



**AECON GROUP INC.**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
AND MANAGEMENT INFORMATION CIRCULAR**

ANNUAL MEETING TO BE HELD AT

9:00 AM (MOUNTAIN DAYLIGHT TIME)  
June 11, 2014

The Westin Edmonton, 10135 100<sup>th</sup> St. NW, Edmonton, AB  
EDMONTON, ALBERTA

*This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment dealer, broker, bank manager lawyer or other professional advisor.*

## INVITATION TO SHAREHOLDERS

I am pleased to invite you, as a valued fellow shareholder of Aecon Group Inc. (“**Aecon**”), to join the Board of Directors and the senior leadership team of Aecon at our Annual Meeting (the “**Meeting**”) on June 11, 2014 at 9:00 a.m. (Mountain Daylight Time) which will take place at The Westin Edmonton, 10135 100<sup>th</sup> St. NW, Edmonton, Alberta.

The Meeting is your opportunity to receive a first-hand account of Aecon’s performance in 2013 and to learn about our plans for the future. Teri McKibbon and I will provide a report on Aecon’s affairs. Should you have questions about our past performance or future direction, this is an excellent forum to seek answers to your questions. It is also an opportunity to meet members of the Board of Directors and the senior leadership team of Aecon.

Aecon is committed to engaging with its investors and to ongoing monitoring of developments relating to approaches for assessing alignment of CEO compensation and company performance. I hope that you review Section Six – Statement of Executive Compensation herein before you cast your say-on-pay vote, and that you will agree that our approach is in line with the expectations of our shareholders and Aecon’s performance.

As an important and valued shareholder of Aecon we urge you, should you be unable to attend the Meeting in person, to vote your shares in advance of the Meeting on the internet or by telephone or to exercise the power of your proxy vote, all as explained in the attached Management Information Circular.

Should you require additional information, please visit our corporate website at [www.aecon.com](http://www.aecon.com). Also available online is Aecon’s Annual Information Form for the year ended December 31, 2013, Aecon’s annual audited financial statements for the year ended December 31, 2013 and related management’s discussion and analysis as well as other useful information. A copy of my address to the Meeting will also be available on our website.

Whether you elect to make your vote count on the internet, by telephone, in person or by proxy, we appreciate your participation in this important forum for our shareholders, as well as your continued support.

Sincerely,



John M. Beck  
Chairman and Chief Executive Officer  
May 9, 2014

## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual meeting (the “**Meeting**”) of shareholders of Aecon Group Inc. (the “**Corporation**”) will be held at The Westin Edmonton, 10135 100<sup>th</sup> St. NW, Edmonton, Alberta, Canada, on June 11, 2014 at 9:00 a.m. (Mountain Daylight Time) for the following purposes:

- (i) to receive the annual financial statements of the Corporation for the financial year ended December 31, 2013 and the report of the auditors thereon;
- (ii) to elect directors of the Corporation;
- (iii) to consider and, if deemed advisable, approve the advisory resolution to accept the approach to executive compensation disclosed herein;
- (iv) to consider and, if deemed advisable, pass with or without variation, an ordinary resolution in the form set forth in Appendix 3 of this Management Information Circular repealing old By-law No. 1 and ratifying and confirming a new general By-Law No. 1;
- (v) to reappoint the auditors of the Corporation and to authorize the Board of Directors of the Corporation to fix their remuneration; and
- (vi) to transact such other business as may properly come before the Meeting or any adjournment thereof.

The directors of the Corporation have fixed the close of business on May 7, 2014 as the record date for the determination of the shareholders of the Corporation entitled to receive notice of and to vote at the Meeting.

**DATED** at Toronto, Ontario, on this 9<sup>th</sup> day of May, 2014.

**BY ORDER OF THE BOARD OF DIRECTORS**



L. Brian Swartz  
Executive Vice President, Legal and Commercial Services  
and Corporate Secretary

Shareholders are entitled to vote at the Meeting either on the internet, by telephone, in person or by proxy. If you are unable to attend the Meeting in person, please exercise your right to vote by completing and signing the enclosed form of proxy and returning it by mail or delivery to Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 (fax: +1-866-249-7775 within North America or +1-416-263-9524 from all other countries). Alternatively, electronic voting can be accessed for the Meeting on the internet at [www.investorvote.com](http://www.investorvote.com) and telephone voting can be accessed by contacting Computershare Investor Services Inc. at +1-866-732-8683. Votes cast electronically or by telephone are in all respects equivalent to, and will be treated in the same manner as, votes cast via a paper form of proxy. Further details on the electronic and telephone voting processes are provided in the enclosed form of proxy. **Proxies to be used at the Meeting must be delivered to Computershare Investor Services Inc. so as to be received no later than 9:00 a.m. (Mountain Daylight Time) on June 9, 2014 or at least 48 hours, excluding Saturdays, Sundays and holidays, before any adjournment or postponement of the Meeting at which the proxy is to be used or delivered to the Chairman of the Meeting prior to commencement of the Meeting or any adjournment thereof, in order for the proxy to be voted. Votes cast electronically or by telephone must be submitted no later than 9:00 a.m. (Mountain Daylight Time) on June 9, 2014 or at least 48 hours, excluding Saturdays, Sundays and holidays, before any adjournment or postponement of the Meeting.**

## QUESTIONS AND ANSWERS ON VOTING

**Q: What am I voting on?**

A: Holders of common shares (“Shareholders”) of Aecon Group Inc. (“Aecon”) are voting on the election of directors to the board of directors of Aecon (the “Board”) until the next annual meeting of Shareholders, the advisory resolution to accept the Corporation’s approach to executive compensation, the repeal of old By-law No. 1 and the ratification of new By-law No. 1 of the Corporation, the reappointment of the auditors of Aecon for 2014 and the Board’s authorization to fix their remuneration and such other business as may be properly brought before the 2014 annual meeting of Shareholders (the “Meeting”), or any adjournment thereof.

**Q: Who is entitled to vote?**

A: Only Shareholders as at the close of business on May 7, 2014 are entitled to vote. Shareholders are entitled to one vote in respect of each share held on those items of business identified in the accompanying Notice of Annual Meeting of Shareholders of Aecon Group Inc. (the “Notice of Meeting”).

**Q: How do I vote?**

A: There are several ways you can vote your shares if you are a registered Shareholder. You may: (i) vote in person at the Meeting; (ii) sign the enclosed form of proxy appointing the named persons or some other person you choose, who need not be a Shareholder, to represent you as proxyholder and to attend the Meeting and to vote your shares; (iii) vote electronically on the internet at [www.investorvote.com](http://www.investorvote.com); or (iv) vote using a touch-tone phone by contacting Computershare Investor Services Inc. at +1-866-732-8683. If your shares are held in the name of a nominee, please see the final question and answer set out on pages (ii) and (iii) for voting instructions.

**Q: What if I plan to attend the Meeting and vote in person?**

A: If you are a registered Shareholder and plan to attend the Meeting on June 11, 2014 and wish to vote your shares in person at the Meeting, do not complete or return the form of proxy and do not vote on the internet or by telephone. Your vote will be taken and counted at the Meeting. Please register with Aecon’s transfer agent, Computershare Investor Services Inc., upon arrival at the Meeting. If your shares are held in the name of a nominee, please see the final

question and answer set out in this section for voting instructions.

**Q: Who is soliciting my proxy?**

A: The enclosed form of proxy is being solicited by the management of Aecon and the associated costs will be borne by Aecon. The solicitation will be made primarily by mail but may also be made by telephone, in writing or in person by employees of Aecon and/or Computershare Investor Services Inc.

**Q: What if I sign the form of proxy enclosed with this circular?**

A: Signing the enclosed form of proxy gives authority to John M. Beck or L. Brian Swartz, each of whom is an officer of Aecon, or to another person you have appointed in the form of proxy, to vote your shares at the Meeting.

**Q: Can I appoint someone other than members of management of Aecon to vote my shares?**

A: Yes. Write the name of this person, who need not be a Shareholder, in the blank space provided in the form of proxy. It is important to ensure that any other person you appoint that is attending the Meeting is aware that he or she has been appointed to vote your shares. Proxyholders should, upon arrival at the Meeting, present themselves to a representative of Computershare Investor Services Inc. If you vote by telephone, you cannot appoint anyone other than the appointees named on the proxy form as your proxyholder.

**Q: What do I do with my completed proxy?**

A: Return it to Aecon’s transfer agent, Computershare Investor Services Inc., in the envelope provided, or by fax to +1-866-249-7775 within Canada and the United States, or +1-416-263-9524 from all other countries, so that it is received no later than 9:00 a.m. (Mountain Daylight Time) on June 9, 2014. This will ensure that your vote is recorded. Alternatively, electronic voting is available for the Meeting on the internet at [www.investorvote.com](http://www.investorvote.com) and telephone voting is available by contacting Computershare Investor Services Inc. at +1-866-732-8683. Further details on the electronic and telephone voting processes are provided in the enclosed form of proxy. If you vote using the internet or by telephone, do not complete or return the form of proxy.

**Q: Can I change my vote once I have voted on the internet or by telephone or take back my proxy once I have given it?**

A: Yes. If you voted on the internet or by telephone, you may vote again through such means before 9:00 a.m. (Mountain Daylight Time) on June 9, 2014. If you submitted a proxy and wish to revoke your proxy, prepare a written statement to this effect. The statement must be signed by you or your attorney as authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney of the corporation duly authorized. This statement must be delivered either to Acon by fax at +1-416-940-2290 at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used or to the Chairman on the day of the Meeting, or any adjournment thereof.

**Q: How will my shares be voted if I give my proxy?**

A: The persons named on the form of proxy must vote for or against or withhold from voting your shares in accordance with your directions, or you can let your proxyholder decide for you. In the absence of such directions, proxies received by management will be voted FOR the election of directors to the Board, FOR the advisory resolution on the Corporation's approach to executive compensation, FOR the repeal of old By-law No. 1 and ratification and confirmation of new By-law No. 1 and FOR the reappointment of the auditors together with the Board's authorization to fix their remuneration.

**Q: What if amendments are made to these matters or if other matters are brought before the Meeting?**

A: The persons named in the form of proxy will have discretionary authority with respect to amendments or variations to matters identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting. As of the time of printing of this management information circular, the management of Acon knows of no such amendment, variation or other matter expected to come before the Meeting. If any other matters properly come before the Meeting, the persons named in the form of proxy will vote on them in accordance with their best judgment.

**Q: How many shares are entitled to vote?**

A: As at May 7, 2014, there were 56,448,816 common shares of Acon outstanding. Each registered Shareholder has one vote for each common share held at the close of business on May 7, 2014.

**Q: How will the votes be counted?**

A: Each question brought before the Meeting is determined by a majority of votes cast on the question.

**Q: Who counts the votes?**

A: Acon's transfer agent, Computershare Investor Services Inc., counts and tabulates the votes. This is done independently of Acon to preserve the confidentiality of individual Shareholder votes. Proxies are referred to Acon only in cases where a Shareholder clearly intends to communicate with management, the validity of the proxy is in question or where it is necessary to do so to meet the requirements of applicable law.

**Q: If I need to contact the transfer agent, how do I reach them?**

A: You can contact the transfer agent by mail at:

Computershare Investor Services Inc.  
8th Floor  
100 University Avenue  
Toronto, Ontario M5J 2Y1

or by telephone within Canada and the United States at +1-800-564-6253 and from all other countries at +1-514-982-7888.

**Q: If my shares are not registered in my name but are held in the name of a nominee (a bank, trust company, securities broker, trustee or other), how do I vote my shares?**

A: There are two ways you can vote your shares held by your nominee. As required by Canadian securities legislation, you will have received from your nominee (or its agent) either a request for voting instructions or a form of proxy for the number of shares you hold. For your shares to be voted for you, please follow the voting instructions provided by your nominee or its agent.

Since Acon has limited access to the names of its non-registered (or beneficial) Shareholders, if you attend the Meeting, Acon may have no

record of your shareholdings or of your entitlement to vote unless your nominee has appointed you as proxyholder. Therefore, if you wish to vote in person at the Meeting, insert your own name in the space provided on the request for voting instructions or form of proxy and return same by following the instructions provided. Do not otherwise complete the form, as your vote will be taken at the Meeting. Please register with Aecon's transfer agent, Computershare Investor Services Inc., upon arrival at the Meeting.

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## SECTION ONE – MANAGEMENT INFORMATION CIRCULAR – VOTING MATTERS

### SOLICITATION OF PROXIES

This Management Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by management of Aecon Group Inc. (the “**Corporation**” or “**Aecon**”) to be used at the annual meeting (the “**Meeting**”) of holders of common shares of the Corporation (“**Shareholders**”) to be held at 9:00 a.m. (Mountain Daylight Time) on June 11, 2014 for the purposes set out in the accompanying Notice of Annual Meeting of Shareholders of the Corporation (the “**Notice of Meeting**”). It is expected that the solicitation will be made primarily by mail, supplemented possibly by telephone or other personal contact by management or regular employees of the Corporation and/or the Corporation’s transfer agent, Computershare Investor Services Inc. The cost of any such solicitation will be borne by the Corporation. The Corporation does not intend to pay any compensation for the solicitation of proxies by third parties but will pay the reasonable expenses of persons who are the registered but not beneficial owners of voting shares of the Corporation (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) for forwarding copies of the Notice of Meeting, form of proxy, Circular and related material to beneficial owners. The Corporation will provide, without cost to such persons, upon request to the Corporate Secretary of the Corporation, additional copies of the foregoing documents required for this purpose.

### Appointment, Time for Deposit and Revocability of Proxy

Each of the persons named in the enclosed form of proxy is an officer of the Corporation. **A registered Shareholder desiring to appoint some other person (who need not be a Shareholder) to attend and act for him, her or it at the Meeting may do so either by inserting such person’s name in the blank space provided in the form of proxy or by completing another proper form of proxy.** If a registered Shareholder wishes to vote by proxy, the proxy to be used at the Meeting must be delivered to Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 (fax: 1-866-249-7775 within North America or +1-416-263-9524 from all other countries). A proxy should be executed by the registered Shareholder or his or her attorney in writing or, if the registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Proxies to be used at the Meeting must be delivered to Computershare Investor Services Inc. so as to be received no later than 9:00 a.m. (Mountain Daylight Time) on June 9, 2014 (or at least 48 hours, excluding Saturdays, Sundays and holidays, before any adjournment or postponement of the Meeting at which the proxy is to be used) or delivered to the Chairman of the Meeting prior to the commencement of the Meeting, or any adjournment thereof, in order for the proxy to be voted. As an alternative to completing and submitting a proxy for use at the Meeting, a registered Shareholder may vote electronically on the internet at [www.investorvote.com](http://www.investorvote.com) or by telephone by contacting Computershare Investor Services Inc. at +1-866-732-8683. Votes cast electronically or by telephone are in all respects equivalent to, and will be treated in the same manner as, votes cast via a paper form of proxy. Registered Shareholders who wish to vote using the internet or by telephone should follow the instructions provided in the enclosed form of proxy. Votes cast electronically or by telephone must be submitted no later than 9:00 a.m. (Mountain Daylight Time) on June 9, 2014 or at least 48 hours, excluding Saturdays, Sundays and holidays, before any adjournment or postponement of the Meeting.

A proxy given by a registered Shareholder may be revoked as to any motion on which a vote has not already been cast pursuant to the authority conferred by it, by instrument in writing executed by the registered Shareholder or by his or her attorney authorized in writing or, if the registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either at the registered and head office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law. The registered and head office of the Corporation is located at 20 Carlson Court, Suite 800, Toronto, Ontario M9W 7K6. If a registered Shareholder has voted on the internet or by telephone and wishes to change such vote, such registered Shareholder may vote again through such means before 9:00 a.m. (Mountain Daylight Time) on June 9, 2014 or at least 48 hours, excluding Saturdays, Sundays and holidays, before any adjournment or postponement of the Meeting.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Corporation consists of an unlimited number of common shares (“**Common Shares**”). On May 7, 2014, the Corporation had 56,448,816 Common Shares outstanding, each of which carries the right to one vote in respect of each of the matters properly coming before the Meeting.

The board of directors of the Corporation (the “**Board**”) has fixed a record date of May 7, 2014 (the “**Record Date**”) to determine Shareholders entitled to receive the Notice of Meeting. The failure of any Shareholder to receive a copy of the Notice of Meeting does not deprive the Shareholder of the right to vote shares in their name at the Meeting. Only registered holders of Common Shares as of the Record Date are entitled to vote such Common Shares at the Meeting on the basis of one vote in respect of each Common Share. Approval of each resolution that will be placed before the Meeting requires a majority of the votes cast at the Meeting on the resolution.

To the knowledge of the directors and executive officers of the Corporation, as at May 7, 2014, no person or company owned beneficially, or exercised control or direction over, directly or indirectly, securities carrying in excess of 10% of the voting rights attached to any class of outstanding voting securities of the Corporation.

## EXERCISE OF DISCRETION BY HOLDERS OF PROXIES

The form of proxy provided to registered Shareholders with the Notice of Meeting and this Circular provides the registered Shareholder with an opportunity to specify that the Common Shares registered in his, her or its name shall be voted or withheld from voting in respect of certain of the matters to be considered at the Meeting. On any ballot that may be called for, the Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in respect of the election of directors, the repeal of old and adoption of new By-law No. 1 and the reappointment and remuneration of auditors, in each case in accordance with the specifications made by Shareholders in the manner referred to above. **In respect of proxies in which registered Shareholders have not specified the manner of voting, the Common Shares represented by proxies in favour of management nominees will be voted: (i) FOR the election as directors of each of the persons listed as nominees in this Circular; (ii) FOR the advisory resolution on the Corporation’s approach to executive compensation (or “Say-on-Pay Vote”); (iii) FOR the resolution repealing old By-law No. 1 and ratifying and confirming new By-law No. 1 of the Corporation; and (iv) FOR the reappointment of PricewaterhouseCoopers LLP as the Corporation’s auditors and to authorize the Board to fix their remuneration.**

The enclosed form of proxy confers discretionary authority upon the proxy nominees with respect to amendments or variations of matters identified in the Notice of Meeting or other matters which may properly come before the Meeting. As of the date hereof, management knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters, which are not now known to management, should properly come before the Meeting, the Common Shares represented by proxies in favour of management nominees will be voted on such matter in accordance with the best judgment of the proxy nominee.

## BENEFICIAL SHAREHOLDERS

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold Common Shares in their own name and thus are considered non-registered beneficial Shareholders.** Only registered holders of Common Shares or the persons they appoint as their proxyholder are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Beneficial Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) (including, among others, banks, trust companies, securities dealers, brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) that the Beneficial Holder deals with in respect of the Common Shares, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant. Beneficial Holders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of

Common Shares can be recognized and acted upon at the Meeting. In accordance with the requirements of the Canadian Securities Administrators, the Corporation will have distributed copies of the Notice of Meeting, this Circular and the enclosed form of proxy to the clearing agencies and Intermediaries for onward distribution to Beneficial Holders. If you are a Beneficial Holder, your Intermediary will be the entity legally entitled to vote your Common Shares at the Meeting. Common Shares held by an Intermediary can only be voted upon the instructions of the Beneficial Holder. Without specific instructions, Intermediaries are prohibited from voting Common Shares.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Holders in advance of the Meeting. Often, the form of proxy supplied to a Beneficial Holder by its Intermediary is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Holder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Corporation ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form in lieu of the form of proxy. The Beneficial Holder is requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, the Beneficial Holder may call a toll-free telephone number or access the internet to provide instructions regarding the voting of Common Shares held by the Beneficial Holder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Holder receiving a voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting, as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have such Common Shares voted.

