourselves, just as others – such as our shareholders and clients – expect it of us. To that end, we continue to formalize our best practices, solidify them and make them more observable. Our Integrity Program is there to help us act on our values. It is more than just a program – it's a way of doing business. Integrity metrics also form part of the Company's annual incentive plan, reminding our employees of their importance.



Our Integrity team encompasses highly experienced professionals who work in three areas: the corporate Integrity & Regulatory Compliance function; dedicated sector, regional and functional Integrity officers; and the Integrity Remediation and Monitoring group.

Our Integrity team's responsibilities include developing, implementing and maintaining a comprehensive Integrity Program that influences the Company's activities and supports our sectors and regions. Integrity officers are appointed for each sector of activity and for each region in which AtkinsRéalis operates, and ultimately report to the Chief ESG and Integrity Officer. The Chief ESG and Integrity Officer operationally reports to the General Counsel, with a direct reporting line to the Board of Directors ensuring true independence of the compliance function.

In addition to our dedicated professionals, we have a network of some 135 Integrity Ambassadors to expand the integrity footprint from an awareness and communication perspective, foster a business environment that is committed to ethical practices and provide additional local support to employees.

Highlights of our Integrity Program are available on the Company's website at [www.atkinsrealis.com](http://www.atkinsrealis.com).

The Company's Code of Conduct is made available in seven languages. Every employee working for AtkinsRéalis must, as a condition of employment, certify on an annual basis that they will abide by its provisions. The Company's Code of Conduct is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and on the Company's website at [www.atkinsrealis.com](http://www.atkinsrealis.com).

AtkinsRéalis expects its business partners to adhere to its business principles, culture and values and comply with all applicable laws and regulations. The Company performs risk assessments as well as compliance due diligence on prospective business partners. A Supplier Code of Conduct applies to all of our suppliers, including our business partners. The Supplier Code of Conduct is available on the Company's website at [www.atkinsrealis.com](http://www.atkinsrealis.com).

For a third time, our commitment to integrity has earned us the prestigious Compliance Leader Verification effective 2023 and 2024 from the Ethisphere Institute, an independent centre for research, best practices and thought leadership. Ethisphere conducted a thorough assessment of our Integrity Program and benchmarked it against its 2022 World's Most Ethical Companies data set, providing insight into the programs and practices of leading companies around the world.

## Innovation

Engineering is at the heart of tackling many of the world's most pressing problems. We're addressing them by thinking boldly, proudly, and differently, and uniting collective capabilities to foster innovation and cooperation to deliver extraordinary things.

By cultivating a company culture that embraces fresh ideas and empowers employees to engage one another and challenge the status quo, we will unite our diverse perspectives and breadth of experience to have a meaningful impact on the way we approach our work and the outcomes we deliver for our clients.

Combining our global capabilities with our ability to leverage digital expertise and work in collaboration is vital: we believe that transformational change is only possible by connecting people, data and technology across our global organization, partners and industry.

For us, innovation is not reliant on a singular, transformative moment. It is a series of improvement pathways that collectively lay the groundwork for significant and lasting change. Innovation is more than just an outcome we deliver: it is how we work; a methodological approach from our attitude and behaviors to the solutions we create and outcomes we deliver.



## Collaboration

We each bring different views, experiences, and opinions. They enhance our ability to provide value-added performance and services to our clients and our communities. When we unite, we all feel included and by combining our differences, we truly make a difference.

The Company fosters an environment where respectful and collegial interactions can take place, where we can harness the power of teamwork, where everyone has a voice, and where relationships can be based on trust and openness.

At AtkinsRéalis, we nurture collaboration across our entire organization in order to bring together our collective strengths, offer the best solutions to our clients and to unlock new sources of growth. Working collaboratively among our teams and creating enduring partnerships with clients is equally important to our long-term success and competitiveness.

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

- Prohibits harassment, discrimination and any form of violence;
- Promotes equality, diversity, and inclusion;
- Fosters mutual trust and respect at all levels of the organization;
- Enables employees to report misconduct without fear of retaliation; and
- Supports an inclusive culture where everyone feels they belong, can be their true self, and can reach their full potential.

## Excellence

At AtkinsRéalis, we have also redefined our identity by including a new value: Excellence. Whilst it has always been at the heart of what we do, we want to visibly and proudly make it a core value moving forward. Excellence as a value is a deliberate choice to infuse every decision and every action with the commitment to being the best. It embeds our aspiration to lead the future.

To enable and support this aspiration, we focus on delivering our best, taking pride in what we do, adding value to our clients and aiming high. We constantly strive to be better, to make a positive difference and to make conscious decisions that drive quality. We want to ensure everyone and everything has the opportunity to thrive.

We are putting Excellence at the forefront by consistently talking about it, and improving what we do based on what we learn. We want to ensure as we grow, we do so with purpose and pride.

## Environment, Social & Governance

As a leader in the design and delivery of the built environment, AtkinsRéalis has the opportunity to have a positive impact on society. We recognize that it is our responsibility to encompass ESG-related considerations in our strategy, improve and report transparently on our own performance, and advise our clients in accordance with our purpose of ***Engineering a better future for our planet and its people.***

Spurred by these responsibilities, AtkinsRéalis committed to the Science Based Target initiative (SBTi) in March 2022 and issued its first Climate-related Financial Disclosure report in accordance with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations on September 25, 2023, which is available on the Company's website at [www.atkinsrealis.com](http://www.atkinsrealis.com).

Our 2022 ESG Report as well as our objectives, targets and metrics are available on the Company's website at [www.atkinsrealis.com](http://www.atkinsrealis.com).

## [Environmental Protection](#)

AtkinsRéalis is committed to protecting the environment and defines its purpose as **Engineering a better future for our planet and its people** thereby committing to long-term environmental stewardship of our operations. In addition, we are committed to reducing our greenhouse gas emissions, whether our own, that of our clients or emitted throughout the lifecycle of the buildings and infrastructure that sustain our cities and communities.

This commitment is further reflected in our HSE Policy Statement which is available on the Company's website at [www.atkinsrealis.com](http://www.atkinsrealis.com).

## [Human Rights](#)

At AtkinsRéalis, we will not knowingly be complicit of human rights abuses. We work towards preventing forced labour, child labour, modern slavery and human trafficking, including in our supply chain, and protecting individuals working directly or indirectly for AtkinsRéalis from any form of forced labour, child labour, modern slavery and human trafficking. Our Human Rights Policy and Modern Slavery and Human Trafficking Statement are available on the Company's website at [www.atkinsrealis.com](http://www.atkinsrealis.com).

## [Equality, Diversity and Inclusion](#)

At AtkinsRéalis, we are proud of our diverse and dedicated workforce. Our diversity is a key strength in helping us understand and meet client needs worldwide. Our sustainable business strategy includes "Different Makes a Difference" - our Global Equality, Diversity and Inclusion program. We believe that greater diversity will further strengthen our workforce, enabling us to better serve our clients, local communities and achieve our business objectives. Additional details regarding our program "Different Makes a Difference" is available on the Company's website at [www.atkinsrealis.com](http://www.atkinsrealis.com).

