

Aecon Group Inc.
2016 Annual General Meeting
Tuesday, June 7, 2016

Pan Pacific Vancouver | Cypress Room
Vancouver, British Columbia

As delivered

- JOHN -

Now on to the more informative portion of today's meeting.

I'll begin by providing a report to you, our shareholders, on Aecon's operational and financial performance in 2015, before turning the microphone over to Teri, who will delve into the key projects our teams are working on, Aecon's outlook for 2016 and beyond – concluding with our strategic plan as we move forward.

It only makes sense to start with our number one core value – Safety. Of course, Mike Archambault already discussed in depth, but I'm pleased to report Aecon posted another year of strong health and safety performance in 2015. With more than 22 million hours of work completed by Aecon employees and our sub-contractors over the past year, we continued to see a reduction in overall incidents and an overall increase in our leading safety enhancement activities.

Over the past 10 years – from 2006 to 2015 – we have reduced our non-lost time injuries by 71 per cent. This reduction can only be achieved by the unwavering commitment from all of our employees to keep safety at the forefront of all our activities day-in and day-out.

A focus on behavioural safety practices and proactive safety initiatives such as risk assessments, hazard identifications, workplace safety meetings, workplace inspections, worker inductions, training and education all played a critical role in achieving this non-loss time injury performance.

We launched several new safety initiatives in 2015 that are carrying forward into 2016, and in particular are focused on driver safety on and off our projects. These initiatives include:

- ✓ Reducing driver distractions with a pilot mobile application to eliminate notifications on our drivers' mobile devices;
- ✓ A new safety data sheet system to ensure all employees have the most current hazard information available; and
- ✓ A Personnel Protective Equipment (PPE) standardization program deployed to our key distributors and manufacturers to ensure Aecon employees are utilizing the best and most suitable PPE.

And over the past year, I'm pleased to note that our teams received industry safety awards across the country including the Safety Saskatchewan Award of Excellence, and the Alberta Construction Safety Association's Trailblazer Award – for invaluable input into health and safety programs.

All of this indicates that our employees are engaged at all levels of the organization in eliminating risks before they have the opportunity to cause harm to people and the environment.

If safety is our number one priority, then delivering shareholder value and returns is our core objective.

We will no doubt remember 2015 as a watershed year for Aecon – a year which marked further progress on a trifecta of fronts including:

- ✓ Revenue growth with increases in each of our operating segments;
- ✓ Continued margin improvement with an Adjusted EBITDA margin of 5.0 per cent on like for like basis at year-end, and
- ✓ Near record backlog of \$3.3 billion at the end of the year, and an all-time record backlog of \$4.6 billion at the end of the first quarter 2016.

And, as further proof of the sustainability of our strategy, each of these trends continued into the first quarter of this year.

When Teri and I were asked about how we would define Aecon as it is NOW...three words came to mind – Diverse, Flexible and Resilient.

Aecon's share price has demonstrated the very resiliency I just spoke of, as we saw Aecon's diversification strategy take hold. Aecon's share price performed strongly despite economic headwinds, realizing a healthy 48 per cent gain including dividends while the TSX declined eight per cent – a great story of steady performance and resiliency.

For the fifth consecutive year, Aecon's Board of Directors approved an annual dividend increase to 46 cents per share annually up from 40 cents. With this increase of 15 per cent, our annual dividend is now up 130 per cent since 2011.

Two meaningful achievements highlight our work in 2015. First, the year was capped with the successful completion of a very important chapter of Aecon's history with the closing of the sale of our 45.5 per cent interest in the Quito International Airport in Ecuador. This transformed our balance sheet to one of rock solid strength.

At the same time, we opened a new chapter with the award of the \$5.3 billion Eglinton Crosstown Light Rail Transit project – one of the largest Public-Private Partnership (P3) projects in the world – to the Crosslinx Transit Solutions joint venture, which Teri will provide an update on later in his remarks.