**Beneficial Holders should ensure that instructions respecting the voting of their Common Shares are communicated in a timely manner and in accordance with the instructions provided by their Intermediary or Broadridge, as applicable. Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Holders in order to ensure that their Common Shares are voted at the Meeting.**

Although a Beneficial Holder may not be recognized directly at the Meeting for the purpose of voting Common Shares registered in the name of their Intermediary, a Beneficial Holder may attend the Meeting as proxyholder for the Intermediary and vote the Common Shares in that capacity. **Beneficial Holders who wish to attend the Meeting and indirectly vote their Common Shares as a proxyholder should enter their own names in the blank space on the form of proxy or voting instruction form provided to them by their Intermediary and/or Broadridge, as applicable, and return the same in accordance with the instructions provided by their Intermediary and/or Broadridge, as applicable, well in advance of the Meeting.**

In any case, the purpose of the above noted procedures is to permit Beneficial Holders to direct the voting of the Common Shares which they beneficially own. Beneficial Holders should carefully follow the instructions and procedures of their Intermediary or Broadridge, as applicable, including those regarding when and where the form of proxy or voting instruction form is to be delivered.

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), the Corporation is distributing copies of proxy-related materials in connection with the Meeting indirectly to Beneficial Holders and the Corporation intends to pay for the cost of delivery to objecting Beneficial Holders. The Corporation is not relying on the notice-and-access delivery procedure set out in NI 54-101 to distribute copies of proxy-related materials in connection with the Meeting.

## **SECTION TWO – MATTERS TO BE ACTED UPON AT THE MEETING**

### **RECEIPT OF FINANCIAL STATEMENTS**

The audited financial statements of the Corporation for the financial year ended December 31, 2013 and the report of the auditors thereon will be presented to the Shareholders at the Meeting.

## ELECTION OF DIRECTORS

The articles of the Corporation provide for a minimum of eight and a maximum of fifteen directors. This year the Board has put forward nine nominees for election as directors at the Meeting.

After 14 years of service as a director, Rolf Kindbom will not be standing for re-election at the Meeting and will be retiring from the Board. Mr. Kindbom has made a significant contribution to the Corporation's success through his strategic advice, his sound business acumen and his dedication during his tenure. The Board and the Corporation's management wish to thank Mr. Kindbom for his service and contribution to the Corporation and its Shareholders.

The Board is pleased that Terrance L. McKibbon will be standing for election along with eight of the current directors. Mr. McKibbon's biography can be found below (see "Board Nominees"). It is proposed that each person whose name appears below be elected as a director to serve until the close of the next annual meeting of Shareholders or until his or her office is earlier vacated in accordance with the by-laws of the Corporation. Management of the Corporation does not contemplate that any of the proposed nominees will be unable to serve as a director but should that occur prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion.

### Majority Voting for Election of Directors

The Board believes that each director should have the confidence and support of the Shareholders of the Corporation. To this end, the Board has unanimously adopted a majority voting policy (the "**Majority Voting Policy**") and all nominees for election to the Board will be required to confirm that they will abide by the Majority Voting Policy.

Forms of proxy for the election of directors will permit a Shareholder to vote in favour of, or to withhold from voting, separately for each director nominee. The Chair of the Board will ensure that the number of shares voted in favour or withheld from voting for each director nominee is recorded and promptly made public after the meeting.

If a director nominee has more votes withheld than are voted in favour of him or her, the nominee will be considered by the Board not to have received the support of the Shareholders, even though duly elected as a matter of corporate law. Such a nominee will be expected to forthwith submit his or her resignation to the Board, effective on acceptance by the Board. The Board will refer the resignation to the Corporate Governance, Nominating and Compensation Committee (the "**CGNC Committee**") for consideration. A director nominee who tenders resignation under this Majority Voting Policy may not participate in any meeting of the CGNC Committee or Board at which the resignation is considered.

The Board will promptly accept the resignation unless the CGNC Committee determines that there are extraordinary circumstances relating to the composition of the Board or the voting results that should delay the acceptance of the resignation or justify rejecting it. In any event, the resignation will be accepted (or in rare cases rejected) within 90 days of the meeting. The Board's decision to accept or reject such a resignation and the reasons for its decision will be disclosed by press release promptly in accordance with applicable securities regulations and, in any event, within 90 days of receipt of the resignation.

Subject to any corporate law restrictions, the Board may (i) leave a vacancy in the Board unfilled until the next annual general meeting; (ii) fill the vacancy by appointing a new director who the Board considers to merit the confidence of the Shareholders; or (iii) call a special meeting of Shareholders to consider new Board nominee(s) to fill the vacant position(s).

The foregoing policy only applies in circumstances involving an uncontested election of directors. For the purpose of the Majority Voting Policy, an "uncontested election of directors" means that the number of nominees for election as a director is the same as the number of directors to be elected to the Board and that no proxy

material is circulated in support of one or more nominees who are not named as nominees in the applicable management information circular of the Corporation.

### **Director Share Ownership Policy**

The Corporation believes that it is important for its directors to have a significant stake in the Corporation to align their interests with those of the Corporation's shareholders. The Corporation's Director Share Ownership Policy was introduced in March 2012 and required that each director hold no less than three times the director's annual retainer in Common Shares, such shares to be acquired within five years from the later of the policy's introduction or the date upon which the director joined the Board. The Director Share Ownership Policy was amended in March 2014 to increase the share requirement from three times the director's annual retainer to five times the director's annual retainer in Common Shares or deferred share units ("**DSUs**"). In determining whether each director satisfies the threshold requirements of the Director Share Ownership Policy, the current fair market value of the Common Shares or DSUs is used. As of the date of this Circular, each director of the Corporation satisfies (or has time remaining to satisfy) the threshold requirements of the Director Share Ownership Policy. As management members of the Board, Mr. Beck and Mr. McKibbin are not subject to the requirements of the Director Share Ownership Policy but are required to adhere to the Senior Executive Share Ownership Policy. Please see "Managing Compensation Related Risk – Senior Executive Share Ownership Policy" in Section Six of this Circular for further details.

### **Board Nominees**

The following summary sets forth relevant information for each person proposed to be nominated for election as a director. Certain information set out below with respect to a nominee for election as a director is not within the knowledge of the Corporation and was provided by the respective nominee individually. Information as to the number of Common Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, not being within the direct knowledge of the Corporation, has been furnished by the respective directors individually or obtained from the System for Electronic Disclosure by Insiders ("**SEDI**") and may include Common Shares owned or controlled by spouses and/or children of such directors and/or companies controlled by the directors or their spouses and/or children.

<b>JOHN M. BECK</b> Age: 72 Toronto, Ontario Canada  <b>Non-Independent</b>  <b>Director since:</b> 1963	<b>Principal Occupation</b>		Chairman and Chief Executive Officer, Aecon Group Inc.		
	<p>John M. Beck is the Chairman of the Board and Chief Executive Officer of Aecon and is a leader in the Canadian construction industry. Mr. Beck has been a member of the Board since 1963. Mr. Beck has also served as Chairman of the Board of the Ontario Power Authority and as a director of the Canadian Council for Public Private Partnerships. Mr. Beck is currently a member of the Board of the Ontario Financing Authority, the Canadian Olympic Foundation, the Advisory Council for the School of Public Policy at the University of Calgary and the Macdonald-Laurier Institute for Public Policy and is a member of the Canadian Council of Chief Executives. In recognition of his distinguished achievements and career-long service to the engineering profession, Mr. Beck has been inducted as a Fellow into the Canadian Academy of Engineering. A graduate in Civil Engineering from McGill University, Mr. Beck has more than 50 years of experience in the construction industry in Canada and internationally. His background includes corporate leadership in numerous construction activities including heavy civil projects such as bridges, highways, airport infrastructure, precast concrete manufacturing as well as buildings, commercial and industrial projects, and public-private partnerships for the development of infrastructure, such as airports and toll roads.</p> <p><i>Areas of Expertise:</i></p> <ul style="list-style-type: none"> <li>Managing or Leading Growth</li> <li>Financial Literacy</li> <li>Senior Officer or CEO Experience</li> <li>Construction Industry Experience</li> <li>Government Affairs (Canadian and US)</li> <li>International Business</li> <li>Service on Public Company Boards</li> <li>Executive Compensation</li> <li>Capital Structuring and Capital Markets</li> <li>Corporate Governance</li> <li>Risk Management and Risk Mitigation</li> </ul>				
	<b>Meetings Attended in 2013</b>		<b>(#)</b>	<b>(%)</b>	
	Board		8 of 8	100%	
	<b>Securities Held or Controlled</b>				
	May 7, 2014	<b>Common Shares (#)</b>	<b>Total at Risk Value of Common Shares (\$)</b>	<b>Multiple of Annual Base Salary</b>	<b>Satisfies Senior Executive Share Ownership Requirement</b>
		565,063 <sup>(1)</sup>	10,453,665	14.6x	Yes <sup>(2)</sup>
	<b>Value of Total Compensation Received</b>				
	<b>Year</b>	<b>(\$)</b>			
	2013	Nil <sup>(2)</sup>			

**Notes:**

- (1) Total includes DSUs and RSUs.
- (2) As a management member of the Board, Mr. Beck does not receive an annual retainer or any other fees in respect of his participation in Board meetings. Please see Section Six, "Statement of Executive Compensation" for a discussion of the compensation paid to Mr. Beck. Pursuant to the Senior Executive Share Ownership Policy adopted by the Board, Mr. Beck is required to maintain minimum ownership levels of Common Shares, RSUs and DSUs equivalent to at least three times his annual base salary. Mr. Beck currently satisfies such minimum ownership level requirements.

<b>AUSTIN C. BEUTEL</b> Age: 81 Toronto, Ontario Canada  <b>Independent</b>  <b>Director since:</b> 2005  <b>Prior Aecon service:</b> 1997-2000 1989-1993	<b>Principal Occupation</b>		Chairman, Oakwest Corporation Limited		
	Austin C. Beutel is the Chairman of Oakwest Corporation Limited, a private investment holding company. Mr. Beutel again became a member of the Board in 2005 after having served previously on the Board from 1989 to 1993 and from 1997 to 2000. Mr. Beutel retired in 1994 as Chairman of Beutel Goodman and Company Ltd., an investment counselling firm, which he co-founded in 1967. He is the non-executive Chairman of Equitable Group Inc. and a director of Opta Minerals Inc. Mr. Beutel has a B. Comm. from McGill University and an MBA from Harvard University. He is also a Chartered Financial Analyst.				
	<i>Areas of Expertise:</i>		Financial Literacy Senior Officer or CEO Experience Service on Public Company Boards Executive Compensation Capital Structuring and Capital Markets Corporate Governance Risk Management and Risk Mitigation		
	<i>Aecon Committee Memberships:</i>		Audit Committee		
	<i>Current Public Board and Committee Memberships:</i>		Equitable Group Inc. <i>Risk and Capital Committee (Chair)</i> Opta Minerals Inc. <i>Audit Committee</i>		
	<b>Meetings Attended in 2013</b>		<b>(#)</b>	<b>(%)</b>	
	Board		8 of 8	100%	
	Audit Committee		4 of 4	100%	
	<b>Securities Held or Controlled</b>				
	May 7, 2014	<b>Common Shares (#)</b>	<b>Total at Risk Value of Common Shares (\$)</b>	<b>Multiple of Annual Retainer<sup>(1)</sup></b>	<b>Satisfies Director Share Ownership Requirement</b>
		75,000	1,387,500	18.5x	Yes
	<b>Value of Total Compensation Received</b>				
	<b>Year</b>	<b>(\$)</b>			
2013	176,800				

Note:

- (1) Mr. Beutel also holds \$1,000,000 of 6.25% unsecured subordinated convertible debentures issued by the Corporation on October 8, 2010, \$500,000 of 7.00% unsecured subordinated convertible debentures issued by the Corporation on September 29, 2009, and \$500,000 of 5.50% unsecured subordinated convertible debentures issued by the Corporation on November 27, 2013. The Multiple of Annual Retainer calculation does not include Mr. Beutel's debenture holdings in the Corporation.

<b>MICHAEL A. BUTT</b> Age: 76 Maple, Ontario Canada  <b>Independent</b>  <b>Director since:</b> 1994	<b>Principal Occupation</b>		Chairman and Chief Executive Officer, Buttcon Limited		
	Michael A. Butt is the Chairman and Chief Executive Officer of Buttcon Limited (" <b>Buttcon</b> "), general contractors, and is Executive Chairman of Buttcon Energy Inc. Mr. Butt has been a member of the Board of Directors since 1994. Mr. Butt has a Bachelor of Applied Science in Civil Engineering from the University of Toronto. Shortly after the transfer in 1996 of Pearson Airport from the Federal Government to the Greater Toronto Airports Authority (" <b>GTAA</b> "), Mr. Butt was elected Chairman of the Board of Directors of the GTAA and remained in that capacity until December 2004. Mr. Butt is a Fellow of The Canadian Society for Civil Engineering and a Fellow of the Canadian Design Build Institute. He was also honoured with the Hall of Distinction award from the University of Toronto Engineering Alumni Association.				
	<i>Areas of Expertise:</i>		Managing or Leading Growth Financial Literacy Senior Officer or CEO Experience Construction Industry Experience Government Affairs (Canadian and US) International Business Service on Public Company Boards Executive Compensation Capital Structuring and Capital Markets Corporate Governance Risk Management and Risk Mitigation		
	<i>Aecon Committee Memberships:</i>		Audit Committee Corporate Governance, Nominating and Compensation Committee (Chair)		
	<b>Meetings Attended in 2013</b>		<b>(#)</b>	<b>(%)</b>	
	Board		7 of 8	87.5%	
	Audit Committee		4 of 4	100%	
	Corporate Governance, Nominating and Compensation Committee		7 of 7	100%	
	<b>Securities Held or Controlled</b>				
	May 7, 2014	<b>Common Shares (#)</b>	<b>Total at Risk Value of Common Shares (\$)</b>	<b>Multiple of Annual Retainer<sup>(1)</sup></b>	<b>Satisfies Director Share Ownership Requirement</b>
	283,000	5,235,500	69.8x	Yes	
<b>Value of Total Compensation Received</b>					
<b>Year</b>	<b>(\$)</b>				
2013	203,550				

Note:

- (1) Mr. Butt also holds \$700,000 of 6.25% unsecured subordinated convertible debentures issued by the Corporation on October 8, 2010, \$732,000 of 7.00% unsecured subordinated convertible debentures issued by the Corporation on September 29, 2009, and \$200,000 of 5.50% unsecured subordinated convertible debentures issued by the Corporation on November 27, 2013. The Multiple of Annual Retainer calculation does not include Mr. Butt's debenture holdings in the Corporation.

<b>JOSEPH A. CARRABBA</b> Age: 61 Cornelius, North Carolina United States  <b>Independent</b>  <b>Director since:</b> 2013	<b>Principal Occupation</b>		Corporate Director		
	Joseph A. Carrabba is the former Chairman, President and Chief Executive Officer of Cliffs Natural Resources Inc., where he has served in executive capacities since 2005. Prior to joining Cliffs Natural Resources Inc., Mr. Carrabba gained broad experience in the mining industry throughout Canada, the United States, Asia, Australia and Europe. He served for over 20 years in a variety of leadership capacities at Rio Tinto, a global mining company, including as President and Chief Operating Officer of Rio Tinto's Diavik Diamond Mines, Inc. in the Northwest Territories. He is also a director of Newmont Mining Corporation, KeyCorp, National Mining Association, American Iron and Steel Institute, Capital University Board of Trustees and the Frostburg State University Foundation. Mr. Carrabba holds a Bachelor of Arts from Capital University in Ohio and a Master of Business Administration from Frostburg State University in Maryland.				
	<i>Areas of Expertise:</i>		Managing or Leading Growth Financial Literacy Senior Officer or CEO Experience International Business Service on Public Company Boards Executive Compensation Capital Structuring and Capital Markets Corporate Governance Risk Management and Risk Mitigation		
	<i>Aecon Committee Memberships:</i>		Corporate Governance, Nominating and Compensation Committee		
	<i>Current Public Board and Committee Memberships:</i>		Newmont Mining Corporation KeyCorp Pty Ltd.		
	<b>Meetings Attended in 2013<sup>(1)</sup></b>		<b>(#)</b>	<b>(%)</b>	
	Board		4 of 4	100%	
	Corporate Governance, Nominating and Compensation Committee		1 of 1	100%	
	<b>Securities Held or Controlled</b>				
	May 7, 2014	<b>Common Shares (#)</b>	<b>Total at Risk Value of Common Shares (\$)</b>	<b>Multiple of Annual Retainer</b>	<b>Satisfies Director Share Ownership Requirement</b>
	Nil	Nil	N/A	Yes <sup>(2)</sup>	
<b>Value of Total Compensation Received</b>					
<b>Year</b>	<b>(\$)</b>				
2013	47,000				

Notes:

- (1) Mr. Carrabba was appointed to the Corporation's Board of Directors on July 15, 2013, and to the Corporation's CGNC Committee on October 22, 2013.
- (2) Pursuant to the Director Share Ownership Policy, Mr. Carrabba has until 2019 to satisfy the threshold requirement of holding five times his annual Board retainer in Common Shares.