## [Commitment to Indigenous Peoples](#)

In July 2020, the Company published its inaugural Commitment to Indigenous Peoples. The Company is committed to establishing and maintaining mutually respectful and meaningful relationships between Indigenous communities, our clients and our Company. Consistent with this, AtkinsRéalis is committed to increased collaboration with communities and partnering with indigenous businesses for the benefit of all parties. In addition, all AtkinsRéalis employees residing in Canada were enrolled in a mandatory comprehensive Indigenous training program to improve awareness and understanding of Indigenous peoples in Canada. The Company also announced on November 22, 2022 the launch of *Indigenous E3*, a special purpose limited partnership formed between the Company and Indigenous Community and Engagement (ICE), a leading firm in Indigenous stakeholder engagement that specializes in developing Reconciliation-rooted approaches to advance Indigenous socio-economic development in Canada. Our Commitment to Indigenous Peoples is available on the Company's website at [www.atkinsrealis.com](http://www.atkinsrealis.com).

AtkinsRéalis' ReconciliACTION Plan was launched on October 17, 2023. Our mission is to be recognized as a collaborative leader in Reconciliation and economic empowerment of Indigenous Peoples by making conscious efforts to increase Indigenous representation in all aspects of our work, providing transparent and frequent opportunities for Indigenous Peoples and communities to engage with AtkinsRéalis, supporting Indigenous-led initiatives, and committing to ongoing education about our shared histories, contemporary barriers, and shared visions of the future.

## [Specialized Skill and Knowledge](#)

We are a knowledge-based organization, always seeking talented and skilled professionals for all of our specialized services. In that regard, constant upskilling and re-skilling in a continuously evolving environment are key to attract, develop and retain the best talent.

## 4. Dividends

In 2023, AtkinsRéalis declared and paid cash dividends on a quarterly basis. The declaration of a dividend is at the discretion of the Board of Directors and is based on its assessment on several factors including present and future: (i) earnings; (ii) cash flows; (iii) capital requirements; and (iv) assets and liabilities, subject to certain statutory restrictions. As a result, no assurance can be given as to whether the Corporation will pay dividends, or to the frequency or amounts of any such dividends.

In the past three fiscal years, AtkinsRéalis has declared and paid the following quarterly dividends per common share:

	Q1 (\$)	Q2 (\$)	Q3 (\$)	Q4 (\$)	Annual (\$)
<b>2023</b>	0.02	0.02	0.02	0.02	0.08
<b>2022</b>	0.02	0.02	0.02	0.02	0.08
<b>2021</b>	0.02	0.02	0.02	0.02	0.08

## 5. Capital Structure

### General Description

The Company's authorized share capital consists of an unlimited number of common shares, an unlimited number of first preferred shares and an unlimited number of second preferred shares (collectively, the "**Preferred Shares**"). Only common shares are currently issued and outstanding.

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

### Common Shares

**Dividends:** Holders of the Company's common shares are entitled to receive dividends as and when declared by the Board of Directors.

**Voting rights:** Entitled to one vote per share.

**Rights upon liquidation, winding up or dissolution:** Right to receive the residual of the Company's assets subject to the prior rights of the holders of any then issued and outstanding Preferred Shares.

### First Preferred Shares

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

**Dividends:** Priority over all other classes of shares.

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

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

**Series A:**

**Dividends:** Priority over all other classes of shares. Cumulative for an amount equal to 77% of the prime rate set by the National Bank of Canada. Payable quarterly. No redemption or repurchase of other shares is permitted until the cumulative dividend is paid in full.

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

**Rights upon liquidation, winding up or dissolution:** Priority over all other classes of shares. Right to receive amount equal to the amount paid on the shares and all accrued unpaid dividends.

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

## Second Preferred Shares

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

**Dividends:** Priority over all other classes of shares, except for the First Preferred Shares.

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

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

## Debentures

On November 24, 2017, the Company, as issuer, and Computershare Trust Company of Canada, as trustee, entered into a trust indenture (the “**Master Trust Indenture**” and, together with any and all trust indentures supplemental thereto, the “**2017 Trust Indenture**”).

The following table summarizes the principal amounts outstanding as at February 29, 2024 under the Company’s issued and outstanding unsecured debentures, which are described in greater detail below.

Type	Maturity Date	Principal Amount Outstanding
3.8% Series 6 Debentures	August 19, 2024	\$300 million
7% Series 7 Debentures	June 12, 2026	\$300 million

On August 18, 2020, the Company issued, by way of private placement, the Series 6 Debentures which are \$300 million aggregate principal amount of unsecured debentures with a fixed annual interest rate of 3.8%, payable in equal semi-annual installments over the four-year term, on February 19 and August 19 of each year (the “**Series 6 Debentures**”). The Series 6 Debentures were issued pursuant to a trust indenture supplemental to the Master Trust Indenture.

On December 12, 2022, the Company issued, by way of private placement, the Series 7 Debentures which are \$300 million aggregate principal amount of unsecured debentures with a fixed annual interest rate of 7%, payable in equal semi-annual installments over the three-and-a-half-year term, on June 12 and December 12 of each year (the “**Series 7 Debentures**” and, together with the Series 4 Debentures and the Series 6 Debentures, the “**Outstanding Debentures**”). The Series 7 Debentures were issued pursuant to a trust indenture supplemental to the Master Trust Indenture.

The 2017 Trust Indenture contains customary restrictive covenants (including with respect to incurrence of certain indebtedness and a negative pledge) with respect to the Company and certain of its subsidiaries and customary events of default.

The Outstanding Debentures are solidarily (jointly and severally) guaranteed, on an unsecured basis, as to the payment of principal, interest and premium, if any, and certain other amounts specified in the 2017 Trust Indenture, by certain material subsidiaries of the Company.

The Outstanding Debentures are redeemable at the Company's option, under certain circumstances and at the redemption prices set forth in the 2017 Trust Indenture.

Under the 2017 Trust Indenture, if a "Change of Control Triggering Event" (as defined therein) occurs, unless the Company has exercised its optional right to redeem all of the Outstanding Debentures of the relevant series (where applicable), the Company will be required to make (or arrange for a third party to make) an offer to repurchase all or, at the option of each holder of Outstanding Debentures, part of such holder's Outstanding Debentures, at a purchase price payable in cash equal to 101% of the outstanding principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

## Amended and Restated Shareholder Rights Plan Agreement

The Company originally implemented a shareholder rights plan by entering into a shareholder rights plan agreement on March 8, 1996, which agreement was subsequently amended and restated as of May 8, 1996, February 26, 1999, March 1, 2002, March 4, 2005, March 6, 2008, March 4, 2011, March 2, 2017, May 7, 2020 and reconfirmed on May 18, 2023. This agreement is available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

## Credit Ratings

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

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

The table below shows the ratings of our issuer credit and Outstanding Debentures as at February 29, 2024:

	Issuer Credit	Outstanding Debentures	Credit Rating Description and Rank
<b>S&amp;P</b>	BB+ (Outlook:Negative)	BB+	<p>Long-term debt obligations rated “BB” exhibit less vulnerability in the near-term but face major ongoing uncertainties or exposure to adverse, financial, or economic conditions that could lead to the obligor’s inadequate capacity to meet its financial commitment on the obligations. This rating falls within the fifth highest of S&amp;P’s ten long-term credit rating categories which range from “AAA” to “D”. The ratings from “AA” to “CCC” may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.</p> <p>An S&amp;P rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. A stable outlook means that a rating is not likely to change.</p>
<b>DBRS</b>	BB (High) (Trend: Stable)	BB (High) (Trend: Stable)	<p>Long-term debt rated “BB” is of non-investment grade credit quality. The capacity for the payment of financial obligations is considered uncertain and vulnerable to future events. This rating falls within the fifth highest of DBRS’ ten long-term debt rating categories which range from “AAA” to “D”. All rating categories other than “AAA” and “D” also contain subcategories “(high)” and “(low)”. The absence of either a “(high)” or “(low)” designation indicates the rating is in the middle of the category.</p> <p>DBRS’ rating trends provide guidance in respect of its opinion regarding the outlook for the rating in question, with rating trends falling into one of three categories – “Positive”, “Stable” or “Negative”. DBRS’ rating trend indicates the direction in which DBRS considers the rating is headed should present tendencies continue, or in some cases, unless challenges are addressed.</p>

## 6. Market for Securities

### Market

The common shares of the Company are listed for trading on the TSX under the symbol “ATRL”.

### Trading Price and Volume

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

2023	Volume (in '000s)	High*	Low*	Close
<b>January</b>	9,706	28.88	23.91	28.55
<b>February</b>	11,197	30.69	27.68	28.24
<b>March</b>	17,298	33.26	26.60	33.22
<b>April</b>	7,063	33.58	31.04	31.20
<b>May</b>	10,321	36.50	31.12	31.70
<b>June</b>	7,525	34.92	31.43	34.75
<b>July</b>	9,607	39.05	33.75	38.31
<b>August</b>	17,028	44.19	37.70	44.03
<b>September</b>	13,494	46.99	42.01	45.31
<b>October</b>	12,331	45.36	37.08	38.52
<b>November</b>	12,003	46.21	38.08	42.06
<b>December</b>	8,572	43.24	39.50	42.66

\* Intra-day highs and lows during each month.

## 7. Directors and Officers

The following table lists the directors of the Company, as at February 29, 2024, their place of residence, and their respective principal occupations during the preceding five years:

Name, Place of Residence and Year of Appointment to the Board of Directors	Principal Occupations During the Preceding Five Years
<b>Gary C. Baughman</b> <sup>(1), (2)</sup> North Carolina (United States) Director since: 2020	<ul style="list-style-type: none"><li>- Corporate Director;</li><li>- Operating Partner at Crescendo Capital Partners since July 2022;</li><li>- President at Back Tee Sports, LLC since 2006;</li><li>- Former Chief Operating Officer at Elixsys Inc. from 2020 to 2022;</li><li>- Former Chairman and CEO at APTIM from 2017 to 2019.</li></ul>

Name, Place of Residence and Year of Appointment to the Board of Directors	Principal Occupations During the Preceding Five Years
<b>Mary-Ann Bell</b> , P. Eng. <sup>(3), (4)</sup> Québec (Canada) Director since: 2020	- Corporate Director.
<b>Christie J.B. Clark</b> <sup>(3), (4)</sup> Ontario (Canada) Director since: 2020	- Corporate Director.
<b>Ian L. Edwards</b> Québec (Canada) Director since: 2019	- President and CEO at AtkinsRéalis since 2019; - Former Interim President and CEO at AtkinsRéalis from June 2019 to October 2019; - Former COO at AtkinsRéalis from January 2019 to June 2019; - Former President, Infrastructure Sector, at AtkinsRéalis from 2015 to 2019.
<b>Ruby McGregor-Smith</b> , CBE <sup>(1), (3)</sup> Berkshire (United Kingdom) Director since: 2022	- Corporate Director.
<b>Steven L. Newman</b> <sup>(2), (3)</sup> Utah (United States) Director since: 2015	- Corporate Director; - Former Chairman and CEO of Aquadrill from May 2021 to April 2023.
<b>Robert Paré</b> <sup>(1), (2)</sup> Québec (Canada) Director since: 2022	- Corporate Director; - Former Strategic Advisor to Fasken Martineau Du Moulin LLP from 2018 to 2022.
<b>Michael B. Pedersen</b> <sup>(1), (4)</sup> Ontario (Canada) Director since: 2020	- Corporate Director.
<b>Benita M. Warmbold</b> <sup>(2), (4)</sup> Ontario (Canada) Director since: 2017	- Corporate Director.
<b>William L. Young</b> Massachusetts (United States) Director since: 2020	- Chair of the Board of Directors of AtkinsRéalis since 2020; - Corporate Director.

(1) Member of the Safety, Project Oversight and Technology Committee

(2) Member of the Governance, Ethics and Sustainability Committee

(3) Member of the Audit and Risk Committee

(4) Member of the Human Resources Committee

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



The Board of Directors currently has four standing Board Committees, namely the Audit and Risk Committee, the Governance, Ethics and Sustainability Committee, the Human Resources Committee, and the Safety, Project Oversight and Technology Committee. The Board of Directors does not have an executive committee. As at February 29, 2024, membership of the Board of Directors Committees was as follows:

#### Audit and Risk Committee

C.J.B. Clark (Chair)  
M.-A. Bell  
R. McGregor-Smith  
S.L. Newman

#### Governance, Ethics and Sustainability Committee

B. M. Warmbold (Chair)  
G. C. Baughman  
S. L. Newman  
R. Paré

#### Human Resources Committee

M.-A. Bell (Chair)  
C.J.B. Clark  
M.B. Pedersen  
B.M. Warmbold

#### Safety, Project Oversight and Technology Committee

M.B. Pedersen (Chair)  
G.C. Baughman  
R. McGregor-Smith  
R. Paré

The following table lists the executive officers of the Company (who qualify as such under applicable securities rules and regulations) who are not also directors of the Company, as at February 29, 2024, their place of residence and their respective principal occupations during the preceding five years:

Name and Place of Residence	Principal Occupations During the Preceding Five Years
<p><b>Jeff Bell</b> Ontario (Canada)</p>	<ul style="list-style-type: none"> <li>- CFO at AtkinsRéalis since April 2020;</li> <li>- Former Non-Executive Director of Spirit Energy from 2018 to 2020;</li> <li>- Former Financial Advisor at Centrica Plc from 2018 to 2019.</li> </ul>
<p><b>Andrée-Claude Bérubé</b> Québec (Canada)</p>	<ul style="list-style-type: none"> <li>- General Counsel at AtkinsRéalis since December 2022;</li> <li>- Former Deputy General Counsel and Corporate Secretary at AtkinsRéalis from September to December 2022;</li> <li>- Former Associate General Counsel and Corporate Secretary at AtkinsRéalis from September 2020 to September 2022;</li> <li>- Former Associate General Counsel and Assistant Corporate Secretary at Sherritt International Corporation from 2018 to 2020.</li> </ul>
<p><b>James Cullens</b> London (United Kingdom)</p>	<ul style="list-style-type: none"> <li>- Chief Human Resources Officer at AtkinsRéalis since 2017.</li> </ul>