All of these accomplishments couldn't come to light if it weren't for all of the hard work that goes on behind the scenes – this speaks to the flexibility part of our equation. Key among the many initiatives launched and implemented this year, we celebrated the successful implementation of a world-class Enterprise Resource Planning (ERP) system called Bedrock. A milestone achievement for our company, this has provided us with the kind of visibility and risk management capability to operate as a fully integrated, turnkey contractor across all segments – the epitome of our ONE Aecon approach. Speaking of achievements, I am very proud of the talented teams that have brought several projects to successful completion over the past year since our last Annual General Meeting. These include:

- ✓ The impressive Parkway West compressor station in Mississauga, Ontario, a continuation of our work for Union Gas for the Dawn to Parkway expansion. Aecon built the entire facility including two new compressor stations, and three new metering stations. Of special note, approximately 750,000 hours were completed on this project with zero LTIs;
- ✓ Late last year we finished the Areva JEB Mill uranium project in Northern Saskatchewan on-time with 1.49 million man-hours and no LTIs.
- ✓ In Ontario, the Kent Rapid Bridge Replacement project in Ottawa consisted of demolishing the old structures, building a new bridge offsite and then erecting the new bridge within 48 hours – an impressive feat.
- ✓ And, here in B.C., our partnership completed the twin tunnels component of the Seymour-Capilano Filtration Project last summer. This was a complex and challenging underground construction project that we were honoured to successfully complete.

As you can see, 2015 was indeed a watershed year. Every project we have completed, every initiative we've led, every line of business we have built, has brought us to Aecon NOW.

With that, I will now give the mic to Aecon's President and CEO, Teri McKibbin to lead the discussion on our strategic plan, and Aecon's outlook as we move through 2016 and beyond. Teri?

- TERI -

Thanks John, and good morning everyone. Good afternoon to those in Eastern Canada.

In recent years, as you may know, Aecon has enjoyed great success in British Columbia on major projects such as the Waneta Dam power project located in Trail in the West Kootenay region of the Interior, the Capilano and Port Mann Tunnel projects right here in Vancouver and the John Hart Generating Station hydroelectric power project on the east coast of Vancouver Island in Campbell River.

As we continue to execute our business strategy as a coast-to-coast major projects contractor, I am very pleased to announce the opening of our new Pacific Headquarters here in Vancouver. Centrally located in this great city's downtown core (steps away from where we are today), the new office solidifies Aecon's local presence on the west coast.

Our new Pacific Headquarters will streamline a number of our facilities to support all four of Aecon's business segments.

At Aecon, we strive to deliver projects that support our economy and society in ways that are sensitive to the communities in which we operate. We know that what we build and how we build it really matters – from the roads and transit systems to get Canadians to work every day, to the communication channels we depend on, to the energy systems that light homes and the utilities that keep them warm – we build things that matter and it is more than our corporate tagline.

Corporate Social Responsibility or “CSR” as it is widely known is ingrained in our company’s DNA. At last year’s AGM we issued our inaugural CSR Report and we’ve since launched a CSR micro website to capture the latest activities happening across the organization – from volunteering and team fundraising, environmental initiatives, to engagement with Indigenous communities.

On that note, Aecon and the Six Nations Elected Council formed a joint venture and have successfully completed \$2 million in utility-related work in the Haldimand Tract area of Ontario. The JV supported an array of community events in the area.

From a diversity perspective, we are extremely proud of grassroots groups such as the Women of Aecon Group (WAG), which inspires all women across the company to reach their full career potential through the transfer of knowledge, key learnings and shared experiences. Recently, WAG expanded its membership here in western Canada.

Historically, construction has not been the most diverse of industries, but as I tour our work sites across the country, I’m thrilled to see the number of women joining the construction industry and trades.

In tandem with our Corporate Social Responsibility efforts, Aecon’s Code of Ethics and Business Conduct outlines the corporate behaviours through which our business strategies are carried out – holding each and every employee to the highest standards. Again, we believe this is an intrinsic part of our value system at Aecon.

And, something I am very passionate about – Canada Company, a not-for profit organization we recently joined that helps military veterans transition to the private sector.

Last fall, John and I went up to the military base in Petawawa, Ontario, to experience a day of training with Canada’s armed forces – it was an extraordinary and enlightening experience. Both John and I believe Aecon can benefit from – and help in – supporting members of the military who wish to enter or return to Canada’s civilian workforce. We believe their unique technical abilities and their incredible leadership skills are a great match for Aecon.

As I’ve said before, the most important function of a great company is to have a great team. Aecon was proud to once again be recognized as one of the Best Employers in Canada for the ninth year running – we are pleased to have been able to sustain our performance.

For the past decade, Aecon’s vision has been to be the first company people go to for building things that matter and nowhere was that more evident than in the scope of what we accomplished in 2015. To recap what John said earlier, we realized revenue growth in all four business segments, and we achieved a record backlog of \$4.6 billion in the first quarter of 2016.