<b>ANTHONY P. FRANCESCHINI</b> Age: 63 Edmonton, Alberta Canada  <b>Independent</b>  <b>Director since:</b> 2009	<b>Principal Occupation</b>	Corporate Director		
	<p>Anthony P. Franceschini is a graduate of the Civil Engineering program at the University of Waterloo and has established an accomplished career in the consulting, engineering and design industry. Mr. Franceschini is the retired President and Chief Executive Officer of Stantec Inc., a Toronto Stock Exchange listed issuer specializing in providing professional consulting services in, among others, planning, engineering, architecture, interior design, project management and project economics for infrastructure and facilities projects. Mr. Franceschini joined Stantec Inc. in 1978 and was instrumental in the growth of the company into a 10,000-person professional services firm, serving as President and Chief Executive Officer from June 1, 1998 to May 14, 2009. Mr. Franceschini is a director of Stantec Inc. and also serves as a director of two other publicly traded companies, Esterline Technologies Corporation, a manufacturer in the aerospace/defence market, and Chair of the Board of ZCL Composites Inc., a manufacturer of fibreglass tank systems.</p> <p><i>Areas of Expertise:</i></p> <ul style="list-style-type: none"> <li>Managing or Leading Growth</li> <li>Financial Literacy</li> <li>Senior Officer or CEO Experience</li> <li>Construction Industry Experience</li> <li>Government Affairs (Canadian and US)</li> <li>International Business</li> <li>Service on Public Company Boards</li> <li>Executive Compensation</li> <li>Capital Structuring and Capital Markets</li> <li>Corporate Governance</li> <li>Risk Management and Risk Mitigation</li> </ul> <p><i>Aecon Committee Memberships:</i></p> <ul style="list-style-type: none"> <li>Audit Committee (Chair)</li> <li>Environmental, Health and Safety Committee</li> </ul> <p><i>Current Public Board and Committee Memberships:</i></p> <ul style="list-style-type: none"> <li>Stantec Inc.</li> <li>Esterline Technologies Corporation               <ul style="list-style-type: none"> <li><i>Executive Committee</i></li> <li><i>Compensation Committee (Chair)</i></li> <li><i>Nominating and Corporate Governance Committee</i></li> </ul> </li> <li>ZCL Composites Inc.               <ul style="list-style-type: none"> <li><i>Governance and Compensation Committee</i></li> <li><i>Health, Safety and Environmental Committee</i></li> </ul> </li> </ul>			
<b>Meetings Attended in 2013</b>		<b>(#)</b>	<b>(%)</b>	
Board		8 of 8	100%	
Audit Committee		4 of 4	100%	
Environmental, Health & Safety Committee <sup>(1)</sup>		2 of 2	100%	
<b>Securities Held or Controlled</b>				
	<b>Common Shares (#)</b>	<b>Total at Risk Value of Common Shares (\$)</b>	<b>Multiple of Annual Retainer<sup>(2)</sup></b>	<b>Satisfies Director Share Ownership Requirement</b>
May 7, 2014	40,000	740,000	9.9x	Yes
<b>Value of Total Compensation Received</b>				
<b>Year</b>	<b>(\$)</b>			
2013	189,800			

**Notes:**

- (1) Mr. Franceschini was appointed to the Corporation's Environmental, Health & Safety Committee on June 11, 2013.
- (2) Mr. Franceschini also holds \$100,000 of 6.25% unsecured subordinated convertible debentures issued by the Corporation on October 8, 2010, \$100,000 of 7.00% unsecured subordinated convertible debentures issued by the Corporation on September 29, 2009, and \$100,000 of 5.50% unsecured subordinated convertible debentures issued by the Corporation on November 27, 2013. The Multiple of Annual Retainer calculation does not include Mr. Franceschini's debenture holdings in the Corporation.

<b>J.D. HOLE</b> Age: 70 Edmonton, Alberta Canada  <b>Independent</b>  <b>Director since:</b> 2009	<b>Principal Occupation</b>		President, J.D. Hole Investments Inc.		
	<p>J. D. Hole became a director of Aecon following the completion of the acquisition of Lockerbie &amp; Hole Inc. ("Lockerbie"). Mr. Hole graduated with a Bachelor of Engineering Science degree from the University of Western Ontario in 1967 and joined Lockerbie as a Project Manager in 1969. During his career with Lockerbie, Mr. Hole worked in various positions and helped lead Lockerbie into new territories and markets, including the industrial and municipal market sectors. Mr. Hole was the President and Chief Executive Officer of Lockerbie from 1994 to April 2005 and during that time played an integral part in Lockerbie's growth and prosperity. Mr. Hole also serves as a director of Wajax Corporation.</p> <p><i>Areas of Expertise:</i></p> <ul style="list-style-type: none"> <li>Managing or Leading Growth</li> <li>Financial Literacy</li> <li>Senior Officer or CEO Experience</li> <li>Construction Industry Experience</li> <li>Government Affairs (Canadian and US)</li> <li>International Business</li> <li>Service on Public Company Boards</li> <li>Executive Compensation</li> <li>Corporate Governance</li> <li>Risk Management and Risk Mitigation</li> </ul> <p><i>Aecon Committee Memberships:</i> Environmental, Health and Safety Committee (Chair)</p> <p><i>Current Public Board and Committee Memberships:</i></p> <ul style="list-style-type: none"> <li>Wajax Corporation</li> <li>Governance Committee</li> <li>Human Resources and Compensation Committee</li> </ul>				
	<b>Meetings Attended in 2013</b>		<b>(#)</b>	<b>(%)</b>	
	Board		8 of 8	100%	
	Environmental, Health and Safety Committee		4 of 4	100%	
	<b>Securities Held or Controlled</b>				
	May 7, 2014	<b>Common Shares (#)</b>	<b>Total at Risk Value of Common Shares (\$)</b>	<b>Multiple of Annual Retainer<sup>(1)</sup></b>	<b>Satisfies Director Share Ownership Requirement</b>
		560,178	10,363,293	138.1x	Yes
	<b>Value of Total Compensation Received</b>				
	<b>Year</b>	<b>(\$)</b>			
2013	185,300				

Note:

- (1) Mr. Hole also holds \$500,000 of 6.25% unsecured subordinated convertible debentures issued by the Corporation on October 8, 2010 and \$250,000 of 5.50% unsecured subordinated convertible debentures issued by the Corporation on November 27, 2013. The Multiple of Annual Retainer calculation does not include Mr. Hole's debenture holdings in the Corporation.

<b>TERRANCE L. MCKIBBON</b> Age: 50 Canmore, Alberta Canada  <b>Non-Independent</b>  <b>Director since:</b> N/A <sup>(1)</sup>	<b>Principal Occupation</b>		President and Chief Operating Officer, Aecon Group Inc.		
	Terrance L. McKibbon has served as President and Chief Operating Officer of the Aecon group of companies since June 2013 and will be appointed President and Chief Executive Officer on June 11, 2014. From 2006 to 2012, Mr. McKibbon was Executive Vice-President of Aecon and CEO of Aecon Infrastructure Group. Mr. McKibbon has been involved with the management of construction-related companies for 30 years including founding, acquiring and integrating companies and the overall management of companies that are active in all aspects of infrastructure construction. Awarded the Canadian Construction Association's Gold Seal Project Manager Certification in 1997, Mr. McKibbon is also on the Aecon-Lafarge Caledon Board of Directors, is President of the Canadian Pipeline Contractors Board of Directors, serves as a trustee on the International Labourers Union of North America's Health and Safety Fund and as a trustee on Local 793 of the International Union of Operating Engineers Training Fund. Mr. McKibbon attended Carleton University's Geology as well as Integrated Science and Economics programs and has been with Aecon since 1996.				
	<i>Areas of Expertise:</i>		Managing or Leading Growth Financial Literacy Senior Officer or CEO Experience Construction Industry Experience Government Affairs (Canadian and US) Executive Compensation Capital Structuring and Capital Markets Corporate Governance Risk Management and Risk Mitigation		
	<b>Meetings Attended in 2013<sup>(1)</sup></b>		<b>#</b>	<b>%</b>	
	Board		N/A	N/A	
	<b>Securities Held or Controlled</b>				
		<b>Common Shares (#)</b>	<b>Total at Risk Value of Common Shares (\$)</b>	<b>Multiple of Annual Base Salary</b>	<b>Satisfies Senior Executive Share Ownership Requirement</b>
	May 7, 2014	251,252 <sup>(2)</sup>	4,648,162	8.1x	Yes <sup>(3)</sup>
	<b>Value of Total Compensation Received</b>				
	<b>Year</b>	<b>(\$)</b>			
2013	Nil <sup>(3)</sup>				

Notes:

- (1) Mr. McKibbon is a nominee standing for election as a director of the Corporation for the first time and did not serve as a director in 2013.
- (2) Total includes DSUs and RSUs.
- (3) As a management member (as defined hereinafter) of the Board, Mr. McKibbon does not receive an annual retainer or any other fees in respect of his participation in Board meetings. Please see Section Six, "Statement of Executive Compensation" for a discussion of the compensation paid to Mr. McKibbon. Pursuant to the Senior Executive Share Ownership Policy adopted by the Board, Mr. McKibbon is required to maintain minimum ownership levels of Common Shares, RSUs and DSUs equivalent to at least two times his annual base salary. Upon Mr. McKibbon's appointment as President and Chief Executive Officer, he will be required to maintain minimum ownership levels of Common Shares, RSUs and DSUs equivalent to at least three times his annual base salary. Mr. McKibbon currently satisfies such minimum ownership level requirements.

<b>MONICA SLOAN, ICD.D</b> Age: 60 Calgary, Alberta Canada  <b>Independent</b>  <b>Director since:</b> 2013	<b>Principal Occupation</b>		Managing Director, JKS Holdings Ltd.		
	<p>Monica Sloan, ICD.D is the Managing Director of JKS Holdings Ltd., a private operating and investment business and is the former Chief Executive Officer and Managing Director of Intervera Ltd., a data quality product and solutions firm servicing the energy and utilities industry. Prior to Intervera, Ms. Sloan was an Independent Strategy and Management Consultant for ME Sloan Associates focused on the Canadian energy, oil and gas sector. Ms. Sloan also served as President of Kelman Technologies from 1997 to 1999 and was founding President of Telus Advanced Communications from 1994 to 1997. She also serves as director of Methanex Corporation, the world's largest supplier of methanol, and the Balancing Pool established by the Government of Alberta. Ms. Sloan holds a Master of Engineering from Stanford University and a Master of Business Administration from Harvard Business School and is ICD.D certified.</p> <p><i>Areas of Expertise:</i></p> <ul style="list-style-type: none"> <li>Managing or Leading Growth</li> <li>Financial Literacy</li> <li>Senior Officer or CEO Experience</li> <li>International Business</li> <li>Service on Public Company Boards</li> <li>Executive Compensation</li> <li>Corporate Governance</li> <li>Risk Management and Risk Mitigation</li> </ul> <p><i>Aecon Committee Memberships:</i> Corporate Governance, Nominating and Compensation Committee</p> <p><i>Current Public Board Memberships:</i> Methanex Corporation</p> <ul style="list-style-type: none"> <li>Corporate Governance Committee (Chair)</li> <li>Responsible Care Committee</li> </ul>				
	<b>Meetings Attended in 2013<sup>(1)</sup></b>		<b>(#)</b>	<b>(%)</b>	
	Board		5 of 5	100%	
	Corporate Governance, Nominating and Compensation Committee		2 of 2	100%	
	<b>Securities Held or Controlled</b>				
	May 7, 2014	<b>Common Shares (#)</b>	<b>Total at Risk Value of Common Shares (\$)</b>	<b>Multiple of Annual Retainer<sup>(2)</sup></b>	<b>Satisfies Director Share Ownership Requirement</b>
		8,000	148,000	2.0x	Yes <sup>(3)</sup>
	<b>Value of Total Compensation Received<sup>(1)</sup></b>				
	<b>Year</b>	<b>(\$)</b>			
2013	50,000				

Notes:

- (1) Ms. Sloan was elected to the Corporation's Board of Directors and appointed to the Corporation's CGNC Committee at the annual meeting of shareholders held on June 11, 2013.
- (2) Ms. Sloan also holds \$200,000 of 5.50% unsecured subordinated convertible debentures issued by the Corporation on November 27, 2013. The Multiple of Annual Retainer calculation does not include Ms. Sloan's debenture holdings in the Corporation.
- (3) Pursuant to the Director Share Ownership Policy, Ms. Sloan has until 2019 to satisfy the threshold requirement of holding five times her annual Board retainer in Common Shares.

<b>THE HON. BRIAN V. TOBIN, P.C., O.C., ICD.D</b> Age: 59 Manotick, Ontario Canada  <b>Independent</b>  <b>Director since:</b> 2005	<b>Principal Occupation</b>		Vice Chairman, BMO Capital Markets		
	The Hon. Brian V. Tobin, P.C., O.C. served as the Federal Minister of Industry from October 2000 to January 2002. Previously he served as the Premier of Newfoundland and Labrador from 1996 to 2000 and won two consecutive majority governments in provincial elections held in February 1996 and February 1999. Mr. Tobin served as a Member of Parliament from 1980 to 1996 and served as Minister of Fisheries and Oceans in the federal cabinet from 1993 to 1996. Mr. Tobin is Chairman of the board of New Flyer Industries Inc. He is the former CEO and President of Consolidated Thompson Iron Mines Limited which was sold in 2011 to Cliffs Natural Resources Inc. In addition, Mr. Tobin is the Vice Chairman of BMO Capital Markets. Mr. Tobin is ICD.D certified.				
	<i>Areas of Expertise:</i>		Managing or Leading Growth Financial Literacy Senior Officer or CEO Experience Government Affairs (Canadian and US) International Business Service on Public Company Boards Executive Compensation Capital Structuring and Capital Markets Corporate Governance Risk Management and Risk Mitigation		
	<i>Aecon Committee Memberships:</i>		Corporate Governance, Nominating and Compensation Committee		
	<i>Current Public Board and</i>				
	<i>Committee Memberships:</i>		New Flyer Industries Inc. Audit Committee Compensation, Nominating and Corporate Governance Committee		
	<b>Meetings Attended in 2013</b>		<b>(#)</b>	<b>(%)</b>	
	Board		8 of 8	100%	
	Corporate Governance, Nominating and Compensation Committee		7 of 7	100%	
	Environmental, Health and Safety Committee <sup>(1)</sup>		2 of 2	100%	
<b>Securities Held or Controlled</b>					
May 7, 2014	<b>Common Shares (#)</b>	<b>Total at Risk Value of Common Shares (\$)</b>	<b>Multiple of Annual Retainer<sup>(2)</sup></b>	<b>Satisfies Director Share Ownership Requirement</b>	
	36,150	668,775	8.9x	Yes	
<b>Value of Total Compensation Received</b>					
<b>Year</b>	<b>(\$)</b>				
2013	240,550				

Notes:

- (1) Mr. Tobin served as a member of the Environmental, Health and Safety Committee until the Annual Meeting of Shareholders held on June 11, 2013.
- (2) Mr. Tobin also holds \$100,000 of 6.25% unsecured subordinated convertible debentures issued by the Corporation on October 8, 2010. The Multiple of Annual Retainer calculation does not include Mr. Tobin's debenture holdings in the Corporation.

## BOARD SKILLS MATRIX

The Corporation believes that a board of directors with a diverse set of skills is better able to oversee the wide range of issues that arise in a company of Aecon's size and complexity. Nominees to the Board are selected for their integrity and character, sound and independent judgment, breadth of experience, insight and knowledge and business acumen. The following matrix illustrates the overall experience of the current members of the Board and the new nominee to the Board in a variety of categories that are important to Aecon's business. It also identifies which skills the Board would ideally possess and which will be considered when Aecon recruits new directors and proposes changes to the composition of the Board.

Name of Director	Managing or Leading Growth	Financial Literacy	Senior Officer or CEO Experience	Construction Industry Experience	Government Affairs (Canadian or US)	International Business	Service on Public Company Boards	Executive Compensation	Capital Structuring and Capital Markets	Corporate Governance	Risk Management and Risk Mitigation
John M. Beck	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Austin C. Beutel	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Michael A. Butt	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Joseph A. Carrabba	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Anthony P. Franceschini	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
J.D. Hole	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Terrance L. McKibbon	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Monica Sloan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
The Hon. Brian V. Tobin	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

## DIRECTOR INDEPENDENCE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) set out a series of Canadian Securities Administrators (“**CSA**”) guidelines for effective corporate governance (collectively, the “**CSA Guidelines**”), including the criteria used in determining the independence of directors. The Board shall at all times be constituted of a majority of individuals who are independent within the meaning of the CSA Guidelines. Based on the information received from each director of Aecon, the Board has concluded that all proposed directors, with the exceptions of John M. Beck and Terrance L. McKibbon, are independent within the meaning of the CSA Guidelines.

As shown in the following table, seven of nine nominees for election to the Board are independent:

Name of Director	Non-		Reason for Non-Independent Status
	Independent	Independent	
John M. Beck		✓	Mr. Beck is the Chief Executive Officer of the Corporation.
Austin C. Beutel	✓		N/A
Michael A. Butt	✓		N/A
Joseph A. Carrabba	✓		N/A
Anthony P. Franceschini	✓		N/A
J.D. Hole	✓		N/A
Terrance L. McKibbon <sup>(1)</sup>		✓	Mr. McKibbon is the President and Chief Operating Officer of the Corporation.
Monica Sloan	✓		N/A
The Hon. Brian V. Tobin	✓		N/A

### Note:

- (1) Terrance L. McKibbon will be appointed President and Chief Executive Officer of the Corporation and Mr. Beck will be appointed Executive Chairman of the Corporation on June 11, 2014.

As at the financial year ended December 31, 2013, all of the members of the Audit Committee, CGNC Committee and EHS Committee were considered “independent” under the CSA Guidelines. Please see Section Ten, “Corporate Governance Matters – Composition of the Board – Board Committees” of this Circular for additional details.

## DIRECTOR ATTENDANCE

The following table summarizes the attendance at Board and committee meetings held during the financial year ended December 31, 2013 of the individuals who served as directors of the Corporation in 2013 and who are standing for re-election. The Board expects the directors to attend all meetings of the Board and Board committees upon which they serve, to come to such meetings fully prepared and to remain in attendance for the duration of the meetings. Consideration is given to the attendance record of directors in assessing the proposed nominees for election as directors to ensure that directors are able to continue to devote sufficient time to the business and affairs of the Corporation. During the financial year ended December 31, 2013, each proposed nominee for election as a director attended at least 94.7% of the Board and Board Committee meetings held during the period that such individual was a director of the Corporation, each member of the Audit Committee attended 100% of the Audit Committee meetings held during the period that such individual was a member of the Audit Committee, each member of the CGNC Committee attended 100% of the CGNC Committee meetings held during the period that such individual was a member of the CGNC Committee and each member of the EHS Committee attended 100% of the EHS Committee meetings held during the period that such individual was a member of the EHS Committee. As evidenced by the directors’ exemplary attendance record, a quorum of a majority of the Board of Directors was met at every Board meeting held in 2013.

Director	Board Meetings Attended	Audit Committee Meetings Attended	CGNC Committee Meetings Attended	EHS Committee Meetings Attended	Total Meetings	Overall Meeting Attendance
John M. Beck	8/8	N/A	N/A	N/A	8/8	100%
Austin C. Beutel	8/8	4/4	N/A	N/A	12/12	100%
Michael A. Butt	7/8	4/4	7/7	N/A	18/19	94.7%
Joseph A. Carrabba	4/4	N/A	1/1	N/A	5/5	100%
Anthony P. Franceschini	8/8	4/4	N/A	2/2	14/14	100%
J.D. Hole	8/8	N/A	N/A	4/4	12/12	100%
Monica Sloan	4/4	N/A	2/2	N/A	6/6	100%
The Hon. Brian V. Tobin, P.C., O.C.	8/8	N/A	7/7	2/2	17/17	100%

## DIRECTOR SUMMARY COMPENSATION TABLE

Director compensation is set by the Board on the recommendation of the CGNC Committee. The CGNC Committee seeks to maintain director compensation at a level that is competitive with director compensation at comparable companies.