Name and Place of Residence	Principal Occupations During the Preceding Five Years
<b>Christine Healy</b> Québec (Canada)	<ul style="list-style-type: none"> <li>- President, Asia, Middle East and Australia (AMEA) at AtkinsRéalis since 2024;</li> <li>- Former Senior Vice-President, Carbon Neutrality and Continental Europe at TotalEnergies from 2021 to 2023;</li> <li>- Former CEO-designate at Auxera (TotalEnergies planned spin-off) from 2018 to 2023.</li> </ul>
<b>Philip Hoare</b> Bristol (United Kingdom)	<ul style="list-style-type: none"> <li>- COO at AtkinsRéalis since January 2024;</li> <li>- Former President, Engineering Services, United Kingdom, Europe, Middle East, India and Canada at AtkinsRéalis from January 2022 to December 2023;</li> <li>- Former President, EPDM Sector at AtkinsRéalis from 2019 to December 2021; and</li> <li>- Former CEO, Atkins, United Kingdom and Europe Region, at AtkinsRéalis from 2018 to 2019.</li> </ul>
<b>Steve Morriss</b> California (United States)	<ul style="list-style-type: none"> <li>- President, U.S., LATAM, Minerals &amp; Metals at AtkinsRéalis since January 2024;</li> <li>- Former President, Engineering Services, United States, Asia Pacific, Mining &amp; Metallurgy at AtkinsRéalis from January 2022 to December 2023;</li> <li>- Former President, Middle East, Asia Pacific, Latin America and Mining &amp; Metallurgy at AtkinsRéalis from January 2021 to December 2021;</li> <li>- Former President, Design and Consulting Services, Americas at AECOM from 2017 to 2020.</li> </ul>
<b>Richard Robinson</b> Reading (United Kingdom)	<ul style="list-style-type: none"> <li>- President, United Kingdom and Ireland at AtkinsRéalis since January 2024;</li> <li>- Former CEO, United Kingdom and Europe at AtkinsRéalis from November 2019 to December 2023;</li> <li>- Former COO at High Speed Two (HS) Ltd from September 2018 to November 2019.</li> </ul>
<b>Joseph St. Julian</b> Texas (United States)	<ul style="list-style-type: none"> <li>- President, Nuclear sector at AtkinsRéalis since April 2022;</li> <li>- Former Vice-President and General Manager at Bechtel from January 2005 to March 2022.</li> </ul>
<b>Stéphanie Vaillancourt</b> Québec (Canada)	<ul style="list-style-type: none"> <li>- President, Canada at AtkinsRéalis since October 2023;</li> <li>- Former President, Capital and Operations &amp; Maintenance at AtkinsRéalis from September 2021 to October 2023;</li> <li>- Former Executive Vice-President, Capital and Treasurer at AtkinsRéalis from 2019 to 2021;</li> <li>- Former Senior Vice-President and Treasurer at AtkinsRéalis from 2016 to 2019.</li> </ul>

Name and Place of Residence	Principal Occupations During the Preceding Five Years
<p><b>Nigel W.M. White</b> Staffordshire (United Kingdom)</p>	<ul style="list-style-type: none"> <li>- Chief Risk Officer at AtkinsRéalis since 2024;</li> <li>- Former Executive Vice-President, Project Oversight at AtkinsRéalis from 2019 to 2023;</li> <li>- Former Executive Director at Gammon Construction Limited from 2011 to 2019.</li> </ul>

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

- Mr. William L. Young was a director of Pharmetics (2011) Inc., a private company, until he resigned in connection with the sale of Pharmetics in September 2017. Following the sale of Pharmetics, in February 2018, a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* (Canada) was filed and Pharmetics was subsequently declared bankrupt as of March 16, 2018.
- Mr. Gary C. Baughman was a director of AGS Construction, a private company, from October 2022 to October 2023. In December 2023, AGS Construction filed for Chapter 7 Bankruptcy under the (United States) *Bankruptcy Code*.

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

As at December 31, 2023, the directors and executive officers of the Company, as a group, held, either directly or indirectly, or exercised control over 359,900 common shares, representing approximately 0.21% of the issued and outstanding common shares of the Company.

## 8. Legal Proceedings

### Class actions

#### *Ruediger Class Action*

On February 6, 2019, a Motion for authorization of a class action and for authorization to bring an action against the Company and certain of its directors and officers (collectively, the “**Ruediger Defendants**”) pursuant to section 225.4 of the *Securities Act* (Québec) (the “**Ruediger Class Action**”) was filed with the Superior Court of Québec, on behalf of persons who acquired the Company’s securities from February 22, 2018 through January 27, 2019 (the “**Ruediger Class Period**”) and held some or all of such securities as of the commencement of trading on January 28, 2019.

The Ruediger Class Action alleges that certain documents filed by the Company and oral statements made by its then CEO during the Ruediger Class Period contained misrepresentations related to the Company’s revenue forecasts and to the financial performance of the former Mining & Metallurgy segment and the former Oil & Gas

segment, which misrepresentations would have been corrected by way of the Company's January 28, 2019 press release.

The Ruediger Class Action seeks leave from the Québec Superior Court to bring a statutory misrepresentation claim under the *Securities Act* (Québec). The plaintiff in the proposed action claims damages and seeks the condemnation of the Ruediger Defendants to pay the class members an unspecified amount for compensatory damages with interest and additional indemnity as well as full costs and expenses, including expert fees, notice fees and fees relating to administering the plan of distribution.

On October 15, 2019, the plaintiffs in the Ruediger Class Action delivered an amended "Motion for authorization of a class action and for authorization to bring an action pursuant to section 225.4 of *Securities Act* (Québec). The amendments extend the Ruediger Class Period to July 22, 2019 and broaden the scope of the claim to include, among other things, disclosure alleged to have been made regarding the Company's ability to execute certain fixed price contracts.

On October 20, 2021, a class action in the Ontario Superior Court of Justice pertaining to facts similar to those in the Ruediger Class Action (the "**Drywall Class Action**") was dismissed and the claimants in the Drywall Class Action were consequently entitled to have their claims included in the Ruediger Class Action.

The authorization hearing on the amended Ruediger Class Action occurred in April 2022 and, on October 11, 2022, the Québec Superior Court ruled dismissing the Ruediger Class Action, as amended, on all grounds. On November 18, 2022, the plaintiffs appealed the ruling to the Québec Court of Appeal. The appeal was heard on January 17, 2024 and final judgment is expected to be rendered in the second half of 2024.

The Company believes that the claims outlined in the Ruediger Class Action are, in each case, entirely without merit and is vigorously defending these claims. Due to the inherent uncertainties of litigation, it is not possible to predict the final outcomes of the Ruediger Class Action or to determine the amount of any potential losses resulting therefrom, if any, and the Company may, in the future, be subject to further class action lawsuits or other litigation. The Company has directors' and officers' liability insurance insuring individuals against liability for acts or omissions in their capacity as directors and officers, and the Company itself has coverage for such claims. The amount of coverage under the directors' and officers' policy is limited and such coverage may be less than any amounts the Company is required or determines to pay in connection with these proceedings. If the Company is required or determines to pay an amount in connection with the Ruediger Class Action, such amount could have a material adverse effect on the Company's liquidity and financial results.