This success has been driven by a focus on the pursuit of large-scale, sophisticated projects with key clients in our core end-markets, and continued execution performance with a seamless operating platform – which brings us to Aecon NOW.

Diversification has been purpose built into Aecon's operations for the past number of years and nothing is more diverse than our range of capabilities and portfolio of projects.

We have a broad scope of interesting and challenging large-scale projects underway and key milestones have been – and continue to be – reached across the board.

Let's start by taking a look at some of our western projects:

- ✓ The John Hart Hydroelectric Generating Station: Not only the first P3 hydroelectric project in Canada, but also one of the largest on record. Aecon's JV is constructing the new water intake, tunnel and water bypass facility, and a new underground generating station. We're now 18 months into the five-year construction period and work is steadily progressing. In fact, I'm taking the Board of Directors to visit this site today so they can see the magnitude of work involved and progress to-date.
- ✓ The Port Mann Main Water Supply Tunnel project is part of Metro Vancouver's seismic upgrade program. It also increases drinking water capacity to those communities south of the Fraser River. The project began in 2011 and is scheduled to be complete in a year.
- ✓ The Northeast Anthony Henday ring road: Aecon's JV is building the final leg of Edmonton's ring road. Work is progressing well and is scheduled to be complete in the fourth quarter this year.
- ✓ The K+S Potash Canada Legacy Project in Saskatchewan: The Potash sector continues to be robust for Aecon, and the K+S project is a great example of Aecon's reputation as a preferred contractor, safety leader and employer of choice.
- ✓ North West Redwater project in Alberta remains key through the first half of 2016 with the assembly of over 300 modules and 1,200 Aecon staff involved.
- ✓ The Regina Wastewater Treatment Plant is a great example of the significant growth opportunities in the water and wastewater treatment space.

Moving to the east, some notable projects include:

- ✓ The Darlington Nuclear Refurbishment Project in Ontario represents the largest project award in Aecon's history and provides long-term nuclear opportunities for the company. This is a significant project for Ontario's economy, environment and neighbouring communities.
- ✓ Aecon's Grandlinq joint venture is responsible for the full scope of the Region of Waterloo's LRT project including 19 kilometres of dual track system, 16 LRT stops, and the operations/maintenance/storage facility.
- ✓ One of the largest P3's of its kind, the Eglinton Crosstown LRT project is the second largest contract on our roster. The Crosslinx consortium is responsible for the design, build, finance, maintenance and life cycle activities of the LRT line

with 25 stations and stops for a 30-year term. We have a large number of employees dedicated to this project and we're thrilled to be part of it.

- ✓ The Cape Sharp Tidal Energy Project: Aecon was awarded two contracts by OpenHydro, one for the fabrication and assembly of the two turbines and another for the construction of the barge. All work is being completed at Aecon's fabrication shops in Dartmouth and Pictou, Nova Scotia, which comes with a competitive advantage, as our facilities also serve as a shipyard, so we have direct access to water and the use of our marine railway.
- ✓ We are also closing in on the completion of the Sheppard West Subway Station on the York-Spadina line in Toronto, which received the 2015 Major Infrastructure Project of the Year award.

Whether it's a hydroelectric project in British Columbia, a potash mine in Saskatchewan, or a pioneering project to harness tidal energy in Nova Scotia, we are very proud to be part of these trailblazing projects across Canada.

Over the years, we have acquired some of the best known builders, contractors and industrial enterprises in order to provide our clients with a broad portfolio of services that all operate under the banner of ONE Aecon – one focus, one goal, one team, and one company that is flexible and diverse.

This diversification strategy is really paying off in a few key ways:

- ✓ First, it has provided us with the ability to move resources between segments, between geographies in order to capitalize on areas of opportunities when other areas are quieter.
- ✓ Secondly it allows us to focus our efforts on other new market segments.

As we move through 2016 our overarching focus remains on the pursuit and successful completion of large-scale, sophisticated projects with clients in our core end-markets. Let's take a bit of a closer look at each of Aecon's four segments.

In the Infrastructure segment where we are recognized for our expertise and capability to deliver large, complex, multi-disciplinary infrastructure projects, we expect to continue to achieve success in these pursuits with our partners.

Increased infrastructure spending to address both the significant infrastructure deficit in Canada and slower economic growth is a key area of focus for us. Aecon is well positioned to successfully bid on, secure, and deliver these projects and this is expected to lead to ongoing growth in this segment in 2016 and 2017.