The Corporation retained Towers Watson to provide benchmarking information in this regard and to provide information on general trends and practices in director compensation. In 2011, Towers Watson conducted a comparative review of director compensation drawing on two comparator groups which included construction and engineering companies based in Canada and the United States and Canadian companies with comparable revenue to the Corporation (see Section Six, “Statement of Executive Compensation – Benchmarking”). Based on the results of the benchmarking review, the CGNC Committee set the current annual retainer, committee membership and chairmanship retainers, Lead Director retainer, and meeting attendance fees. The CGNC Committee also determined that the Audit Committee Chair retainer should be differentiated from the annual retainer paid to Chairs of other committees in order to reflect the increased responsibility, risk and time commitment associated with serving as Chair of the Audit Committee. In late 2013, the Corporation retained Meridian Compensation Partners (“Meridian”) to review the Corporation’s director compensation package relative to a comparator group. Meridian concluded that Aecon’s distribution of total compensation elements is very closely aligned with the comparator group (see Section Six, “Statement of Executive Compensation – Benchmarking”). Based on Meridian’s review and recommendations, in March 2014, the Board decreased the

annual Lead Director retainer and increased the annual CGNC Committee Chair retainer to more accurately reflect the responsibility, risk and time commitment of each of those roles.

The following table sets forth the details regarding compensation paid to the Corporation's non-management directors during the financial year ended December 31, 2013:

Name <sup>(1)</sup>	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Austin C. Beutel	97,000	Nil	79,800	Nil	Nil	Nil	176,800
Michael A. Butt	123,750	Nil	79,800	Nil	Nil	Nil	203,550
Joseph A. Carrabba	47,000	Nil	Nil	Nil	Nil	Nil	47,000
Anthony P. Franceschini	110,000	Nil	79,800	Nil	Nil	Nil	189,800
J.D. Hole	105,500	Nil	79,800	Nil	Nil	Nil	185,300
Rolf Kindbom	95,500	Nil	79,800	Nil	Nil	Nil	175,300
Monica Sloan	50,000	Nil	Nil	Nil	Nil	Nil	50,000
The Hon. Brian V. Tobin, P.C., O.C.	160,750	Nil	79,800	Nil	Nil	Nil	240,550
Robert P. Wildeboer <sup>(3)</sup>	103,000	Nil	79,800	Nil	Nil	Nil	182,800

**Notes:**

- (1) John M. Beck was an NEO (as defined hereinafter) and as such, his compensation as a director of the Corporation is included in the column entitled "Total Compensation" under the heading "Summary Compensation Table", below.
- (2) Option-based awards represent the grant date fair value for option-based awards. Both the grant date fair value and accounting fair value for option-based awards are calculated using the Black-Scholes model using the assumptions described in the table under "Share Option Values and Assumptions", below. The grant date fair value of option-based awards as presented will differ from the compensation expense included for these grants in the Corporation's financial statements. In accordance with International Financial Reporting Standards, the fair value of each award at the grant date is amortized over the relevant vesting period to arrive at compensation expense in the financial statements.

**Share Option Values and Assumptions for options granted to directors other than John M. Beck on March 7, 2013**

	2013
Weighted average fair value per option	\$2.66
Expected volatility <sup>(1)</sup>	31.26%
Dividend yield	2.68%
Risk free interest rate	1.68%
Weighted average expected life in years	5

(1) Expected volatility was determined using historical volatility.

- (3) Robert P. Wildeboer served as a Vice Chairman and Lead Director of the Corporation until his retirement from the Board on June 11, 2013.

## DIRECTOR FEE COMPENSATION

Each non-management director of the Corporation is remunerated at the rate of \$75,000 per annum and receives \$1,500 for each meeting of the Board attended. The Chair of the Audit Committee and CGNC Committee of the Board are entitled to a further \$20,000 per annum, the Chair of the EHS Committee, receives a further \$12,500 per annum, and all committee members receive \$4,000 per annum for each committee of the Board on which they serve. The Chair and each committee member receive \$1,500 per committee meeting attended. The Vice Chairman and Lead Director receives a further \$75,000 per annum. From time to time, senior management of the Corporation requests that independent members of the Board participate in special meetings in their capacities as directors in order to both take advantage of their diverse skills and experience and to provide input on behalf of the Board for which the directors receive a special meeting fee. There were no special meetings of the Board in 2013. Independent directors also meet regularly at the end of every Board meeting. In 2013, non-management directors did not receive share-based compensation but, upon recommendation of the CGNC Committee, they were granted stock options as discussed below.

The following table sets forth the breakdown of the non-management directors' fees earned for the financial year ended December 31, 2013.

Name <sup>(1)</sup>	Board Annual Retainer (\$)	Committee Chair/Member Retainer (\$)	Aggregate Board Attendance Fee (\$)	Aggregate Committee Attendance Fee (\$)	Total (\$)
Austin C. Beutel	75,000	4,000	12,000	6,000	97,000
Michael A. Butt	75,000	20,250	10,500	18,000	123,750
Joseph A. Carrabba	37,500	2,000	6,000	1,500	47,000
Anthony P. Franceschini	75,000	14,000	12,000	9,000	110,000
J.D. Hole	75,000	12,500	12,000	6,000	105,500
Rolf Kindbom	75,000	4,000	10,500	6,000	95,500
Monica Sloan	37,500	2,000	7,500	3,000	50,000
The Hon. Brian V. Tobin, P.C., O.C.	75,000	60,250 <sup>(2)</sup>	12,000	13,500	160,750
Robert P. Wildeboer <sup>(3)</sup>	37,500	50,000 <sup>(4)</sup>	6,000	7,500	103,000

Notes:

- (1) John M. Beck was an NEO and as such did not receive fees in respect of his participation in Board meetings.
- (2) Includes \$50,000 as a retainer for serving as Vice Chairman and Lead Director of the Corporation from June 11, 2013 until December 31, 2013.
- (3) Robert P. Wildeboer served as a Vice Chairman and Lead Director of the Corporation until his retirement from the Board on June 11, 2013.
- (4) Includes \$50,000 as a retainer for serving as Vice Chairman and Lead Director of the Corporation from January 1, 2013 until June 11, 2013.

## DIRECTOR INCENTIVE PLAN AWARDS

### Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth the details regarding the option-based incentive plan awards for each non-management director of the Corporation outstanding as at December 31, 2013:

Name <sup>(1)</sup>	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options <sup>(2)</sup> (\$)
Austin C. Beutel	25,000	9.66	March 11, 2016	160,750
	20,000	12.95	March 7, 2017	62,800
	30,000	11.92	March 14, 2018	125,100
Michael A. Butt	25,000	9.66	March 11, 2016	160,750
	20,000	12.95	March 7, 2017	62,800
	30,000	11.92	March 14, 2018	125,100
Joseph A. Carrabba	Nil	N/A	N/A	Nil
Anthony P. Franceschini	20,000	12.95	March 7, 2017	62,800
	30,000	11.92	March 14, 2018	125,100
J.D. Hole	100,000	11.29	May 14, 2014	480,000
	25,000	9.66	March 11, 2016	160,750
	20,000	12.95	March 7, 2017	62,800
	30,000	11.92	March 14, 2018	125,100
Rolf Kindbom	15,000	9.66	March 11, 2016	96,450
	20,000	12.95	March 7, 2017	62,800
	30,000	11.92	March 14, 2018	125,100
Monica Sloan	Nil	N/A	N/A	Nil
The Hon. Brian V. Tobin, P.C., O.C.	25,000	9.66	March 11, 2016	160,750
	20,000	12.95	March 7, 2017	62,800
	30,000	11.92	March 14, 2018	125,100

Notes:

- (1) John M. Beck was an NEO, and as such the options granted to him as a director of the Corporation are included in the column entitled "Option-Based Awards" under the heading "Summary Compensation Table", below.
- (2) Based on the closing price of the Common Shares on the TSX on December 31, 2013, being \$16.09 per share, and the option exercise price of the stock options.

## Director Option Awards

In 2013, each director of the Corporation was eligible to participate in the Option Plan. Option grants for directors were approved by the Board based on the recommendations of the CGNC Committee. The number of stock options granted was based on competitive and market conditions, including options awarded to directors of other corporations of comparable market capitalization to the Corporation.

Since 1998, there have been a total of six director option grants. If a director had been in place since 1998, as at December 31, 2013, such director would have received a total of 350,000 options being 75,000 in 2000; 100,000 in 2006; 100,000 in 2008; 25,000 in 2011; 20,000 in 2012; and 30,000 in 2013.

The Board, on the recommendation of the CGNC Committee, has traditionally granted options to directors on the foregoing basis, although it is not bound to a specific policy that a particular number of options be granted at particular times. The CGNC Committee and the Board believe that a portion of director compensation should include equity grants for all non-management directors in addition to a director retainer and a stipend for meetings attended.

The grant of stock options, which has consistently been a part of Aecon's director compensation arrangements, has allowed Aecon to provide directors with competitive compensation which includes an equity component in order to align director interests with those of Shareholders.

## Director DSU Awards

In May 2014, the Board modified the director compensation program by replacing stock option grants to non-management directors with a director deferred share unit plan (the "Director DSU Plan"). A DSU is a right to receive an amount from the corporation equal to the value of one Common Share. Commencing in 2014, directors will have the option of receiving up to 50% of their annual retainer fee, that is otherwise payable in cash, in the form of DSUs pursuant to the Director DSU Plan. The number of DSUs awarded to a director is equal to the value of the compensation that a director elects to receive in DSUs or the value awarded by the Corporation on an annual basis divided by the volume weighted average trading price of a Common Share on the TSX for the five trading days prior to the date of the award. DSUs shall vest on the first business day following the date the director ceases to serve on the Board, thereby providing an equity stake in the Corporation throughout the director's term as a Board member. DSUs will not entitle the director to any voting or other shareholder rights.

## Value Vested or Earned During the Financial Year Ended December 31, 2013

The following table sets forth the details regarding the value vested or earned of incentive plan awards for each non-management director of the Corporation for the financial year ended December 31, 2013.

Name <sup>(1)</sup>	Option-Based Awards – Value Vested During the Year <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Austin C. Beutel	125,100 <sup>(3)</sup>	Nil
Michael A. Butt	125,100 <sup>(3)</sup>	Nil
Joseph A. Carrabba	Nil	Nil
Anthony P. Franceschini	245,100 <sup>(3)(4)</sup>	Nil
J.D. Hole	245,100 <sup>(3)(4)</sup>	Nil
Rolf Kindbom	125,100 <sup>(3)</sup>	Nil
Monica Sloan	Nil	Nil
The Hon. Brian V. Tobin, P.C., O.C.	125,100 <sup>(3)</sup>	Nil

Notes:

- (1) John M. Beck was an NEO, and as such the value vested during the year in respect of option-based awards is included in the column entitled "Option-Based Awards – Value Vested During the Year" under the heading "Summary Compensation Table – Value Vested or Earned During the Financial Year Ended December 31, 2013", below.
- (2) Based on the closing price of the Common Shares on the TSX on December 31, 2013, the last trading day of fiscal 2013, being \$16.09 per share and the option exercise price of the stock options.
- (3) For each noted director, 30,000 options with an option exercise price of \$11.92 vested on March 15, 2013.
- (4) For each noted director, 25,000 options with an option exercise price of \$11.29 vested on May 14, 2013.

## **SECTION THREE – ADVISORY VOTE ON EXECUTIVE COMPENSATION (“SAY-ON-PAY VOTE”)**

The Corporation’s compensation policies and procedures are based on the principle of pay for performance. The Board believes they align the interests of the Corporation’s executive team with the long-term interests of the Shareholders. The Board also believes that Shareholders should have the opportunity to fully understand the objectives, philosophy and principles used in its approach to executive compensation decisions and to have an advisory vote on the Board’s approach to executive compensation. This non-binding advisory Shareholder vote, commonly known as “Say-on-Pay,” gives each Shareholder an opportunity to either endorse or not endorse the Corporation’s approach to its executive pay program and policies through the following resolution:

**“Resolved, on an advisory basis and not to diminish the role and responsibilities of the Board, that the Shareholders accept the approach to executive compensation disclosed in this management information circular delivered in advance of the 2014 annual meeting of Shareholders of the Corporation.”**

Approval of the above resolution will require an affirmative vote of a majority of the votes cast at the Meeting.

The purpose of the Say-on-Pay advisory vote is to provide appropriate director accountability to the Shareholders of the Corporation for the Board’s compensation decisions by giving Shareholders a formal opportunity to provide their views on the disclosed objectives of the executive compensation plans, and on the plans themselves, for the past, current and future fiscal years.

While Shareholders will provide their collective advisory vote, the directors of the Corporation remain fully responsible for their compensation decisions and are not relieved of these responsibilities by a positive advisory vote by Shareholders.

As this is an advisory vote, the results will not be binding upon the Board. However, the Board will take the results of the vote into account, as appropriate, when considering future compensation policies, procedures and decisions and in determining whether there is a need to significantly increase their engagement with Shareholders on compensation and related matters. The Corporation will disclose the results of the Say-on-Pay vote as a part of its report on voting results for the Meeting.

In the event that a significant number of Shareholders oppose the resolution, the Chair of the Board will oversee a consultation process with the Shareholders, particularly those who are known to have voted against it, in order to better understand their concerns. The CGNC Committee will review the Corporation’s approach to compensation in the context of those concerns. Shareholders who have voted against the resolution will be encouraged to contact the CGNC Committee to discuss their specific concerns.

Following the review by the CGNC Committee, the Corporation will disclose to Shareholders a summary of the significant comments relating to compensation received from Shareholders in the process, a description of the process undertaken and a description of any resulting changes to executive compensation or why no changes will be made. The Corporation will provide this disclosure within six months of the Say-on-Pay vote, and no later than in the management information circular for its next annual meeting.

The Board recognizes that Say-on-Pay is an evolving area in Canada and globally, and will review this policy annually to ensure that it is effective in achieving its objectives.

The results of the Say-on-Pay advisory vote will be disclosed as part of the report on voting results for the Meeting. The Board is pleased that the Corporation’s Shareholders supported its executive compensation approach in 2012 by using their Say-on-Pay to vote 95.65% “FOR” and 4.35% “AGAINST” at the 2013 annual meeting of Shareholders.

THE BOARD RECOMMENDS A VOTE FOR THE CORPORATION'S APPROACH TO EXECUTIVE COMPENSATION, AS DESCRIBED IN THE "STATEMENT OF EXECUTIVE COMPENSATION" IN THIS CIRCULAR.

## SECTION FOUR – RATIFICATION AND CONFIRMATION OF NEW BY-LAW NO. 1

### PURPOSE OF BY-LAW NO. 1

Shareholders will be asked to consider and, if thought advisable, pass a resolution confirming the repeal and replacement of By-law No. 1 of the Corporation relating generally to the affairs of the Corporation (the "**Old By-law No. 1**"). The Old By-law No. 1 was originally passed by the Board and confirmed by Shareholders on June 20, 2002. The Corporation has recently undertaken a review of Old By-law No. 1, particularly in light of evolving corporate governance best practices, and determined that it would be in the best interests of the Corporation to implement a new by-law (the "**New By-law No. 1**") in order to incorporate such best practices and implement certain other desirable changes to update Old By-law No. 1.

### TERMS OF BY-LAW NO. 1

Selected changes to Old By-law No. 1 as contained in New By-law No. 1 are summarized below:

- New By-law No. 1 amends the quorum for any meeting of the Board to at least 50% of the number of directors on the Board or such greater number of directors as the Board may determine;
- New By-law No. 1 amends the quorum for any meeting of Shareholders to two persons present in person, who together hold or represent by proxy shares of the Corporation having not less than 25% of the total number of the outstanding votes entitled to be cast at the meeting of Shareholders; and
- New By-law No. 1 clarifies that the Chair of the Corporation is not entitled to cast a second or tie-breaking vote when the votes are tied at a meeting of the Board.

The full text of New By-law No. 1 is set out as Appendix 4 to this Circular.

### RATIFICATION AND CONFIRMATION OF BY-LAW NO. 1 BY SHAREHOLDERS

Appendix 3 sets forth resolutions repealing old By-law No. 1 and approving and adopting New By-law No. 1 (the "**By-law Resolutions**").

Approval of the By-law Resolutions will require an affirmative vote of a majority of the votes cast at the annual meeting of shareholders of the Corporation.

THE BOARD RECOMMENDS A VOTE FOR THE APPROVAL OF THE BY-LAW RESOLUTIONS.

## SECTION FIVE – APPOINTMENT AND REMUNERATION OF AUDITORS

The Shareholders will be asked at the Meeting to pass a resolution confirming the re-appointment of PricewaterhouseCoopers LLP, Chartered Accountants, of 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2 as auditors of the Corporation. PricewaterhouseCoopers LLP were the Corporation's auditors for the financial year ended December 31, 2013.

More detailed information respecting the Corporation's Audit Committee and audit-related fees paid to the external auditors for the financial year ended December 31, 2013 can be found on pages 35-36 and in Appendix A of the Corporation's Annual Information Form dated March 27, 2014 which is available for review under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

**THE BOARD RECOMMENDS A VOTE FOR THE RE-APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS AUDITORS OF THE CORPORATION FOR THE FINANCIAL YEAR ENDING DECEMBER 31, 2014 AND AUTHORIZING THE BOARD TO FIX THE AUDITORS' REMUNERATION.**

## **SECTION SIX – STATEMENT OF EXECUTIVE COMPENSATION**

For the financial year ended December 31, 2013, the Corporation had five named executive officers (“NEOs”), namely: (i) John M. Beck, Chairman and Chief Executive Officer; (ii) David Smales, Executive Vice President and Chief Financial Officer; (iii) Terrance L. McKibbon, President and Chief Operating Officer; (iv) L. Brian Swartz, Executive Vice President, Legal and Commercial Services; and (v) Paul P. Koenderman, Executive Advisor.

On March 11, 2014, the Board announced that it will appoint Terrance L. McKibbon, President and Chief Operating Officer as the Corporation’s President and Chief Executive Officer, effective on June 11, 2014 at its Meeting. John M. Beck, currently Chairman and Chief Executive Officer will become Executive Chairman and will continue to serve the Corporation on a full-time basis.

The objective of the below disclosure is to communicate to Shareholders the compensation the Corporation paid to its NEOs for the financial year ended December 31, 2013, to provide insight into executive compensation as a key aspect of the overall stewardship and governance of the Corporation, and to inform Shareholders as to how decisions about executive compensation matters relating to the Corporation are made.

### **COMPENSATION COMMITTEE REPORT**

The CGNC Committee has reviewed and discussed with management the following Compensation Discussion and Analysis. Based on that review and discussion, the CGNC Committee has recommended to the Board that the following Compensation Discussion and Analysis be included in this Circular.

### **COMPENSATION DISCUSSION AND ANALYSIS**

#### **Corporate Governance, Nominating and Compensation Committee Composition**

As of the date of this Circular, the CGNC Committee is comprised of four members of the Board, namely: (i) Michael A. Butt (Chair); (ii) Joseph A. Carrabba; (iii) Monica Sloan; and (iv) The Hon. Brian V. Tobin, P.C., O.C., none of whom is eligible to participate in the Corporation’s executive compensation programs. Mr. Tobin is also the Vice Chairman and Lead Director of the Corporation. No member of the CGNC Committee is an officer, employee or former officer or employee of the Corporation or any of its affiliates and each is considered “independent” of the Corporation within the meaning of the CSA Guidelines.