#### *Peters Class Action*

On February 25, 2019, a Notice of action was issued with the Ontario Superior Court of Justice by a proposed representative plaintiff, Mr. John Peters, on behalf of persons who acquired the Company securities from September 4, 2018 through October 10, 2018. On March 25, 2019, a Statement of Claim was filed with the Ontario Superior Court of Justice with respect to the claims set out in the Notice of Action (together, the Notice of Action and the Statement of Claim are referred to as the "**Peters Class Action**").

The Peters Class Action alleged that the defendants, including the Company, the then chair of its Board of Directors and certain of its then officers, failed to make timely disclosure of a material change in the business, operations or capital of the Company, by failing to disclose that on September 4, 2018, the Director of the Public Prosecution Service of Canada communicated her decision to the Company not to award an opportunity to negotiate a remediation agreement.

The Peters Class Action sought leave from the Ontario Superior Court of Justice to bring a statutory misrepresentation claim under the *Securities Act* (Ontario) and the comparable securities legislation in other provinces and asserted a claim for common law negligent misrepresentation. The Peters Class Action claimed damages in the sum of \$75 million or such other amount as the Superior Court may determine plus interest and costs.

On March 5, 2020, the plaintiff in the Peters Class Action brought a motion for leave and certification of the Peters Class Action. The leave and certification hearing was held between June 1 and June 3, 2021 and, on July 16, 2021, the court dismissed the Peters Class Action. The Plaintiff appealed the ruling and the appeal hearing was held on November 8, 2022. The Court of Appeal delivered its judgment on May 24, 2023 dismissing

the appeal. The Plaintiff has not sought leave to appeal to the Supreme Court and this matter is resolved with the lawsuit having been definitively dismissed.

### [Pyrrhotite case](#)

On June 12, 2014, the Québec Superior Court rendered a decision in “Wave 1” of the matter commonly referred to as the “Pyrrhotite Case” in Trois-Rivières, Québec and in which the Company was one of numerous defendants. The Québec Superior Court ruled in favour of the plaintiffs, awarding an aggregate amount of approximately \$168 million in damages apportioned amongst the then-known defendants, on a solidary (in solidum) basis (the “**Wave 1 claims**”). The Québec Superior Court ruled that the Company’s share of the damages award was approximately 70%. The Company’s external insurers disputed the extent of the insurance coverage available to the Company and this dispute was included in the Pyrrhotite Case. The Company, among other parties, appealed the Québec Superior Court’s ruling and, on April 6, 2020, the Québec Court of Appeal rendered its decision dismissing most of the appeals filed by all parties and upheld: (i) the Québec Superior Court’s ruling regarding the Company’s approximate 70% share of liability; and (ii) the solidary nature of the defendants’ liability. In a further ruling, on June 12, 2020, the Québec Court of Appeal confirmed the Company’s allocated share of the damages, inclusive of interest and costs at approximately \$200 million, and the Company paid this amount of damages awarded to the plaintiffs on August 3, 2020. The Company filed a notice seeking leave to appeal to the Supreme Court of Canada.

The Québec Court of Appeal also dismissed an appeal from the Company’s external insurers and confirmed that multiple insurance policy towers were triggered by the Wave 1 claims, resulting in multiple years of coverage. The Company’s external insurers filed notices seeking leave to appeal to the Supreme Court of Canada.

On May 6, 2021, the Supreme Court of Canada dismissed both the Company’s and its external insurers’ applications seeking leave to appeal.

Given that the Company’s external insurers initially refused to comply with terms contained in the relevant policies of insurance and the orders of the Québec Superior Court and the Québec Court of Appeal requiring them to pay a substantial portion of the \$200 million damages award, the Company filed an application with the Québec Superior Court seeking an order requiring the Company’s external insurers to comply with the Québec Court of Appeal’s order and facilitate execution of the \$200 million damages award by way of the multiple towers of insurance. On October 16, 2020, the Québec Superior Court ruled in favour of the Company ordering the Company’s external insurers to pay the Company approximately \$141 million, which was fully collected. An additional \$33 million in insurance proceeds was also collected by the Company through a reinsurance policy which was not subject to this court ruling.

The Company filed a recourse in warranty claim against Lafarge Canada Inc. (“**Lafarge**”) seeking its contribution to the damages awarded against the Company in the Wave 1 judgment. The trial commenced in March 2019 and concluded in 2020. On February 4, 2021, the Québec Superior Court dismissed the Company’s claim and the Company appealed the Québec Superior Court’s ruling to the Québec Court of Appeal. The appeal was heard between November 8 and 10, 2022 and, on July 14, 2023, the Court of Appeal upheld the first instance decision. The Company filed its application for leave to appeal this decision to the Supreme Court of Canada on September 29, 2023. A decision on leave is not expected before the second half of 2024.

In parallel to the Wave 1 claims, notices of additional potential claims have been made and continue to be made against certain defendants, including the Company, in “Wave 2” of the Pyrrhotite Case. In April 2022, the parties, including most of the Company’s external insurers, reached a settlement concerning Wave 2 claims that relate to certain residential buildings. The Company’s portion of the settlement in capital and interest totaled \$60.9 million, of which the uninsured portion was \$25.7 million. On June 27, 2023, the court approved a settlement between the parties, including most of the Company’s external insurers, concerning various multi-apartment claims and certain commercial claims. The Company’s and its insurers’ portion of the settlement in capital, interest and fees totaled \$17.6 million, of which the uninsured portion was \$7.1 million. These settlements did not have an impact on the Company’s financial results as their outcomes were covered by the amounts previously provisioned for by the Company. The Company’s liability exposure for the remaining Wave 2 claims remains subject to several uncertainties. In addition, the Company has filed a separate recourse in warranty claim against Lafarge with respect to the Wave 2 claims.

### [Sainte-Marthe-sur-le-Lac Case](#)

This case pertains to a class action authorized on April 18, 2023 brought against the City of Sainte-Marthe-sur-le-Lac (the “**City**”) and the Attorney General of Quebec seeking reparation for all the citizens of the City who were affected by floodings due to the breach of a surrounding dike. AECOM, the successor of the engineering firm Gendron, Lefebvre et Associés (“**GLA**”), is a defendant in warranty and has called AtkinsRéalis Canada Inc. in rear warranty. The Company’s involvement stems from the acquisition of Laboratoire de Béton Ltée (“**LDB**”), a subcontractor to GLA between 1979 and 1982. Although LDB’s exact role remains to be defined, it is alleged that it was responsible for the quality control of the materials and of the borrow pits from where the clay required in the construction process was extracted. Each member of the class action claims up to 350 thousand dollars. The actual number of members remains to be determined but is currently estimated at 1,000. There are also separate actions in respect of 16 individual files where the same defendants are named and where a total amount of \$31.5 million is being claimed. These cases are under a special case management and are separate from the class action as in Québec, plaintiffs have the choice to join a class action or file separately.