- ✓ Aecon is well positioned in areas such as: rail and transit, roads and bridges, and water and wastewater;
- ✓ Our record Infrastructure backlog provides long-term visibility through several major projects;
- ✓ Potential for additional awards from the strong design-build and P3 bidding pipeline in 2016 and beyond; and
- ✓ The U.S. has the potential to be the largest P3 market in the world and represents a longer-term opportunity for Aecon.

In the Energy segment, Aecon's fabrication and modular assembly services in Western Canada remained steady in the first half of 2016. We expect increased backlog and ongoing demand for gas distribution facilities, as well as utilities, power and nuclear work in 2016, to offset lower oil related volume.

- ✓ Master Service Agreements signed in 2015 will also assist in driving growth in Utilities in 2016. We also see significant telecommunications work in Ontario and Western Canada from the Fibre Optic network build-out.
- ✓ Opportunities in the green energy space, inspired by the Federal government's mandate.
- ✓ Alternative power generation is another area of focus for us – as Alberta retires its coal program, we are positioned well for the long-term opportunities that will arise.

In the Mining segment, while commodity prices generally remain soft (generally), an encouraging number of new development projects linked to a variety of different commodities, including gold and copper, continue to move forward with engineering and feasibility work.

Though new backlog in the process installation sector of Aecon's Mining segment is required for the second half of 2017, Aecon is involved in a number of pursuits related to these projects.

- ✓ Contract mining operations continue to be relatively stable and the current backlog and recurring revenue is expected to sustain the Mining segment in 2016.
- ✓ Existing potash work will be steady through 2016 and into the first half of 2017. Flexible contract models combined with the ability to transfer projects from recurring revenue to hard backlog has helped us strengthen client relationships and maintain fleet utilization.
- ✓ Our strong project delivery performance for clients in recent years positions Aecon well for future growth opportunities when commodity markets recover.

The Concessions segment continues to partner with Aecon's other segments to focus on P3 opportunities, and is actively pursuing a number of large-scale infrastructure projects that require private finance solutions while participating as the concessionaire on the Waterloo and Eglinton Crosstown Light Rail Transit projects.

The Company's balance sheet and financial capacity remain key advantages for Aecon in its ability to continue to grow and take advantage of the unprecedented infrastructure spend, including P3s, expected in coming years.

To take advantage of the robust but evolving opportunities, our strategy remains laser focused on execution and operational excellence.

At a high level this will take:

1. Relentless safety programs. The goal is to ensure each and every worker gets home safely to his or her family every day and in 2016, we remain committed to

further improving our industry-leading safety programs with a focus on evolving our behaviour-based initiatives.

2. Increasing shareholder value through bottom line growth and world-class margins.
3. Strong risk management: It's all about execution...executing really well with small margins of error.
4. Leveraging innovation and technology. We are keen to have insight into emerging innovations and technologies and how they may impact our business. In this effort, you may have read in our Annual Report that we have formed a new Innovation Council at Aecon. Chaired by John Beck and joined by senior leaders from across the organization, the Council is actively exploring the next frontier of emerging technology and how it can accelerate our business.
5. Partner of choice status: Building partnerships and alliances to increase Aecon's participation in larger, more complex projects has been both critical and strategic – and continues to form the backbone of our business.
6. End-to-end sustainability built into our organization – delivering sustainable integrated services and solutions to meet our clients' needs is paramount. This includes the expansion of our green energy capabilities such as solar, tidal and wind – we are eager to expand our service offerings to these important sectors.
7. Market agility will continue to play a significant role, especially with the current economic headwinds in various sectors.
8. And lastly, scaling of organizational resources will play a part in how the company organically grows in the coming years.

Turning to the broader outlook before we conclude today's remarks...

Over two-thirds of Aecon's backlog work is expected to be performed beyond the next 12 months versus a year ago when roughly one-third was to be performed beyond 12 months. As well, Master Service Agreements (MSAs) are expected to increase recurring revenue in 2016, and we continue to pursue a number of other significant MSA opportunities. When combined this provides an important level of resilience and predictability for revenue in the medium to long-term.

As we move forward, all four segments continue to bid on opportunities that should further enhance the level of backlog and support the goal of continuing to improve Adjusted EBITDA margin.

And looking beyond 2016, we have a solid playbook in place and Aecon's record backlog position, improving margins, and strong balance sheet provide confidence in our continued progress, while our diverse, flexible, and resilient business model has solidly aligned Aecon to respond to the opportunities before us.

On behalf of John and I, and the Board of Directors, we thank you for your continued support. We would now be pleased to respond to any of your questions.