The CGNC Committee is responsible for oversight of the Corporation’s compensation plans, including conducting regular reviews of the Corporation’s compensation philosophy and developing and fostering a compensation policy that rewards the creation of shareholder value and reflects an appropriate balance between short and long-term performance. With respect to compensation matters, the CGNC Committee makes recommendations to the Board on all aspects of executive compensation relating to the Corporation, particularly those regarding executive officers, including salary and salary structure for executives and employees, bonus awards, stock option grants, and incentive plans and policies. In late 2012 and early 2013, Meridian, the independent consultant to the CGNC Committee, conducted an assessment of competitive positioning of Aecon’s executive compensation relative to the comparator group (see section “Benchmarking”, below, for a detailed discussion of the selection process and criteria used to establish the comparator group). As part of this review, Meridian considered the levels and mix of NEO compensation. In late 2013, Meridian updated the comparator group and reviewed the Corporation’s short and long-term incentive plans and provided recommendations to enhance pay for performance.

#### **Executive Compensation Experience and Expertise of the CGNC Committee**

Michael A. Butt is the Chairman and Chief Executive Officer of Buttcon Limited. Mr. Butt has held executive positions in the construction industry over the last 40 years, has been a member of the Board since 1994, has been a member of the CGNC Committee since its formation and was a member of the predecessor

Human Resources and Compensation Committee (“**HRC Committee**”). Joseph A. Carrabba is the former Chairman, President and Chief Executive Officer of Cliffs Natural Resources Inc. He has served in various leadership and executive positions in the mining industry for over 20 years. Monica Sloan is the former Chief Executive Officer and Managing Director of Intervera Ltd., a data quality product and solutions firm servicing the energy and utilities industry and has broad leadership experience. She also serves as a director at Methanex Corporation, the world’s largest supplier of methanol and is ICD.D certified. The Honourable Brian V. Tobin has been a member of the CGNC Committee since its formation in 2011 and was a member of the predecessor HRC Committee commencing in June 2005. Mr. Tobin has held a number of senior executive and chair roles with other companies, is currently the Vice-Chairman of BMO Capital Markets, the Chair of New Flyer Industries Inc. and is ICD.D certified. As such, each member of the CGNC Committee has significant experience and expertise in executive compensation.

### **Objectives of Executive Compensation Program and Strategy**

The nature of the industry in which Aecon participates is based on delivering successful projects to clients with positive financial results to the Corporation. The importance placed on performance and delivering positive financial results is woven through Aecon’s executive compensation philosophy, which ensures that total compensation for its NEOs is competitive and directly linked to the actual performance results of both the individual officer and the Corporation. The objective of the Corporation’s compensation policy is to attract, retain and motivate highly-competent individuals who can ensure the current and long-term success of the Corporation. The Corporation’s NEO compensation program is designed to reward NEOs for delivering positive financial results which has the consequential effect of increasing shareholder value, achieving superior corporate performance, improving operations and executing on corporate strategy. The same performance-driven results approach is taken by the Corporation with respect to the compensation of management personnel other than the NEOs.

The CGNC Committee and the Board as a whole, working with management, have been successful in assembling an executive team that has driven the growth of the Corporation over the past several years. The CGNC Committee plays a key role in supporting the Board in its oversight of succession planning (see “Succession Planning” in Section Ten of this Circular). At the corporate level, the CGNC Committee believes that John M. Beck, current Chief Executive Officer and Terrance L. McKibbin, President and Chief Executive Officer effective June 11, 2014, are ably backed by a strong team of executives.

The Corporation has four operating segments, each of which is directed by a senior executive officer who reports directly to the President. The objective of the Corporation’s operating structure is to implement and maintain strong executive teams at the operating segment level while realizing synergies from the Corporation’s “One Aecon” approach under the direction of the President. Furthermore, the Corporation has established an executive committee (the “**Executive Committee**”) comprised of key corporate executives and headed by the Chief Executive Officer. The Executive Committee is charged with developing, implementing and coordinating the goals and strategy of the Corporation.

### **Benchmarking**

The CGNC Committee benchmarks compensation against a comparator group (the “**Comparator Group**”), which is comprised of publicly traded construction and engineering, metals and mining, machinery, energy equipment, road and rail transportation, professional services and metal fabricating companies that are of comparable size, scope, market presence and/or complexity to the Corporation and that comprise the Corporation’s primary competition for talent and for customers. The Corporation is positioned approximately at the median of the Comparator Group, which is comprised of companies ranging from approximately one third to three times the size of the Corporation, on the basis of revenue and assets. The Comparator Group was recommended by the CGNC Committee’s independent compensation advisor, Meridian, and approved by the CGNC Committee, taking into account the Corporation’s direct competitors for executive talent. The Comparator Group includes high-performance companies, market share leaders, innovators, and businesses with desirable cultures and recognized management talent. Some international competitors are included in the Comparator Group because of the limited number of comparable publicly traded construction and infrastructure companies in

Canada. The Corporation does not target compensation to a particular level, but uses benchmarking as a reference in setting compensation.

The following table sets out the Corporation's 2013 Comparator Group companies:

<b>Company</b>	<b>2013 Revenue (\$M)</b>	<b>Company</b>	<b>2013 Revenue (\$M)</b>
Aecon Group Inc.	3,069	Martinrea International Inc.	3,224
Armtec Infrastructure Inc.	454	Mastec Inc.	4,325
Bird Construction Inc.	1,332	North American Energy Partners	357
Canadian Pacific Railway Ltd.	6,133	Quanta Services Inc.	6,523
Canam Group Inc.	988	SNC-Lavalin Group Inc.	7,926
Churchill Corp.	1,107	Stantec Inc.	2,033
Emcor Group Inc.	6,417	Toromont Industries Ltd.	1,597
Finning International Inc.	6,881	Tutor Perini Corp.	4,176
Granite Construction Inc.	2,268	URS Corp.	10,991
KBR Inc.	7,390	WSP Global Inc.	2,023
Linamar Corp.	3,598		

### Independent Advice

In 2013, the CGNC Committee retained independent compensation consultants Meridian to provide independent advice to the CGNC Committee in connection with matters pertaining to executive compensation. Meridian updated the benchmarking analysis that Meridian performed for the Corporation in 2012 and provided advice respecting the Comparator Group. Meridian also provided advice to the CGNC Committee about director compensation, the relationship between compensation and enterprise risk, the Corporation's executive compensation programs and governance and compensation best practices as set out by proxy advisory firms. Meridian does not provide any services to management of the Corporation. In 2012, management retained Towers Watson to provide ad hoc independent advice in connection with the Corporation's short-term incentive plan ("STIP"). All services provided by, and fees paid to, the compensation consultants at the request of management not related to executive compensation were pre-approved by the CGNC Committee.

The table below reports the fees paid by the CGNC Committee to independent compensation consultants in the 2013 and 2012 financial years. Other than the services described above with respect to compensation matters, no additional services were provided to the Corporation by independent compensation consultants.

<b>Consultant</b>	<b>Type of Fees</b>	<b>2013</b>	<b>2012</b>
Meridian	Executive compensation-related fees	\$97,321	\$19,150
	All other fees	Nil	Nil
Towers Watson	Executive compensation-related fees	Nil	Nil
	All other fees	Nil	\$3,402

## MANAGING COMPENSATION RELATED RISK

### General Compensation Policies and Practices

In 2013, the CGNC Committee considered the implications of the risks associated with the Corporation's compensation policies and practices and retained Meridian, an independent consulting firm, to provide advice to the CGNC Committee on compensation-related risk. The CGNC Committee is actively involved in the risk oversight of the Corporation's compensation policies and practices. Managing enterprise risk is embedded in all of the Corporation's key decisions and the Board directly approves all significant projects undertaken by the Corporation.

The Corporation uses the following practices to discourage or mitigate excessive risk-taking:

- the Board approves the Corporation's strategic business plan, financial and other targets and budgets, which are considered in the context of assessing performance and awarding incentives, before the start of each year;

- incentive awards for divisional employees are based on division-wide actual financial results, personal performance and safety records and the pools are capped at a fixed percentage of operating profit;
- incentive awards for corporate employees are based on company-wide actual financial results and personal performance and the pools are capped at a fixed percentage of the Corporation's earnings before taxes;
- there is an appropriate mix of pay, including fixed and performance based compensation with short and longer term performance conditions;
- the Corporation has share ownership requirements for NEOs and expressly prohibits hedging of Common Shares and share-based compensation awards;
- the Corporation has a clawback policy which allows it to require repayment of incentive compensation under certain circumstances (see "Clawback Policy" below);
- amounts are not paid under the Corporation's annual incentive plans until achievement of the relevant financial results has been confirmed by the audited financial statements;
- the Corporation's performance-based long-term incentive programs include restricted share units ("RSUs") which vest over three years and DSUs which vest at the end of employment. The RSUs are granted annually with overlapping vesting periods. These programs ensure that executives remain exposed to the risks of their decisions and that vesting periods align with risk realization periods;
- the Board is responsible for assessing and monitoring the Corporation's enterprise risks. As well, Mr. Butt is a member of both the Audit Committee (which has direct responsibility for assessing the Corporation's financial and enterprise risks) and the CGNC Committee. Accordingly, the CGNC Committee has direct information respecting the Corporation's enterprise risk when making compensation decisions;
- the Audit Committee and the CGNC Committee meet annually to confirm that the Corporation's compensation plans align with the identified risks; and
- the CGNC Committee maintains overall discretion to adjust annual incentive payments to take into account both unexpected and extraordinary events.

As a result of the CGNC Committee's review of its compensation plans, it has concluded that there are no identified risks arising from its compensation programs which are reasonably likely to have a material adverse effect on the Corporation.

### **Board Oversight of Risk**

As part of its oversight duties, the Board examines current conditions such as the macroeconomic environment, size, nature and unique characteristics of the construction and infrastructure development industry, geographic markets and the basis, size and strength of the Corporation's competition on an ongoing basis.

The Board also identifies, categorizes, analyzes and prioritizes risks. To assist the Board, management has compiled a list of over 100 risks that the Corporation faces across ten categories, including: financial, hazard, strategic, operational, human resources, third party liability, environmental health and safety, governance, information technology and policy and reputational risks. Additionally, management has developed a detailed colour-coded heat map used to pictorially prioritize risks along the lines of severity, likelihood and ability to mitigate. The heat map ranks uncontrolled and residual risks according to severity.

The Board also plays an active role in determining risk capacity, risk tolerance and risk appetite by (i) assessing the Corporation's balance sheet and quantifying the Corporation's debt capacity; (ii) assessing the Corporation's strength and position within its industry; and (iii) considering the desired rate of return on a particular project or transaction.

The Corporation, with the assistance of the Board, has implemented a number of proactive response strategies to mitigate risk, including developing a sound succession plan, carrying appropriate levels of insurance, vetting all major projects, subcontractors and foreign agents, limiting major capital expenditures and limiting major contracts to highly credit-worthy parties. The Corporation's Bidding Requirements Policy establishes the framework for the review and approval of projects and strategic partners to ensure that proposal teams carry out an appropriate level of commercial, legal and risk review. The Corporation's Project Review Committee meets weekly to identify risks and vet major projects prior to bid pre-qualifications and bid submissions. Because a significant proportion of the Corporation's revenue is derived from major projects which must be approved by the Board, the Board is responsible for approving projects which comprise the Corporation's main revenue source. The Board also receives regular reports from the Executive Committee, the Executive Operations Team and the Business Services Team, which meet monthly or quarterly to discuss key strategic and business issues and opportunities, financial performance and results, operational issues, key business services and safety matters.

### **Clawback Policy**

As part of Aecon's compensation framework for employees, which is intended to align compensation with the creation of long-term Shareholder value without encouraging excessive risk-taking, Aecon implemented and maintains a clawback policy ("**Clawback Policy**"). Under the current terms of the Clawback Policy, all executive compensation awards are subject to clawback when (i) there is an error in reporting financial results (whether that error is deliberate or not) which leads to the correction or restatement of financial results, (ii) a senior executive receives an award calculated on the achievement of those financial results, and (iii) the award received would have been lower had the financial results been properly reported. The Clawback Policy further provides that a clawback may be triggered if an executive officer has committed a material breach of the Corporation's Code of Conduct. The Corporation is committed to the highest ethical standards and consequently all breaches of the Corporation's anti-corruption and anti-bribery policies will be considered to be material breaches of the Corporation's Code of Conduct for the purposes of the Clawback Policy.

The Clawback Policy requires that when the clawback is triggered, all incentive payments received by the senior executive over the 24 months preceding the triggering event are subject to clawback as determined by the CGNC Committee. The CGNC Committee will take into consideration which senior executives, on an individual or group basis, will be impacted and to what extent based on specific circumstances.

### **Hedging Prohibition**

The Corporation maintains a policy prohibiting executives and directors from, among other things, entering into speculative transactions and transactions designed to hedge or offset a decrease in market value of Common Shares or share-based incentive awards. Accordingly, senior executives and directors may not sell short, buy put options or sell call options on the Common Shares or purchase financial instruments (including prepaid variable contracts, equity swaps, collars or units of exchange funds) which hedge or offset a decrease in market value of the Common Shares.

### **Senior Executive Share Ownership Policy**

The Corporation has a Senior Executive Share Ownership Policy pursuant to which the Corporation's senior executives are required to hold Shares, RSUs and DSUs with an aggregate value as follows:

Chief Executive Officer	3 times annual base salary
Executive Operations Team (" <b>EOT</b> ") members who report directly to the CEO (including all other NEOs)	2 times annual base salary
All other EOT members	2 times annual base salary

This requirement must be met by the later of 2017 (2015 for the CEO) and within five years of appointment. As of the date of this Circular, the value of Common Shares, RSUs and DSUs held by John M. Beck, the Chief Executive Officer was \$10,453,665 or 14.6 times his base salary for the year ending December 31, 2013 and the value of Common Shares, RSUs and DSUs held by Terrance L. McKibbin, the President and Chief Operating Officer, who will be appointed to the office of President and Chief Executive Officer on June 11, 2014, was \$4,648,162 or 8.1 times his base salary for the year ending December 31, 2013. Messrs. Beck and McKibbin, as well as all other NEOs, currently satisfy the Senior Executive Share Ownership Policy.

## Equity Participation Programs

A critical element of executive compensation is equity participation by senior executives of the Corporation. The CGNC Committee believes that executives must be motivated not only to improve financial results, but also the Corporation's share price over the long-term for the benefit of Shareholders. Senior executives are required to own a significant number of Common Shares pursuant to the Senior Executive Share Ownership Policy.

Long-term incentive compensation for senior executives (including the NEOs) is provided through the Corporation's long-term incentive plan ("LTIP"). Awards granted pursuant to the LTIP are primarily made in the form of (i) performance-based DSUs or RSUs; and (ii) occasionally through stock option grants under the Corporation's stock option plan (the "Option Plan").

## ELEMENTS OF COMPENSATION

Total compensation for NEOs consists of four principal components: (i) base salary; (ii) incentive bonus awards linked directly to the individual's performance and the Corporation's performance and financial results; (iii) equity participation programs; and (iv) pension benefits. Each component has a different function, as described in greater detail below, but all elements work together to reward the NEOs appropriately for individual and corporate performance. Base salary generally forms a significant portion of an NEO's total compensation. However, bonus awards and equity based compensation have the potential to be significant elements of an NEO's total compensation as the Corporation's performance and financial results improve or as its Common Share price appreciates.

In making compensation recommendations to the Board in respect of the Corporation's 2013 financial year, the CGNC Committee considered the financial results achieved by the Corporation and management's performance in achieving goals and strategic targets set by the Corporation from time to time. The CEO, CFO and COO of the Corporation complete scorecards in respect of their performance objectives, which are set by the CGNC Committee. The scorecards consist of target ratings on a quarterly and annual basis and evaluate the individual's operational, strategic, process and personal objectives. The CGNC Committee uses the scorecards as a factor in evaluating the individual's performance against objectives and in setting compensation. In addition, the CGNC Committee and the Board maintain overall discretion to reduce or increase the size of the variable portion of the total compensation in extraordinary circumstances, such as material changes in business performance, major regulatory changes or risk failures, exceptional achievements by a particular NEO or to address unique or unexpected market events.

In the 2013 financial year, the total compensation of the NEOs as a group was comprised, on average, of base salary as to 24.8%, performance-based cash incentive bonus awards as to 27.3%, equity participation programs as to 41.7% (comprised of long-term incentive plan awards), other compensation and taxable benefits as to 5.3% and pension benefits as to 0.9%.

## Base Salary

Base salaries are considered an essential element in attracting and retaining the Corporation's senior executives, including the NEOs, and rewarding them for individual and corporate performance. Base salaries for 2013 were consistent with determinations made in previous years and were determined based on the skill, ability, experience and contributions of the individual executive, the need to attract and retain executives and recommended base salary ranges applicable to executive positions (from time to time, as appropriate, the CGNC

Committee has engaged independent compensation consultants as an additional source of information in making its compensation recommendations). As most construction companies comparable to the Corporation are privately owned or are divisions of large public companies, there is limited comparative compensation information available to the CGNC Committee and the Board in order to assist them in determining levels of compensation for the NEOs. Notwithstanding the foregoing, the CGNC Committee believes that the base salaries of the NEOs are competitive with industry norms and consistent with public companies having comparable revenues to that of the Corporation. The CGNC Committee's executive compensation philosophy has generally been to set base salaries slightly below the average for comparable positions in comparable companies and to structure performance and financial results related compensation in a manner that allows executives to increase their compensation, through delivery of superior financial results, to a level above the average paid at comparable companies.

## **Bonus Awards**

The Corporation's performance-linked STIP provides NEOs with the opportunity to receive annual cash bonuses based on individual and corporate performance results for the previous financial year. If individual performance goals are met and if the Corporation achieves positive financial results, NEOs will be eligible to earn a bonus award linked directly to such performance. Under the terms of the plan, the CGNC Committee establishes a performance-linked profit-sharing pool for employees, which is a fixed percentage of Aecon's actual earnings before tax in the most recently completed financial year. For 2013, the performance-linked profit-sharing pool was 5% of the Corporation's earnings before taxes and is a set percentage of the Corporation's operating profit. Within this performance-linked profit sharing pool, each NEO is eligible to receive a number of profit sharing points at the start of the year based on his or her role and level within Aecon. At the end of the year, each NEO's profit-sharing points are adjusted up or down to reflect individual achievement of performance objectives (including safety) and/or the Corporation's performance and financial results. If the NEO fails to achieve his or her individual performance objectives or the Corporation does not meet its performance or financial targets, the NEO's profit-sharing points are reduced. Likewise, if the NEO exceeds his or her individual performance objectives and/or the Corporation exceeds its performance and financial results, the NEO's profit-sharing points are increased. The amount of profit sharing points awarded to the CEO is 80% based on the Corporation's performance and financial results and 20% on achievement of individual performance objectives. For the other NEOs, the amount of profit sharing points awarded is 70% based on the Corporation's performance and financial results and 30% based on the achievement of individual performance objectives.

At the end of the fiscal year, each NEO's bonus is based on the funding level of the performance-linked profit-sharing pool divided by the total number of profit sharing points of all employees, multiplied by the NEO's adjusted profit sharing points. If corporate performance and financial results are disappointing, the profit-sharing pool used for NEO bonuses will decrease and if corporate performance and financial results are exceptional, the profit-sharing pool, and correspondingly, each NEO's potential bonus award, will increase. This methodology specifically links the value of each NEO's annual bonus award directly to the achievement of individual objectives and the performance and financial results of the Corporation through the amount of earnings before taxes generated for the Corporation. The CGNC Committee believes this performance-linked approach is an effective method to create value for Shareholders over both the short and long-term.