### [Dubai civil case](#)

In November 2018, WS Atkins & Partners Overseas, a subsidiary of the Company, was named as defendant together with other parties by the subrogated insurers of a property developer in a civil case initiated before the courts of Dubai. The claimant sought damages jointly from the defendants on account of the alleged refurbishment costs and loss of income arising from a fire at the property developer’s building. WS Atkins & Partners Overseas was a subcontractor in the hotel’s design and construction supervision and the claim revolved around alleged negligence in the specification, testing and installation of the building cladding, which was claimed to have exacerbated the fire, thereby increasing the damage to the building. In a first instance court ruling in 2021, the claim was dismissed against all defendants including WS Atkins & Partners Overseas. The claimant filed an appeal, and on September 14, 2022, the court dismissed the claimant’s appeal. On November 14, 2022, the claimant filed a further appeal to the Court of Cassation (Dubai’s highest tribunal). WS Atkins & Partners Overseas objected to the appeal on December 5, 2022, alongside the other defendants. The appeal before the Court of Cassation was heard on August 17, 2023 and was dismissed on August 24, 2023 such that this matter is resolved with the lawsuit having been definitively dismissed as against all defendants, including WS Atkins & Partners Overseas.

### [Australian Arbitration](#)

One of the Company’s former subsidiaries, divested as part of the sale of the Company’s Oil & Gas business, had a 35% interest in a joint operation for a project that has been completed. The construction joint operation is in a dispute with the project owner over labour rates. Pursuant to the agreement to sell the Oil & Gas business, the Company has retained the divested subsidiary’s risk associated with, and conduct of, this dispute. Under the relevant project contract, the subsidiary is jointly and severally liable with the other joint operator vis-à-vis the project owner for performance and other liabilities. In December 2018, the joint operation received a split award of liability from an arbitration tribunal resulting in an adverse decision on certain aspects of the dispute. In August 2020, a hearing on residual legal issues occurred and, in September 2020, the tribunal ruled in favour of the joint operation. The ruling was challenged by the project owner and a court hearing occurred in June 2021 and, on September 28, 2021, the court found in favor of the project owner effectively reversing the September 2020 tribunal ruling. The joint operation appealed the September 2021 court ruling and the appeal hearing occurred in September 2022. On January 17, 2023, the court dismissed the joint operation’s appeal, and the joint operation then filed an application to the Australian High Court seeking leave to appeal the ruling. The High Court of Australia granted Special Leave to Appeal on November 17, 2023 and the appeal will be heard on April 16, 2024, with a decision likely to be rendered in the second half of 2024. The arbitration on quantum will likely resume in 2025.



### General litigation risk

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

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

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

In addition, a number of project contracts have warranty periods and/or outstanding claims that may result in legal proceedings that extend beyond the actual performance and completion of the projects.

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

### Other legal proceedings

The Company becomes involved in various legal proceedings in the ordinary course of its business and this section describes important ordinary course of business legal proceedings, including the general cautionary language relating to the risks inherent to all litigation and proceedings against the Company, which is equally applicable to the legal proceedings described below.

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

The Company has initiated court proceedings in Qatar against a main contractor stemming from its involvement in a consortium that was a sub-contractor for mechanical, electrical and plumbing services in relation to the construction of a hospital. The Company claimed from the main contractor certain amounts due under the sub-contract. The Company's consortium partner has also initiated court proceedings against the main contractor claiming certain amounts due to it under the sub-contract. The main contractor has counter-claimed alleging that the Company and its consortium partner defaulted under the sub-contract and is seeking damages.

## 9. Interest of Management and Others in Material Transactions

Other than the loan agreement dated as of April 20, 2017 relating to a loan made by CDPQ RF to AtkinsRéalis Highway Holding Inc. (formerly SNC-Lavalin Highway Holdings Inc., "**AtkinsRéalis Highway**") (as amended, the "**CDPQ Loan Agreement**"), to the knowledge of the Company, none of the (i) directors or executive officers of the Company, (ii) shareholders of the Company that beneficially own, or control or direct, directly or indirectly, more than 10% of any class of shares of the Company, or (iii) any associate or affiliate of the persons referred to in (i) and (ii), has or has had any material interest, direct or indirect, in any transaction during the three most recently completed financial years or the current financial year that has materially affected or is reasonably expected to materially affect the Company or any of its affiliates or subsidiaries.

## 10. Transfer Agent and Registrar

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

## 11. Material Contracts

Other than those contracts entered into during the normal course of business, the only contracts that are material to the Company and that were entered into within the fiscal year ended December 31, 2023, or prior to the last financial year of the Company but that are still in effect, and which are required to be filed with the Canadian securities regulatory authorities pursuant to applicable securities laws, are set out below:

- (i) the 407 Sale SPA (as such term is defined below);
- (ii) the CDPQ Loan Agreement; and
- (iii) the Investor's Rights Agreement (as such term is defined below).

The following descriptions of the material contracts are summaries only and a copy of the full text of such material contracts can be found on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

### 407 Sale SPA

On August 15, 2019, AtkinsRéalis announced that it had completed the sale of 10.01% of the shares of 407 International Inc. ("**Highway 407 ETR**") to a company controlled by Canada Pension Plan Investment Board ("**CPPIB**") pursuant to a share purchase agreement dated August 14, 2019 (the "**407 Sale SPA**"). At closing and in accordance with the terms and conditions of the 407 Sale SPA, AtkinsRéalis received the base purchase price proceeds of \$3 billion, with up to an additional \$250 million contingently payable over a period of ten years, conditional on the attainment of certain financial thresholds related to the ongoing performance of Highway 407 ETR.

### CDPQ Loan Agreement

As part of the acquisition of WS Atkins plc (the "**Atkins Acquisition**"), AtkinsRéalis Highway, an indirect wholly-owned subsidiary of the Company holding shares of 407 International Inc., entered into the CDPQ Loan Agreement.



The CDPQ Loan Agreement is a limited recourse debt that was originally comprised of two tranches: i) tranche A which is a non-revolving term loan in an aggregate amount of \$1 billion; and ii) tranche B which is a non-revolving term loan in an aggregate amount of \$500 million (collectively, the “**CDPQ Loan**”). Tranche B was repaid in full in 2018 and \$600 million of Tranche A was repaid in 2019, upon agreement between the parties. In the third quarter of 2023, the Company entered into an agreement with CDPQ RF (the “**2023 Agreement**”) mainly to extend the maturity of the CDPQ Loan from July 2024 to July 2026. The notional amount of the loan remained at \$400 million. The 2023 Agreement also provides that, until July 2024, early voluntary repayment is subject to penalty in certain circumstances. Recourse is limited to specific circumstances of enforcement on or against the shares of AtkinsRéalis Highway. Borrowings bear interest at a base rate, which is the greater of: i) the CDOR rate; and ii) 0.9%, plus an applicable margin. The CDPQ Loan is subject to affirmative and negative covenants, as well as financial covenants, notably not to exceed, on a rolling 12-month and consolidated basis, a maximum net recourse debt to EBITDA ratio, as defined under the CDPQ Loan Agreement. Failure to meet the terms of one or more of these covenants may constitute a default, potentially resulting in accelerating the repayment of the CDPQ Loan Agreement.

## Investor’s Rights Agreement

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

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

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

- As long as CDPQ holds directly or indirectly at least 12% of the Company’s issued and outstanding common shares, it has a pre-emptive right to participate in new issuances of common shares and convertible securities, subject to customary exceptions;
- Subject to applicable securities laws and the rules of the TSX, CDPQ has the right to request that the Company repurchases common shares held directly or indirectly by CDPQ representing up to 25% of any purchase to be made by the Company under any normal course issuer bid; and
- CDPQ has been granted “piggyback” (but not demand) qualification rights allowing it, as long as it directly or indirectly holds more than 12% of the Company’s issued and outstanding common shares, to include its pro rata share of common shares sold in certain public offerings of common shares, subject to customary underwriter cutback demands and provisions.

## 12. Experts

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

## 13. Audit and Risk Committee

### Mandate of the Audit and Risk Committee

The mandate of the Audit and Risk Committee of AtkinsRéalis is attached as Schedule “A” to this Annual Information Form.

### Composition of Audit and Risk Committee

The Audit and Risk Committee of the Company consists of Mr. Christie J.B. Clark (Chair), Ms. Mary-Ann Bell, Ms. Ruby McGregor-Smith, CBE and Mr. Steven L. Newman. Each member of the Audit and Risk Committee is independent as determined by the Board of Directors including in light of Canadian securities legislation and regulations, and none receives, directly or indirectly, any compensation from the Company other than for service as a member of the Board of Directors and its Committees. All members of the Audit and Risk Committee are financially literate, as defined under *Regulation 52-110 respecting Audit Committees* (“**Regulation 52-110**”). In considering the criteria for determining financial literacy, the Board of Directors considers the ability of the director to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

### Relevant Professional Qualifications and Experience of Audit and Risk Committee Members

Each of the members of the Company’s Audit and Risk Committee has professional qualifications or business experience, or both, that are relevant to the performance of their responsibilities as a member of the Audit and Risk Committee.

**Christie J.B. Clark (Chair)** has more than 30 years’ experience in the accounting, finance and professional services industries. From 2005 to 2011, he was CEO and Senior Partner of PricewaterhouseCoopers LLP (professional services). Prior to being elected as CEO, Mr. Clark served as National Managing Partner and member of the firm’s executive committee from 2001 to 2005. Mr. Clark is the chair of the audit committees of Air Canada and Loblaw Companies Limited, and a former member of the audit committee of Choice Properties Real Estate Investment Trust. In addition to these public company memberships, Mr. Clark is a director and chair of the audit committee of the Canadian Olympic Foundation, Own The Podium, the Sunnybrook Hospital Foundation, and member of the audit committee of the Canadian Olympic Committee. He is an Emeritus member of the advisory board of the Stephen J.R. Smith School of Business at Queen’s University. Mr. Clark graduated from Queen’s University with a Bachelor of Commerce degree and from the University of Toronto with a Master of Business Administration. He is a Fellow of Chartered Professional Accountants of Ontario and former National Academic Director for the Institute of Corporate Director’s course entitled “Audit Committee Effectiveness”.

**Mary-Ann Bell** has more than 30 years of experience in the telecommunications sector. Prior to her retirement in 2014, she was Senior Vice-President, Québec and Ontario at Bell Aliant Regional Communications Inc. from 2009 to 2014, and from 2005 to 2009, COO, Québec, where she led different operational functions, including engineering, field services and customer services. Ms. Bell is currently a director at Cogeco inc. and Cogeco Communications Inc. (where she chairs the governance committee and is a member of the human resources committee) and mdf commerce inc. (where she chairs the audit committee). She was a former director of NAV Canada for the last nine years (where she was a member of various committees including the audit committee), of Energir Inc./Valener Inc. (where she was chair of the audit committee) and Cominar Real Estate Investment Trust (where she was a member of the audit committee). In addition to these public company memberships, Ms. Bell is director and chair of the audit committee of the Institute for Governance of Private and Public Organizations (IGOPP) and was previously a director of the Institut National de la Recherche Scientifique (INRS) (where she was chair of the audit committee). Ms. Bell holds a Bachelor’s degree in Industrial Engineering from

Polytechnique de Montréal and a Master of Science degree from the Institut National de la Recherche Scientifique (INRS).

**Ruby McGregor-Smith, CBE** has more than 25 years of experience in the sectors of infrastructure services and facilities management. From 2007 to 2016, she was CEO of the Mitie Group plc (“**Mitie**”) and was the first Asian woman to be appointed to such a role in the FTSE 350. Ms. McGregor-Smith joined Mitie in 2002, serving as Group Financial Director and COO until her appointment as CEO in 2007. She previously held senior positions with SGI Babcock International Group as well as Serco Group, plc working a range of commercial and financial roles. Ms. McGregor-Smith is a director on the audit committees at Everyman Media Group PLC and Tideway (Bazalgette Tunnel Limited) and serves as the chair of Mind Gym plc, the Institute of Apprenticeships and Technical Education and the Airport Operators Association. Ms. McGregor-Smith was a former President of the British Chambers of Commerce and the former chair of the audit committee at Michael Page International plc. Ms. McGregor-Smith holds a Bachelor of Economics degree from Kingston University, a Postgraduate Diploma in Global Business from the Saïd Business School, University of Oxford and she is a Fellow of the Institute of Chartered Accountants in England and Wales. In 2012, she was appointed a Commander of the Order of the British Empire (CBE) for services to business and diversity in business and in 2015, a member of the House of Lords.

**Steven L. Newman** has more than 25 years of experience in the energy industry. From May 2021 to April 2023, he was the chairman and CEO of Aquadrill LLC (offshore contract drilling). Prior to that, from March 2010 to February 2015, he was President and CEO and a director of Transocean, Ltd. (oil and gas drilling and exploration). Mr. Newman joined Transocean in 1994 and held various management and operational positions. He served as President and COO from May 2008 until March 2010 when he was appointed President and CEO. In his early career, Mr. Newman was Financial Analyst at Chevron Corporation and Reservoir Engineer at Mobil E&P US. Mr. Newman is a director of Dril-Quip, Inc. (where he is a member of the audit committee). He was a director of Rubicon Oilfield International Holdings GP, Ltd. (where he was a member of the finance and audit committee), of Tidewater, Inc. (where he was a member of the audit committee) and of Bumi Armada Berhad (where he was a member of the audit committee). Mr. Newman holds a Bachelor of Science degree in Petroleum Engineering from the Colorado School of Mines and a Master of Business Administration from Harvard Graduate School of Business. He is a member of the Society of Petroleum Engineers and of the National Association of Corporate Directors.

## Auditor’s Fees

The Audit and Risk Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditor’s independence. The aggregate fees paid for professional services rendered by Deloitte LLP and its affiliates, for the year ended December 31, 2023 and the year ended December 31, 2022, are presented in the following table:

	Year Ended December 31, 2023	Year Ended December 31, 2022
<b>Audit fees</b> <sup>(1)</sup>	\$11,081,808	\$9,372,547
<b>Audit-related fees</b> <sup>(2)</sup>	\$2,323,046	\$1,946,039
<b>Tax fees</b> <sup>(3)</sup>	\$536,256	\$597,223
<b>Other fees</b> <sup>(4)</sup>	\$42,517	\$629,555
<b>Total</b>	<b>\$13,983,627</b>	<b>\$12,545,364</b>

- (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 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.