Aecon's STIP program is designed to be performance-linked and results driven in order to reward individuals for positive corporate performance and financial results. The determination of the amount of a STIP award to any one NEO in a given financial year takes into consideration the Corporation's overall STIP allocation for key senior executives. As illustrated in the Summary Compensation Table below, the STIP awards earned by Aecon's NEOs in 2013 were generally lower than those earned in 2012. This trend was true for executives in the corporate office and across all operating segments as the Corporation's financial performance, in particular earnings before taxes, did not exceed the financial results achieved in 2012.

## **Long-Term Incentive Plan**

### **DSUs and RSUs**

Aecon grants performance-linked DSU and RSU awards under its LTIP designed to focus senior executives on the long-term financial performance of the Corporation, to serve as a retention tool for select executives by

providing a financial disincentive for LTIP participants to leave the Corporation prematurely, and to better align the interests of senior executives with those of Shareholders. The level of DSU and RSU awards granted each year under the LTIP are based on the corporate performance and financial results over a rolling three-year period and performance of the senior executive and feature vesting periods that extend well into the future.

The LTIP, which is open to a limited number of senior executives of the Corporation, is funded based on 10% of Aecon's earnings before interest and tax over a rolling three-year period. A significant portion of the performance-linked awards are DSUs which do not vest until retirement (or other cessation of employment) with the balance of any such awards comprised of RSUs which vest over a three-year period. DSU and RSU awards are forfeited if the executive resigns his or her employment with Aecon. The Board believes that the DSUs and RSUs align the interests of key executives to the long-term interests of Shareholders.

Due to the phantom share nature of the DSU and RSU awards, Aecon funds a trust account (the "Trust") designed to reduce the financial risk to Aecon associated with share price appreciation between the time of grant of the award and the time of vesting. At the end of fiscal 2013, the Trust held 3,312,476 Common Shares. All Common Shares held by the Trust were purchased in the market by an independent trustee.

### Stock Option Plan

The CGNC Committee believes that incentive compensation in the form of stock option grants aligns compensation with Shareholder interests and is necessary to attract and retain both senior executives and managerial talent at other levels in a highly competitive industry. In 2013, no stock options to acquire Common Shares were granted to executives and employees. No options previously granted were otherwise amended, replaced or modified in 2013.

Option awards are discretionary, as recommended by the CGNC Committee to the Board. The Chief Executive Officer has requested in the past, and may request in the future, that options be granted to senior executives, other executives, non-executives or new hires. The CGNC Committee considers a variety of factors in exercising its discretion, including, without limitation, the compensation philosophy and practices of the Corporation as described herein, individual or collective management performance, level of responsibility of the individual, industry compensation practices, previous grants of options and general compensation trends.

The CGNC Committee believes that the compensation of the Corporation's senior executives should be significantly linked to the Corporation's business performance in order to enhance the Corporation's long-term success and value. Pursuant to the Option Plan, the Corporation may not repurchase underwater options for cash and has never done so.

For a summary of the principal terms of the Option Plan, please see the Corporation's management proxy circular in respect of the Corporation's annual and special meeting held on June 15, 2010 filed under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

The total number of Common Shares reserved under the Stock Option Plan is 5,000,000 or 8.9% of the Corporation's issued and outstanding Common Shares. The following table summarizes stock options granted over the last two years:

	2013	2012
Number of Stock Options Granted	210,000	210,000
Number of Employees and Directors who were Granted Stock Options	9 <sup>(1)</sup>	9 <sup>(2)</sup>
Number of Stock Options Outstanding as at Year End	768,332	1,910,000
Number of Stock Options Granted in the Year as a Percentage of Outstanding Common Shares as at Year End	0.4%	0.4%
Number of Stock Options Outstanding as a Percentage of Outstanding Common Shares as at Year End	1.4%	3.5%
Average Weighted Exercise Price of Stock Options Outstanding	\$11.27	\$12.90
Number of Stock Options Exercised	368,335	0

Notes:

- (1) Directors of the Corporation, with the exception of John M. Beck, were granted an aggregate of 210,000 options in 2013.
- (2) The directors were granted an aggregate of 160,000 options and the newly appointed Senior Vice President, Corporate Affairs was granted 50,000 options in 2012.

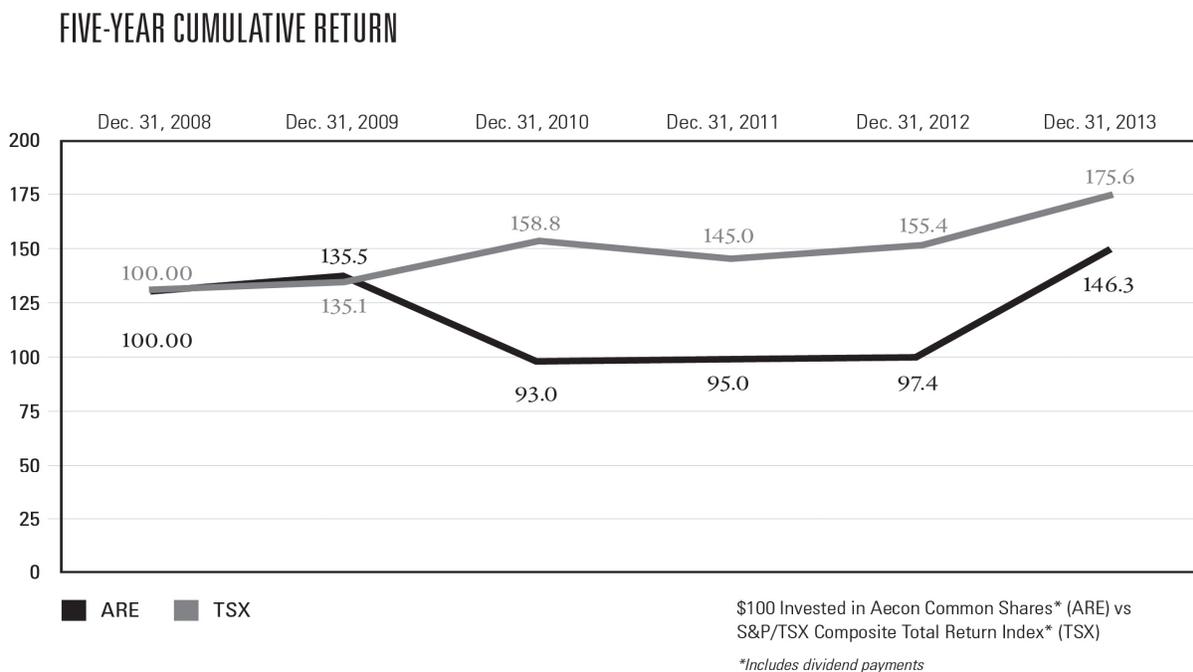
### Pension Plan Benefits

The Corporation established a pension plan in 2001 for John M. Beck, Chief Executive Officer, to reflect then current executive compensation trends, as a reward for (at the time) over 40 years of service with the Corporation and its predecessors, and as an incentive for future long-term involvement with the Corporation. Entitlements under the plan are based on length of service from the date the plan was established and Mr. Beck's final average salary at the time he retires. Based on the foregoing, Mr. Beck's maximum pension entitlement at time of retirement, assuming a retirement age of 72, would be an amount equal to approximately 52% of his final average salary (excluding bonus). See "Pension Plan Benefits – Defined Benefit Pension Plan" in this Section Six.

### COMPENSATION REVIEW

#### Performance Graph

The following graph compares the cumulative shareholder return for \$100.00 invested in Common Shares against the cumulative return for \$100.00 on the S&P/TSX Composite Total Return Index for the same five-year period, on the first day of the five-year period beginning on December 31, 2008 and ending December 31, 2013.



	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2013
Aecon <sup>(1)</sup>	\$100.00	\$135.47	\$92.96	\$95.01	\$97.42	\$146.26
S&P/TSX Composite Total Return Index <sup>(1)</sup>	\$100.00	\$135.05	\$158.83	\$145.00	\$155.42	\$175.61

**Note:**

(1) Includes share price plus dividends, if any. The closing price of the Common Shares on the TSX on December 31, 2013 was \$16.09. All share prices for the above table were obtained from the records of the TSX.

As noted in the graph above, in the period December 31, 2008 to December 31, 2013 the Corporation's total shareholder return ("TSR") increased by approximately 46.3% while the S&P/TSX composite index increased by approximately 75.6% during the same period. It should be noted that since December 31, 2008, in the midst of the 2008 global financial crisis, which had a significant negative impact on the construction industry, the share price of the Corporation has risen from \$11.00 to \$16.09 on December 31, 2013.

As noted in "Compensation Discussion and Analysis" in this Section Six, Aecon's executive compensation is linked to the performance and financial results of both individual officers and the Corporation. Compensation for NEOs is not directly linked to changes in the Corporation's TSR or share price. Nevertheless, several general observations can be made. Between December 31, 2008 and December 31, 2013, the base salaries of NEOs have increased, on average, approximately 30.3% and LTIP awards granted to NEOs have increased, on average, approximately 64.3% while the Corporation's TSR increased 46.3%, reflecting the Corporation's careful and prudent approach to executive compensation and encouragement of decision-making that is in the best long-term interest of the Corporation. The awards under Aecon's STIP, which, as described above, are based on individual and corporate performance and financial results, have both increased and decreased during this period. Individual awards under the LTIP are awarded on the basis described in this Section Six under "Long-Term Incentive Plan" and detailed herein. The value of an LTIP award after grant will fluctuate based on the Corporation's share price, thereby aligning the interests of NEOs with those of Shareholders.

## Summary Compensation Table

The following table sets forth the details regarding compensation earned by each NEO for the three most recently completed financial years ended December 31, 2013, 2012 and 2011.

Name and Principal Position	Year	Salary (\$)	Non-Equity Incentive Plan Compensation					All Other Compensation <sup>(4)</sup> (\$)	Total Compensation (\$)
			Share-Based Awards <sup>(1)</sup> (\$)	Option-Based Awards <sup>(2)</sup> (\$)	Annual Incentive Plans <sup>(3)</sup> (\$)	Long-Term Incentive Plans (\$)	Pension Value (\$)		
John M. Beck, Chairman and Chief Executive Officer <sup>(5)</sup>	2013	714,408	1,469,370	N/A	881,202	N/A	N/A	145,885	3,210,865
	2012	700,400	1,252,355	103,000	981,944	N/A	11,910	111,855	3,161,464
	2011	680,000	1,196,562	103,750	1,331,268 <sup>(6)</sup>	N/A	11,485	67,605	3,390,670
David Smales, Executive Vice President and Chief Financial Officer	2013	450,000	660,000	N/A	400,000	N/A	22,062	60,225	1,592,317
	2012	415,000	500,000	N/A	400,000	N/A	20,750	43,580	1,379,330
	2011	375,000	318,222	207,500	307,082	N/A	18,291	30,476	1,256,571
Paul P. Koenderman, Executive Advisor	2013	472,770	400,000	N/A	448,703	N/A	23,523	144,359	1,489,355
	2012	463,500	750,000	N/A	500,000	N/A	23,175	108,255	1,844,930
	2011	450,000	538,184	N/A	461,816	N/A	21,215	73,815	1,545,030
Terrance L. McKibbin, President and Chief Operating Officer <sup>(5)</sup>	2013	572,000	1,469,370	N/A	772,271	N/A	28,325	134,210	2,976,176
	2012	550,000	1,252,355	N/A	860,560	N/A	55,000	112,529	2,830,444
	2011	530,000	1,092,562	N/A	728,510	N/A	25,103	63,766	2,439,941
L. Brian Swartz, Executive Vice	2013	315,180	250,000	N/A	273,501	N/A	15,682	59,032	913,395
	2012	309,000	243,176	N/A	304,769	N/A	15,450	51,281	923,676

Name and Principal Position	Non-Equity Incentive Plan Compensation								
	Year	Salary (\$)	Share-Based Awards <sup>(1)</sup> (\$)	Option-Based Awards <sup>(2)</sup> (\$)	Annual Incentive Plans <sup>(3)</sup> (\$)	Long-Term Incentive Plans (\$)	Pension Value (\$)	All Other Compensation <sup>(4)</sup> (\$)	Total Compensation (\$)
President, Legal and Commercial Services	2011	300,000	212,148	N/A	258,003	N/A	14,632	41,423	826,206

**Notes:**

- (1) Share-based awards reflect amounts awarded under the Corporation's LTIP. See "Statement of Executive Compensation – Compensation Discussion and Analysis", above, for additional information.
- (2) Option-based awards represent the grant date fair value for option-based awards. Both the grant date fair value and accounting fair value for option-based awards are calculated using the Black-Scholes model using the assumptions described in the table under "Share Option Values and Assumptions", below. The grant date fair value of option-based awards as presented will differ from the compensation expense included for these grants in the Corporation's financial statements. In accordance with International Financial Reporting Standards, the fair value of each award at the grant date is amortized over the relevant vesting period to arrive at compensation expense in the financial statements.

**Share Option Values and Assumptions for options granted to John M. Beck on March 7, 2012**

	2012
Weighted average fair value per option	\$5.15
Expected volatility <sup>(1)</sup>	53.40%
Dividend yield	2.16%
Risk free interest rate	1.67%
Weighted average expected life in years	5.00

(1) Expected volatility was determined using historical volatility.

**Share Option Values and Assumptions for options granted to John M. Beck and David Smales on March 11, 2011**

	2011
Weighted average fair value per option	\$4.15
Expected volatility <sup>(1)</sup>	56.00%
Dividend yield	2.07%
Risk free interest rate	2.62%
Weighted average expected life in years	5.00

(1) Expected volatility was determined using historical volatility.

- (3) Bonus amounts for 2013 performance were paid at the end of the first quarter of fiscal 2014.
- (4) All other compensation includes amounts such as taxable auto benefits (including vehicle allowance), employer contribution to employee share purchase plan, share units issued as a result of dividends under the LTIP and taxable benefits from the Defined Contribution Supplemental Executive Retirement Plan ("SERP").
- (5) Terrance L. McKibbin will be appointed President and Chief Executive Officer on June 11, 2014. John M. Beck will become Executive Chairman and will continue to serve the Corporation on a full-time basis.
- (6) The CGNC Committee awarded John M. Beck a one-time special bonus comprised of a \$500,000 cash incentive and RSUs valued at \$104,000 under the LTIP in recognition of his extraordinary achievement and results over the life and disposition in September 2011 of the Corporation's interest in the Cross Israel Highway Project.

## Incentive Plan Awards

### Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth the details regarding the incentive plan awards for each NEO outstanding as at December 31, 2013.

Name <sup>(1)</sup>	Option-Based Awards	Share-Based Awards
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	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options <sup>(2)</sup> (\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$)
John M. Beck	25,000	9.66	March 11, 2016	160,750	N/A	N/A	N/A
	20,000	12.95	March 7, 2017	62,800	N/A	N/A	N/A
David Smales	16,666	9.66	March 11, 2016	107,162	90,033	958,851	Nil

Note:

- (1) The other NEOs do not have any share-based or option-based awards outstanding.
- (2) Based on the closing price of the Common Shares on the TSX on December 31, 2013, being \$16.09 per share and the option exercise price of the stock options.

### Value Vested or Earned During the Financial Year Ended December 31, 2013

The following table sets forth the details regarding the value vested or earned of incentive plan awards for each NEO for the financial year ended December 31, 2013.

Name	Option-Based Awards – Value Vested During the Year <sup>(1)</sup> (\$)	Share-Based Awards – Value Vested During the Year <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year <sup>(3)</sup> (\$)
John M. Beck	Nil	605,769	881,202
David Smales	167,169	Nil	400,000
Paul P. Koenderman	Nil	318,525	448,703
Terrance L. McKibbin	Nil	618,044	772,271
L. Brian Swartz	Nil	137,595	273,501

Notes:

- (1) Based on the closing price of the Common Shares on the TSX on December 31, 2013, being \$16.09 per share and the option exercise price of the stock options.
- (2) On December 31, 2013, the closing price of the Common Shares on the TSX was \$16.09.
- (3) The values set out in the table represent payments under the Corporation's STIP. See "Statement of Executive Compensation – Compensation Discussion and Analysis", above, for additional information.

## Pension Plan Benefits

### Defined Benefit Pension Plan

The following table sets forth the details of the defined benefit pension plan for each NEO, where applicable.

Name	Number of Years Credited Service (#)	Annual Benefits Payable		Accrued Obligation at Start of Year (\$)	Compensatory Change (\$)	Non-Compensatory Change (\$)	Accrued Obligation at Year End (\$)
		At Year End (\$)	At Age 65 (\$)				
John M. Beck	28.67	373,584	N/A	4,963,844	128,735	97,970	5,190,549

### Defined Contribution Pension Plan

The following table sets forth the details of the Defined Contribution Pension Plan for each NEO.

<b>Name</b>	<b>Accumulated Value at Start of Year (\$)</b>	<b>Compensatory (\$)</b>	<b>Accumulated Value at Year End (\$)</b>
John M. Beck	Nil	Nil	Nil <sup>(1)</sup>
David Smales	78,323	12,135	120,722
Paul P. Koenderman	235,427	12,135	281,757
Terrance L. McKibbon	438,569	12,135	526,265
L. Brian Swartz	238,092	12,135	295,684

**Note:**

(1) John M. Beck reached age 71 in 2012 and is no longer eligible to participate in the Defined Contribution Pension Plan.

## **Termination and Change of Control Benefits**

The Corporation has entered into employment agreements with each of John M. Beck, Chairman and Chief Executive Officer; David Smales, Executive Vice President and Chief Financial Officer; Paul P. Koenderman, Executive Advisor; Terrance L. McKibbon, President and Chief Operating Officer; and L. Brian Swartz, Executive Vice President, Legal and Commercial Services.

### **John M. Beck, Chairman and CEO**

The agreement with Mr. Beck came into effect on December 31, 1999. The agreement sets out duties and responsibilities, as well as annual compensation, benefits and incentives. Mr. Beck's agreement includes non-solicitation provisions ending two years from termination, as well as confidentiality provisions that extend beyond expiration. The agreement also provides for a severance payment equal to 36 months base salary and bonus at the then prevailing rate plus a pro rata bonus payment, in the event of permanent disability, death or termination of employment by the Corporation, if without cause. Similarly, in the event of a change of control of the Corporation, if Mr. Beck is dismissed or elects to resign during the ensuing 12 months, Mr. Beck is entitled to receive a payment equal to 36 months salary plus the cash incentive paid over the previous three fiscal years and the continuation of all benefits for a period of 36 months. The 36 months plus bonus severance payment described above are a legacy arrangement.

### **David Smales, Executive Vice President and CFO**

The agreement with Mr. Smales came into effect on October 30, 2012. The agreement sets out Mr. Smales' duties and responsibilities as well as annual compensation, benefits and incentives. The agreement includes non-solicitation and non-competition provisions ending 12 months from termination as well as confidentiality provisions that extend beyond expiration. The agreement provides for a severance payment in the event of termination without just cause in the form of a continuation of salary and benefits including pension plan contributions for a period of 12 months, subject to any greater entitlement under Ontario law. In the event of a change of control of the Corporation, if Mr. Smales is dismissed or elects to resign during the ensuing 12 months, Mr. Smales is entitled to receive a payment equal to 12 months salary plus the cash incentive paid over the previous fiscal year and the continuation of all benefits for a period of 12 months.

### **Paul P. Koenderman, Executive Advisor**

The agreement with Mr. Koenderman came into effect on April 1, 2003. The agreement sets out Mr. Koenderman's duties and responsibilities and annual compensation, benefits and incentives. The agreement provides for a severance payment in the event of termination without just cause in the form of a continuation of salary and benefits and semi-monthly payments of one twenty-fourth (1/24) of the average annual cash incentive paid over the previous three years, all for a period of 12 months, subject to any greater entitlement under Ontario law. In the event of a change of control of the Corporation, Mr. Koenderman may elect to resign during the ensuing three months and receive a lump sum payment equal to 12 months' salary plus the average cash incentive paid over the previous three fiscal years, without continuation of benefits.

## Terrance L. McKibbon, President and COO

The agreement with Mr. McKibbon came into effect on May 1, 2011. The agreement sets out Mr. McKibbon's duties and responsibilities as well as annual compensation, benefits and incentives. The agreement includes non-solicitation and non-competition provisions ending 24 months following termination of employment as well as confidentiality provisions that extend beyond expiration. The agreement provides for a severance payment in the event of termination without just cause in the form of a continuation of salary and benefits including pension plan contributions for a period of 24 months, subject to any greater entitlement under Ontario law. In the event of a change of control of the Corporation, if Mr. McKibbon is dismissed or elects to resign during the ensuing 12 months, Mr. McKibbon is entitled to receive a payment equal to 24 months salary plus the cash incentive paid over the previous two fiscal years and the continuation of all benefits for a period of 24 months.

## L. Brian Swartz, Executive Vice President, Legal and Commercial Services

The agreement with Mr. Swartz came into effect in April 2000, and supersedes his original employment agreement dated November 10, 1999. The agreement sets out Mr. Swartz's duties and responsibilities as well as annual compensation, benefits and incentives. The agreement includes non-solicitation provisions ending 18 months from termination as well as confidentiality provisions that extend beyond expiration. The agreement provides for a severance payment in the event of termination without cause in the form of a continuation of salary and benefits including pension plan contributions for a period of 18 months.

## Summary of Termination and Change of Control Benefits

The following table reflects the estimated amount of payouts and other benefits (assuming all criteria and preconditions in each individual agreement are satisfied) for each of the NEOs in the indicated event, assuming that each event occurred on December 31, 2013.

Name	Triggering Event	Cash Portion <sup>(1)</sup> (\$)	Value of LTIP Awards <sup>(2)(3)</sup> (\$)	Value of Stock Options <sup>(2)(4)</sup> (\$)	Retirement Plan Contribution <sup>(5)</sup> (\$)	Other <sup>(6)</sup> (\$)	Total (\$)
John M. Beck	Termination Without Cause or Change of Control	4,837,638 <sup>(7)</sup>	6,767,615 <sup>(8)</sup>	223,550	558,432	137,910	12,525,145
David Smales	Termination Without Cause or Change of Control	850,000 <sup>(9)</sup>	1,739,812	107,162	23,123	25,141	2,745,238
Paul P. Koenderman	Termination Without Cause or Change of Control	942,943 <sup>(10)</sup>	6,524,221 <sup>(8)</sup>	Nil	33,562	19,764	7,520,490
Terrance L. McKibbon	Termination Without Cause Or Change of Control	2,776,831 <sup>(11)</sup>	2,779,483	Nil	81,224	51,107	5,668,645
L. Brian Swartz	Termination Without Cause	890,907 <sup>(12)</sup>	1,219,381	Nil	25,057	41,934	2,177,278

Notes:

- (1) Amounts in this column are determined in accordance with the provisions of each individual employment agreement.
- (2) Based on the closing price of the Common Shares on the TSX on December 31, 2013, being \$16.09 per share, and the option exercise price of the stock options.
- (3) Amounts represent the value of unvested DSUs as at December 31, 2013.
- (4) Calculated for all outstanding options that would vest as a result of termination, assuming such options were exercised and the underlying securities sold on December 31, 2013. Unvested options vest in the case of termination without cause.
- (5) For John M. Beck, retirement plan contributions include 36 months contribution to the Defined Benefit SERP. For David Smales and Paul P. Koenderman, the amounts include 12 months contributions to the Defined Contribution Pension Plan, employee share purchase plan and Defined Contribution SERP. For L. Brian Swartz, the amount includes 18 months contribution to the Defined Contribution Pension Plan, employee share purchase plan and Defined Contribution SERP. For Terrance L. McKibbon, the amount includes 24 months contribution to the Defined Contribution Pension Plan, employee share purchase plan and Defined Contribution SERP.
- (6) For John M. Beck, the amount includes 36 months annual club membership and vehicle costs. For David Smales and Paul P. Koenderman, the amounts represent 12 months annual vehicle costs. For Terrance L. McKibbon, the amount represents 24 months of vehicle costs. For L. Brian Swartz, the amount represents 18 months of vehicle costs.
- (7) Determined based on a severance period of 36 months being comprised of \$2,143,224 attributable to base salary and a bonus entitlement of \$2,694,414, calculated as described herein.
- (8) Amount includes the value of unvested DSUs and the value of unvested RSUs (which amount in respect of RSUs is payable for employees whose employment terminates after age 65).
- (9) Determined based on a severance period of 12 months being comprised of \$450,000 attributable to base salary and a bonus entitlement of \$400,000.
- (10) Determined based on a severance period of 12 months being comprised of \$472,770 attributable to base salary and a bonus entitlement of \$470,173.
- (11) Determined based on a severance period of 24 months being comprised of \$1,144,000 attributable to base salary and a bonus entitlement of \$1,632,831.
- (12) Determined based on a severance period of 18 months being comprised of \$472,770 attributable to base salary and a bonus entitlement of \$418,137.

## SECTION SEVEN – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth as at December 31, 2013 the number of securities to be issued upon exercise of outstanding options, the weighted exercise price of such outstanding options and the number of securities remaining available for future issuance under all equity plans previously approved by Shareholders. As at the financial year ended December 31, 2013, the Corporation did not have any equity plans that had not been approved by Shareholders nor are any such plans in effect as of the date of this Circular.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)</b>
Equity compensation plans approved by security holders			
Stock Option Plan	768,332 Common Shares	\$11.27	2,879,999 Common Shares
<b>Total</b>	<b>768,332 Common Shares</b>	<b>\$11.27</b>	<b>2,879,999 Common Shares</b>

## SECTION EIGHT – INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this Circular, no individual who has been an informed person (as such term is defined in NI 51-102) of the Corporation, nominee for election as a director of the Corporation or, to the knowledge of the directors and executive officers of the Corporation, their respective associates or affiliates, has or had at any time since the beginning of its last completed financial year, any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

## SECTION NINE – INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed in this Circular, no person who has been a director or executive officer of the Corporation at any time since the beginning of its last completed financial year, no proposed nominee for election as a director of the Corporation nor any associate or affiliate of such persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

## SECTION TEN – CORPORATE GOVERNANCE MATTERS

Aecon embraces high standards of corporate governance which reflect its commitment to understanding legal and regulatory requirements and current best practices. Key accomplishments in the area of corporate governance achieved by Aecon over the last year include:

- approving a Director DSU Plan to replace the practice of granting stock options to directors;
- approving a new general by-law (New By-Law No. 1) to reflect current best practices in corporate governance and implement other desirable changes;
- amending the Corporation's annual Say-on-Pay advisory vote by adopting the Canadian Coalition for Good Governance model Say-on-Pay policy to promote more meaningful dialogue with the Corporation's Shareholders;
- approving revisions to the Corporation's Code of Conduct (as defined below) to emphasize the Corporation's stringent anti-corruption and anti-bribery policies and procedures;
- approving a revised, broader Clawback Policy which is not tied to just financial restatement but also introduces industry-specific parameters;
- overseeing a Board renewal process that resulted in the additions of Ms. Sloan and Mr. Carrabba to the Board;
- overseeing the implementation of the CEO succession plan;
- implementing a formal annual feedback meeting between each director and the Chair of the Board;
- improving executive compensation disclosure in this Circular, specifically as it relates to the Corporation's STIP pool and LTIP practices; and
- amending the Director Share Ownership Policy to increase the minimum share ownership requirement from 3X to 5X a director's annual retainer.

The Board is committed to fostering a healthy governance culture at the Corporation. The Corporation believes that such culture requires that directors be aware of both internal corporate and external developments that may affect the business and affairs of the Corporation and that an atmosphere of open communication, trust, candour, healthy debate and constructive dissent be part of the corporate decision making and directorial oversight process. Although mindful of evolving views with respect to governance issues, the Board believes that formulaic or structural approaches to corporate governance issues may not in and of themselves be adequate or ensure best in class governance standards. The Board examines each issue on a case-by-case basis and, in consultation with senior management and the Corporation's advisors, adopts the standard or approach it believes best protects and promotes the interests of all Aecon stakeholders. As members of an experienced Board, the directors are cognizant that they have statutory and fiduciary obligations to act honestly and in good faith with a view to the best interests of the Corporation. They also have a duty of care in making decisions, including a duty to be properly informed so they can perform the tasks their positions entail. The Board demands that these standards be met by its members at all times. The Board believes that its principled approach to corporate governance meets these standards.

The Corporation's corporate governance practices are designed to ensure that the business and affairs of the Corporation are effectively managed so as to promote and enhance Shareholder value. The Board has historically been actively involved in many aspects of the Corporation's business, a trend that continued throughout 2013. Management has been able to draw assistance from individual Board members, as well as seek advice from the Board as a whole or from the independent directors collectively or individually, when appropriate.

Over the past several years, both management and the Board have closely monitored and, where appropriate, responded to Canadian regulatory developments aimed at improving corporate governance, increasing corporate and individual accountability as well as maximizing the transparency of public company disclosure.

Under the CSA Guidelines, the Corporation must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The Corporation's annual disclosure of its corporate governance practices in accordance with Form 58-101F1 – *Corporate Governance Disclosure* under NI 58-101 is attached to this Circular as Appendix 1.

The Corporation is also subject to the requirements of Canadian provincial securities legislation, including those relating to the certification of financial and other information by the Corporation's chief executive officer and chief financial officer; oversight of the Corporation's external independent auditors; enhanced independence criteria for Audit Committee members; the pre-approval of permissible non-audit services to be performed by the Corporation's external independent auditors; and the establishment of procedures for the anonymous submission of employee complaints regarding the Corporation's accounting practices (the "**Whistle-Blower Policy**"). In its consideration of evolving best practices in corporate governance matters, over the past several years, among other matters discussed below and in Appendix 1, the Corporation has: (i) adopted, reviewed and/or updated a broad range of corporate policies including a code of conduct regarding specified employee behaviour (the "**Code of Conduct**"); (ii) placed a significant emphasis on training employees (both new and existing) about their obligations under key corporate policies and safety related issues; (iii) adopted a complaint and submission procedure to the Audit Committee for employee complaints regarding the Corporation's accounting practices; (iv) established policies and procedures for Audit Committee pre-approval of services provided by the Corporation's external independent auditor; (v) established a formal disclosure committee (the "**Disclosure Committee**") that meets at least quarterly (see "Shareholder Feedback and Communication" below for additional information); (vi) created an internal audit department (see "Shareholder Feedback and Communication" below for additional information); (vii) adopted a mandate for the Board; (viii) expanded the mandate of the former HRC Committee and reconstituted such committee as the CGNC Committee with the adoption of a Corporate Governance, Nominating and Compensation Committee Charter; (ix) adopted formal mandates for the Chair of each Board committee; (x) commencing with the Corporation's annual shareholder meeting held in 2009, elected new directors on an individual basis rather than pursuant to "slate" voting as was done in prior years; (xi) created the position of Lead Director; (xii) consulted outside counsel on best practices with respect to corporate governance standards; (xiii) adopted a Majority Voting Policy and (xiv) engaged Meridian to provide independent advice to the CGNC Committee in connection with matters pertaining to executive and director compensation.

## **ENTERPRISE RISK MANAGEMENT**

Management has developed a disciplined and integrated enterprise risk management ("**ERM**") process which identifies potential events that may affect the Corporation, manages risk to be within the Corporation's risk appetite and provides reasonable assurance regarding the achievement of the Corporation's objectives.

In support of ERM, the Corporation has put in place formal policies which address project selection, contract terms, cost controls, project controls, selection of joint venture partners and negotiation of joint venture agreements, impact and delay claims, third party liability and regulatory matters.

Management believes that everyone in the Corporation has a degree of responsibility for enterprise risk management. The Project Risk Committee, chaired by the Executive Vice President, Legal and Commercial Services, meets weekly to vet significant projects prior to bid pre-qualifications and bid submissions. The Executive

Committee meets monthly to discuss key strategic issues, financial performance, operation issues and safety matters and to review the progress of major projects. The Executive Committee also conducts quarterly financial review meetings with operating leaders to monitor the financial results and leading indicators across the Corporation. The EOT meets quarterly to review financial performance and major projects and key opportunities. The Disclosure Committee meets at a minimum quarterly to review continuous disclosure obligations and documents. In addition to the formal processes described above, divisional and risk teams provide ongoing support for major projects and all personnel are expected to execute enterprise risk management in accordance with established directives and protocols.

## CODE OF CONDUCT AND WHISTLE BLOWER POLICY

The Corporation first adopted a Code of Conduct in 2002 to guide behaviour related to company business and to ensure that Aecon maintains the standard of a highly ethical and professional public corporation. The Code of Conduct supports Aecon's corporate values, specifically to "preserve the highest standards of honesty, integrity and business ethics; promote equality of opportunity and cultural diversity within the Corporation; ensure safety in all our activities; foster protection of the environment; and maintain an open, empowering and rewarding workplace" and set out fundamental principles that guide the Board in its deliberations and shape the Corporation's business activities. The Code of Conduct was most recently updated in May 2013 and employee training sessions are regularly held to remind employees of their key obligations. Starting in spring 2014, each director, officer and employee of the Corporation will be required to complete, on an annual basis, a Code of Conduct online training module within the sphere of Aecon University, the Corporation's learning vehicle for delivering professional development and training opportunities. Moreover, employees must review the Code of Conduct and acknowledge adherence to it when they join the Corporation and at least twice per year thereafter. The Code of Conduct is available for review under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

In May 2005, the Corporation approved a Whistle Blower Policy to support the Corporation's continued commitment to honesty and integrity in the conduct of its business. The Whistle Blower Policy has been updated several times since its initial adoption with a view to continuing to meet best practices. The Whistle Blower Policy was most recently updated in the second quarter of 2011 with the assistance of external counsel and is available for review under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com). Among other features, the Whistle Blower Policy provides a mechanism for anonymous complaints to be made to the Chair of the Audit Committee or the Senior Vice President, Legal and Commercial Affairs. For additional information, see "Culture of Integrity" set out in the Board Mandate attached to the Corporation's management information circular dated May 19, 2011 prepared in respect of Aecon's annual meeting of Shareholders held on June 14, 2011 (the "**2011 Circular**"), which is incorporated by reference herein and available under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com). To reinforce the importance of ethical behaviour and enhance internal controls, in April 2009 the Corporation introduced a "Reporting Internal Suspicions of Fraud Policy".

Management, under the direction of the Board, has undertaken a number of initiatives to promote ethical behaviour by its employees including email updates regarding key policies, new employee seminars on key corporate policies (including the Code of Conduct and Whistle Blower Policy), anti-corruption and anti-bribery measures, including a quarterly certification requirement for all projects outside of Canada and a certification requirement for all foreign projects at the pursuit and bid stage, and holding an annual company-wide Safety Day. First introduced in October 2005, to reinforce to all employees, clients and stakeholders the importance of safety as a core value of the Corporation, Safety Day is a company-wide event in which all employees of the Corporation watch a "tool box" video talk by the Chief Executive Officer on safety issues and are reminded of the importance of safety in their day to day activities.

The Disclosure Committee meets at least quarterly and more often if required to discuss disclosure issues. The quarterly meeting typically involves a page by page review of the applicable management's discussion and analysis and financial statements and is attended by members of both the Disclosure Committee and senior members of the Corporation's finance department who are responsible for the preparation of the documents. The Disclosure Committee also reviews the Corporation's annual information form and management information circular. The Corporation's Assistant Corporate Secretary keeps a written record of all Disclosure Committee

meetings, noting what issues were discussed and decided, and what actions, if any, were recommended. The public disclosure documents filed under the Corporation's SEDAR profile reflect the consensus of such meetings. See "Shareholder Feedback and Communication" below for additional information.

## **SAY-ON-PAY VOTE**

As they did last year, Shareholders will cast an advisory vote on the Corporation's approach to executive compensation. The CGNC Committee and the Board will review the results of this advisory vote and will consider the outcome when considering future executive compensation arrangements. If a significant number of Shareholders vote against the advisory resolution, the CGNC Committee will review the approach to executive compensation in the context of the specific concerns of the shareholders and may make recommendations to the Board. Following the review by the CGNC Committee, the Corporation will disclose a summary of the process undertaken by the CGNC Committee and an explanation of any changes, or why no changes are being implemented in relation to the Corporation's executive compensation. The Corporation will provide this disclosure as soon as is practicable, and in any event no later than in the next management information circular for its next annual meeting.

Management is pleased that in 2013, 95.65% of the votes cast voted in favour of the Corporation's 2012 executive compensation program. The CGNC Committee reviewed the results of the Say-on-Pay vote and concluded that no significant changes to the Corporation's approach on executive compensation are required at this time. The CGNC Committee will continue to review the Corporation's executive compensation program to ensure its effectiveness and further align the interests of the Corporation's executives with its Shareholders.

The CGNC Committee and the Board will also continue to review and consider all Shareholder feedback related to compensation matters and will continue existing practices regarding Shareholder discussion and engagement. Shareholders are invited to contact the Corporation by using the contact information set out in "Shareholder Feedback and Communications" in this Circular. Please refer to page 21 of this Circular for additional information on the Say-on-Pay Vote.

## **FINANCIAL ASSURANCE AND COMPLIANCE DEPARTMENT**

The Corporation's Financial Assurance and Compliance ("**FA&C**") department was established to provide an independent and objective assurance, consulting and advisory function that is designed to add value, improve the Corporation's operations, and assist management in the effective discharge of its responsibilities. Currently, the main focus of the FA&C department is to manage compliance with Bill 198, assist senior management in the testing of internal controls over financial reporting ("**ICFR**") and provide added assurance and comfort to the CEO and CFO of the Corporation as part of their certification on the design and operating effectiveness of ICFR. In addition to this assurance function in support of the regulatory certification process, the FA&C department also assists management of the Corporation in examining, evaluating, reporting and recommending improvements to strengthen the effectiveness of internal controls, risk management and governance processes. Other responsibilities include reviewing the Corporation's compliance with policies, procedures, laws and regulations, and performing advisory services as requested.