- (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 the statutory audits of subsidiaries that are not relied on for the audit opinion on the Company’s consolidated financial statements, special attest services not required by statute or regulation, reporting on the effectiveness of internal controls as required by contract or for business reasons, accounting consultations in connection with various transactions, and the audit of the Company’s various pension plans.
- (3) Tax fees comprise fees for income, consumption and other tax compliance, advice and planning services relating to domestic and international taxation, review of tax returns and preparation of expatriate employee tax returns.
- (4) Other fees include fees for services other than those described under “Audit fees”, “Audit-related fees” and “Tax fees”.

## 14. Additional Information

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s securities and securities authorized for issuance under equity compensation plans is contained in the Management Proxy Circular relating to the May 18, 2023 annual meeting of shareholders of the Company.

Additional financial information, including comparative financial statements for the Company’s most recently completed financial year, is contained in the 2023 Management’s Discussion and Analysis.

To order paper copies of this Annual Information Form, the most recent Management Proxy Circular, Annual Report and Financial Report, please visit the “Investors” section at [www.atkinsrealis.com](http://www.atkinsrealis.com). These documents are also available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com). Additional information relating to the Company may also be found on AtkinsRéalisis’ website at [www.atkinsrealis.com](http://www.atkinsrealis.com) and on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

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# Schedule “A” - Audit and Risk Committee Mandate

## 1. MISSION

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

## 2. COMPOSITION

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

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

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

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

## 3. ACTIVITIES, DUTIES AND RESPONSIBILITIES

### 3.1 Primary Accountability

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

### 3.2 Financial Reporting

(A) The Committee reviews and recommends to the Board for approval the Company’s unaudited quarterly financial statements and accompanying notes and related press release.

(B) Before their publication, the Committee reviews and recommends to the Board for approval the Company’s audited annual financial statements and accompanying notes, related press release as well as the statement of management’s responsibility for the financial statements and any significant accounting changes and disclosure of issues.

(C) Before its publication, the Committee reviews and recommends to the Board for approval the Company’s Management’s Discussion and Analysis, with particular attention to the use and consistency of non-GAAP financial measures, and presentation of unusual or sensitive matters such as disclosure of related party transactions, significant non-recurring events, significant risks, changes in accounting policies, and estimates or reserves, and significant variances between comparative reporting periods.

(D) Before its publication, the Committee reviews and recommends to the Board for approval the Company’s Annual Information Form.

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

- (E) The Committee periodically receives reports and assesses the adequacy of the procedures in place for the Company's public disclosure of financial information extracted or derived from the Company's financial statements, including periodic external investor presentations, other than the public disclosure documents set out in paragraphs (B), (C), and (D) above.
- (F) Before their publication, the Committee reviews and recommends to the Governance, Ethics and Sustainability Committee for endorsement the Company's Environmental, Social and Governance (ESG) key reporting metrics included in its public disclosure documents, as well as the control framework and assurances in place to ensure their appropriateness.

### 3.3 Accounting Policies, Reserves and Tax Matters

- (A) The Committee reviews the appropriateness of the accounting policies used in the preparation of the Company's financial statements and, at least each year, reviews the key accounting policies and accounting treatments that are particular to the Company, and any proposed changes to such policies.
- (B) Each quarter, the Committee reviews the specific account balances on the Company's balance sheet which are used to flag areas of risk that are subject to greater accounting estimation and judgement (referred to internally as "**policy escalations**").
- (C) Each quarter, the Committee receives the legal report and reviews significant litigation matters and material developments in relation to the adequacy of the Company's reserves for litigation, claims or other contingencies and the appropriateness of related disclosure.
- (D) Each year, the Committee receives a report and reviews tax filing compliance, uncertain tax provisions and emerging tax issues.

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

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

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

### **3.5 Independent Auditor**

- (A) The Committee formally considers the continuation of, or a change in, the independent auditor and reviews all issues related to a change of independent auditor, including any differences between the Company and the independent auditor that relate to the independent auditor's opinion or a qualification thereof or a comment by the independent auditor.
- (B) Each year, the Committee recommends an independent auditor to the Board, for approval by the shareholders of the Company.
- (C) The Committee reviews the annual confirmation of independence provided by independent auditor, and any relationships or services that may impact the objectivity and independence of the independent auditor.
- (D) The Committee reviews and approves budgeted and actual audit, audit-related and non-audit related fees and services provided by the independent auditor and considers whether the provision of services other than audit services is compatible with maintaining the independent auditor's independence.
- (E) The Committee periodically reviews and approves the audit/non-audit-related services policy.
- (F) Each year, the Committee receives a report on the mandate, organization, staffing, qualifications, independence, performance and effectiveness of the independent auditor.
- (G) The Committee reviews and approves the scope and timing of the independent auditor's reviews of the unaudited quarterly financial statements and of its annual audit plan.
- (H) The Committee oversees the work of the independent auditor engaged for the purpose of preparing or issuing an independent auditor's report or performing other audit, review or attest services for the Company, including the resolution of any disagreement between management and the independent auditor regarding financial reporting.
- (I) The Committee reviews (i) the content the independent auditor's annual audit report to the Committee as well as the results of the independent audit, and (ii) the results of its quarterly reviews, and any significant recommendations from the independent auditor to strengthen the Company's internal controls.
- (J) Each year, the Committee reviews the risk of fraud with the independent auditor.
- (K) The Committee reviews any significant problems encountered by the independent auditor in performing its independent audit or quarterly reviews as well as the content of any management letter issued by the independent auditor to the Company, and management's response thereto.
- (L) The Committee reviews any significant unresolved issues between management and the independent auditor that could affect the financial reporting or internal controls of the Company.
- (M) The Committee reviews and approves the *Policy for the Hiring of Employees and Former Employees of Present and Former Independent Auditor of the Company* (see Attachment "A" hereto).
- (N) The Committee engages with the independent auditor on the required rotation of applicable audit partners in line with required regulation.

### **3.6 Internal Audit Function**

- (A) Each year, the Committee reviews and approves the charter, nature, scope of work and budget of the Internal Audit function, as well as the annual Internal Audit Plan, and discusses with the Internal Auditor the resources necessary to fulfil its mandate and responsibilities.
- (B) Each quarter, the Committee reviews the annual Internal Audit Plan status and receives a progress report on the Internal Audit mandates and a follow-up on current, outstanding and past due recommendations.
- (C) Each quarter, the Committee reviews the Internal Audit reports' conclusions and summary of findings.
- (D) The Committee engages with the Internal Audit function as necessary so that it is free of any influence that could adversely affect its ability to objectively assume its responsibilities.
- (E) The Committee reviews the succession plan for the Vice-President, Internal Audit as recommended by management.
- (F) The Committee approves the appointment and dismissal of the Vice-President, Internal Audit as well as their annual performance evaluation and compensation.



### 3.7 Other Responsibilities and Issues

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

### 3.8 Enterprise Risk Management

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

## 4. ENTERPRISE RISK OVERSIGHT

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

## 5. ORGANIZATION AND PROCEDURES

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

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



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

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

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**ATTACHMENT "A"**

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

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

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