## **BOARD OVERSIGHT OF CORPORATE GOVERNANCE**

The Board takes an active role in promoting an ethical culture and monitoring compliance with Aeon policies. The Board and senior management believe that in the construction industry ethical behaviour starts with "safe behaviour" as evidenced by a commitment to high safety standards by every employee on every job site. As such, the Board has provided strong support for initiatives such as Safety Day. To further monitor this key control, the Board created the Environmental, Health and Safety Committee (the "**EHS Committee**") in the fourth quarter of 2010. See "Board Committees" in this Section Ten for additional information.

The Board also monitors compliance with the Corporation's policies through Financial Assurance and Compliance Interim Reports prepared by the internal audit team and provided to the Audit Committee on a

quarterly basis. In addition, as part of compliance with National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, the Corporation has developed a system of sub-certification pursuant to which key financial and business unit leaders are asked to verify compliance with a range of key metrics including compliance with the Code of Conduct. The Chief Financial Officer provides a report to the Board in respect of such matters on a quarterly basis.

## MANDATE OF THE BOARD

The mandate of the Board is to supervise the management of the business and affairs of the Corporation by its executive officers and includes, without limitation, the following duties and responsibilities:

- (i) ensuring a culture of integrity at the Corporation;
- (ii) approving and monitoring the Corporation's overall strategy;
- (iii) reviewing and approving strategic investments, acquisition opportunities, divestitures and alliances;
- (iv) assessing and managing the principal risks inherent to the business of the Corporation;
- (v) overseeing and reviewing the Corporation's communication and public disclosure policies and practices;
- (vi) approving the Corporation's internal controls and reviewing and assessing their integrity and effectiveness;
- (vii) overseeing the Corporation's financial reporting policies and procedures;
- (viii) reviewing and monitoring the corporate governance policies and practices of the Corporation;
- (ix) overseeing the performance of the Chief Executive Officer and senior management and establishing their annual performance expectations, corporate goals and objectives (including setting appropriate compensation and benefits) and monitoring progress against expectations; and
- (x) overseeing the creation and implementation of appropriate succession plans for senior management.

A copy of the Board Mandate is attached to the 2011 Circular which is available for review under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

## COMPOSITION OF THE BOARD

The Board is currently comprised of nine members. The directors of the Corporation include community and business leaders active at the local, national and international level who provide a depth and range of experience. Please see the biographies of individual directors under "Election of Directors" in Section Two of this Circular. Assuming that each of the Board nominees identified in this Circular is elected at the Meeting, the Board has determined that seven out of nine or 77.8% of the directors will be considered "independent" under the CSA Guidelines and National Instrument 52-110 – *Audit Committees ("NI 52-110")*. To assist the Board with its determination as to independence of its members, all directors complete a detailed annual questionnaire regarding their relationships with the Corporation. The Board believes that a sufficient number of directors are independent of the Corporation, as no material corporate decision requiring director approval can be passed without the approval of the independent directors. Notwithstanding that Mr. Beck and Mr. McKibbin are not "independent" within the meaning of the CSA Guidelines, the Board believes that their status will not preclude

them from exercising independent judgment with a view to the best interests of the Corporation. See “Board Committees” below for additional details.

## Position Descriptions

The Board is led by the Chairman and is comprised of experienced directors (see “Election of Directors” in Section Two of this Circular for additional details), whose authority is exercised in accordance with the Corporation’s Articles of Incorporation, By-Laws and Corporate Governance Handbook, the CBCA as well as other applicable laws, regulations and rules, including those adopted by the CSA and those of the TSX. The Board has appointed a Lead Director who is independent within the meaning of the CSA Guidelines.

### Chief Executive Officer

The Chief Executive Officer of Aecon has full responsibility for the day-to-day activities of the Corporation’s business in accordance with its strategic plan as approved by the Board. The Chief Executive Officer is accountable to the Board for the overall management of Aecon and for conformity with policies agreed upon by the Board. The approval of the Board (or appropriate committee) is required for all significant decisions outside of the ordinary course of Aecon’s business. The position description for the Chief Executive Officer is attached to the 2011 Circular which is available for review under the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

On an annual basis, the Chief Executive Officer of the Corporation circulates to the Board a proposed strategic plan and budget which are discussed and, if appropriate, adopted by the Board. These form the basis of the corporate objectives which must be met by the Chief Executive Officer. The CGNC Committee reviews the performance of the Corporation and the Chief Executive Officer which review is used by the CGNC Committee in its deliberations concerning the Chief Executive Officer’s annual compensation. See “Statement of Executive Compensation” in Section Six of this circular.

### Lead Director

The Board has created the position of Lead Director. The role of Lead Director is to facilitate the functioning of the Board, to help ensure that appropriate processes are followed, to assist in fostering and seeking input of independent directors, and to ensure independent director participation in all Board decisions.

The Lead Director ensures that the Board’s relationship with management functions effectively and furthers the best interests of the Corporation, including working with the committees appointed by the Board to ensure they have the proper structure and appropriate assignments. The Lead Director also regularly communicates with the Chairman and Chief Executive Officer so that he is aware of any concerns of the independent directors and any concerns communicated by Shareholders and other stakeholders. The role and responsibilities of the Lead Director are in addition to and distinct from the role of the chair of each of the committees of the Board. The mandate of the Lead Director is attached to the 2011 Circular which is available for review under the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

### Committee Chair

Each of the Audit Committee, the CGNC Committee, and the EHS Committee is chaired by an independent director (each a “**Committee Chair**”). The Committee Chairs are responsible for the management and the effective performance of their respective committees. The mandate of each Committee Chair also includes taking all reasonable measures to ensure that the respective committee fully executes its mandate, including taking all reasonable steps to ensure that such committee works as a cohesive team and arranging for the availability of adequate resources and access to information and management to support the committee’s work.

## Board Committees

The Board has established three standing committees of directors: the CGNC Committee, the Audit Committee and the EHS Committee. Each committee regularly meets without management present. All members

of each of the Audit Committee, the CGNC Committee and the EHS Committee, including the respective Chairs, are “independent” within the meaning of the CSA Guidelines and NI 52-110.

In addition, as part of its ongoing efforts to maintain high standards of corporate governance, in 2007 the Board approved and adopted written mandates for the Chairman of the Board and for each Committee Chair, each of which are attached to the 2011 Circular which is available for review under the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com). From time to time, special committees of the Board may be and have been appointed to consider special issues and in particular, any issues that may involve related party transactions. Individual directors may retain outside advisors at the Corporation’s expense in appropriate circumstances and with the approval of the Audit Committee. No material corporate decision or decision involving a potential conflict of interest can be approved by the Board without the approval of the independent directors.

### **Corporate Governance, Nominating and Compensation Committee**

On May 4, 2010, the Board established the CGNC Committee which replaced the previously constituted HRC Committee. Previously, the Corporation did not have a formal governance or nominating committee, although the HRC Committee routinely performed functions that would be customary for such committees. Given the high level of importance the Board places on the Corporation’s governance and nominating functions, the Board felt it was an appropriate time to formalize these roles within the reconstituted CGNC Committee. In addition to assuming the HRC Committee’s mandate with respect to the Corporation’s overall corporate policy relating to compensation and benefits, the CGNC Committee’s mandate was expanded to include such matters as developing an effective corporate governance system for the Corporation, reviewing and assessing the Corporation’s corporate governance practices and public disclosure on an ongoing basis, reviewing the Corporation’s compensation policies and programs to ensure that they motivate an appropriate level of risk-taking and mitigate excessive risk-taking, identifying and recommending candidates for election to the Board and all committees of the Board, organizing and overseeing the Corporation’s director education program and establishing and reviewing succession planning for the Chief Executive Officer and other senior executives.

As of the date of this Circular, the CGNC Committee is comprised of Michael A. Butt (Chair), Joseph A. Carrabba, Monica Sloan and The Hon. Brian V. Tobin, P.C., O.C., all of whom are considered independent within the meaning of the CSA Guidelines. The Chief Executive Officer of the Corporation does not participate in the selection of members of the CGNC Committee.

Current members of the CGNC Committee are all senior business leaders and executives with several years of compensation and human resources experience. Accordingly, the Board believes that the members of the CGNC Committee, collectively, have the knowledge, experience and background to fulfill its mandate.

The CGNC Committee met 7 times in fiscal 2013. The CGNC Committee meets without the presence of directors who are not independent of the Corporation and without the presence of management.

The CGNC Charter is attached to this Circular as Appendix 2.

### **Audit Committee**

As of the date of this Circular, the Audit Committee is composed of Anthony P. Franceschini (Chair), Michael A. Butt, and Austin C. Beutel, all of whom are considered to be “independent” and “financially literate” within the meaning of NI 52-110. As such, 100% of the Audit Committee members are considered independent. The Corporation believes the oversight function of the Audit Committee provides a key stewardship role in the Corporation’s financial disclosure issues, internal controls, financial and operational risk management, corporate finance and related matters.

In reviewing the audited financial statements of the Corporation, the Audit Committee discusses the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosure in the financial statements. In addition, the Audit Committee discusses with the Corporation’s independent external auditors the overall scope and plans for their audit. The Audit Committee

meets with the auditors, with and without management present, to discuss the results of their examination and the overall quality of the Corporation's financial reporting. At least once per quarter, the members of the Audit Committee and other independent members of the Board meet with the auditors to discuss relevant issues. Neither the Board members who are part of management nor the Corporate Secretary participate in these meetings. The Audit Committee also carefully reviews evolving audit committee regulations and best practices to ensure corporate alignment with the spirit and intent of such regulations and practices. The Audit Committee also meets annually with the CGNC Committee to consider the Corporation's key business risks and how the Corporation's compensation policies and programs mitigate or promote excessive risk taking. The Audit Committee is responsible for overseeing the administration, financial reporting and investment activities of the Corporation's pension plans and receives and considers an annual, or more frequently as required, Treasury Report on the status of the Corporation's pension plans.

The Audit Committee met 4 times in fiscal 2013. The Audit Committee meets once per quarter before regularly scheduled Board meetings. The Audit Committee sets aside a portion of these meetings to meet without the presence of directors who are not independent of the Corporation and without the presence of management.

### **Environmental, Health and Safety Committee**

As of the date of this Circular, the EHS Committee is comprised of J.D. Hole (Chair), Anthony P. Franceschini and Rolf Kindbom. Mr. Kindbom will be retiring as of the date of the Meeting and the Board will reconsider the EHS Committee membership at that time. The Corporation believes the mandate of the EHS Committee provides an important leadership role in supporting the Corporation's core value of "safety first". The overall purpose of the EHS Committee is to support continuous improvement of healthy and safe workplaces, founded on the principles that the effective management of health, safety, wellness and concern for the environment (collectively "EHS") are essential to the success of the Corporation.

The EHS Committee is responsible for reviewing and approving the Corporation's annual EHS Strategic Plan and on a quarterly basis reviewing and assessing the Corporation's EHS performance. The EHS Committee is also tasked with reviewing corporate governance principles relating to a sound EHS system comprised of strategies, programming and performance of the Corporation from time to time to ensure compliance with changing regulatory requirements and best practices. In addition, the EHS Committee plays a key role in providing continuing education of EHS issues, best practices, legal and regulatory requirements and trends to the Board.

The EHS Committee met 4 times in fiscal 2013. The EHS meets once per quarter before regularly scheduled Board meetings. The EHS Committee Charter is attached to the 2011 Circular which is available for review under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

## **MEETINGS OF INDEPENDENT DIRECTORS AND IN-CAMERA MEETINGS**

The independent directors met on a quarterly basis during the 2013 financial year and an in-camera session was held at every Board meeting. All members of the Audit Committee, CGNC Committee and EHS Committee are independent. An in-camera session is held at every Board committee meeting.

## **INDEPENDENCE OF CHAIR AND LEAD DIRECTOR**

The Board Chair, John M. Beck, is not considered independent of the Corporation within the meaning of the CSA Guidelines and NI 52-110. The Lead Director, the Hon. Brian V. Tobin, P.C., O.C., is considered independent of the Corporation within the meaning of the CSA Guidelines. For a description of the mandate of the Board Chair and a description of the position of the Lead Director, please see Aecon's 2011 Circular under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com). In the event of a vote of the Board that is tied, neither the Board Chair nor the Lead Director is entitled to an additional or tie-breaking vote.

## **BOARD INTERLOCKS**

The CGNC Committee has reviewed the membership of Aecon's proposed nominees to the Board on the boards of other reporting issuers. No two proposed nominees to the Board are members of the same board of directors of another reporting issuer. As such, no independence issues arise from Board interlocks.

## **RETIREMENT POLICY AND TERM LIMITS**

The Board does not believe it is appropriate to establish fixed term limits or a mandatory retirement age for directors and, as such, it has not adopted a formal retirement policy for directors. Although having term limits and a mandatory retirement age may serve to introduce fresh ideas and viewpoints to the Board, they pose the disadvantage of losing the contribution of directors who have valuable business experience upon which to draw and have been able to develop, over a period of time, increasing insight into both Aecon's operations and the industry in which it functions and, therefore, continue to provide a significant contribution to the Board and Aecon. As such, the Board believes that, on balance, neither term limits nor a mandatory retirement age are in the best interests of the Corporation.

As an alternative, the CGNC Committee reviews the appropriateness of each director's continuation on the Board once a year, which gives each director the opportunity to confirm such director's desire to continue as a member of the Board and to continue to make the time commitment required to be an effective director. As well, once a director reaches a certain age, which shall be determined on a case by case basis having regard to a wide variety of individual specific factors, his or her continued service on the Board will be reviewed annually by both the CGNC Committee and the Board as a whole.

Upon retirement or resignation from the Board, a director is not entitled to, nor does a director receive, any form of retirement compensation from the Corporation.

For additional information regarding the Board including continuing education of directors and orientation of new directors, the Board's monitoring of ethical behaviour, key position descriptions, the director nomination process, meeting attendance records of directors and succession planning, please see "Corporate Governance Matters" in this Section Ten.

## **NOMINATION OF DIRECTORS**

The CGNC Committee is responsible for identifying and recommending candidates for election to the Board and all committees of the Board. As part of its mandate with respect to nominating functions, the CGNC Committee is responsible for: (i) developing the criteria, profile and qualifications for new nominees to fill vacancies on the Board and recommending same for approval of the Board; (ii) identifying, interviewing and recruiting new nominees to fill vacancies on the Board as may be required; (iii) recommending for the approval of the Board the nominees to stand for election as directors at each annual meeting of Shareholders or otherwise to be appointed by the Board to fill any vacancy on the Board from time to time; (iv) reviewing and recommending to the Board for approval, the need, composition, membership and chairmanship of all committees of the Board, ensuring they are comprised of entirely independent members; and (v) establishing an orientation program for new Board members.

In considering a potential candidate, the CGNC Committee considers both the qualities and skills that the Board, considered in its entirety, currently possesses (see "Election of Directors – Board Skills Matrix" in Section Two of this Circular for additional details regarding the expertise of the Board) and that the Board should possess. Based on the skills and experiences already represented on the Board, the CGNC Committee will consider the experience, personal attributes and qualities that a candidate should possess in light of the anticipated growth and development of the Corporation. For example, in light of Aecon's growth in Western Canada in recent years, three of the last four directors nominated to the Board were Alberta-based, adding valuable western Canadian perspective and experience to the Board. Moreover, the CGNC Committee recognizes the benefits of promoting diversity at the Board level. Diverse perspectives linked in common purpose contribute to innovation and growth

for the Corporation. In considering candidates and selecting nominees for the Board, diversity, including gender diversity, is an important factor considered by the CGNC Committee. In assessing a candidate's suitability, the CGNC Committee also takes into consideration the existing commitments of the individual to ensure that each member has sufficient time to discharge such member's duties.

Notwithstanding that the CGNC Committee is charged with the responsibility of identifying potential new Board members, all members of the Board are eligible to put forth candidates for the CGNC Committee to consider. Additionally, the Board may, and has in the past, engaged recruiting firms to assist with identifying qualified candidates. Once candidates have been approved by the CGNC Committee and their interest level gauged, the entire Board discusses, both formally and informally, the suitability of a particular candidate.

The CGNC Committee maintains an evergreen list of potential candidates for the Board, including a separate evergreen list of potential female candidates for the Board with a view to increasing the Board's gender diversity.

## **ORIENTATION OF NEW DIRECTORS**

The Board is responsible for the orientation and education of new recruits to the Board and all new directors are provided with a directors' orientation manual which includes the directors' and officers' insurance policies maintained by the Corporation, a copy of key corporate policies, the Corporation's most recent significant public disclosure documents and the current business plan. Prior to or shortly after joining the Board, each new director will meet with the Chairman, the Vice Chairman and Lead Director, the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer of the Corporation. Each individual is responsible for outlining the business and prospects of the Corporation, both positive and negative, with a view to ensuring that the new director is properly informed to commence his or her duties as a director. In addition, new directors are entitled to hold exclusive meetings with members of senior management in order to familiarize themselves with the various businesses and activities of Aecon. Each new director will also be given the opportunity to meet with the Corporation's independent external auditors and legal counsel to the Corporation as well as the chair of each committee of the Board.

## **CONTINUING EDUCATION**

Members of the Board are regularly updated by management on the Corporation's activities and operations. Moreover, management arranges for Board members to make site visits to some of the Corporation's major projects to assist the Board in more fully understanding the scope and risks associated with those projects. In 2013, all Board members traveled to the Potash Corporation of Canada's mine site near Rocanville, Saskatchewan where the Corporation is executing a project valued at over \$250 million to install the interior of a new process mill. Messrs. Beck, Butt and Kindbom and Ms. Sloan each also attended the Corporation's Safety Day at various sites where the Corporation is performing work including (i) the TTC Sheppard South site where the Corporation is building the new Toronto Transit Commission's Sheppard West station, an integrated subway and GO Transit regional rail station and constructing subway tunnels; (ii) the Evan-Thomas Water Treatment and Wastewater Treatment Facility construction project in Alberta; and (iii) the Darlington Generating Station in Clarington, Ontario where the Corporation is carrying out the definition phase of the refurbishment of all four nuclear reactors.

There is a significant number of committee and Board meetings, both on a formal and informal basis. Historically, topics for presentation and discussion included, among others, financial and operational reviews; overviews of legal matters, regulatory matters and legislative developments impacting the Corporation, including, for example, implementation of procedures to address workplace harassment legislation, whistle blower requirements and development of a Code of Conduct policy; acquisition and divestiture opportunities; strategic planning; director duties; internal audit; health and safety matters; specific project updates; and the implications of implementing International Financial Reporting Standards with respect to the Corporation's accounting procedures. The Corporation also arranges for speakers to present at Board meetings. In May 2013, Mr. Peter

Tertzakian, the Chief Energy Economist and Managing Director of ARC Financial Corporation, an energy-focused private equity firm delivered a presentation to the Board on the subject of the global energy sector.

The Corporation believes a director must be well informed and takes a proactive approach in this regard. Typically, Board materials include information relating to current regulatory, accounting and financial issues and the directors regularly discuss these issues at the Board and committee level. The Corporation's independent external auditors and legal counsel regularly update the Corporation on recently enacted or proposed regulatory developments. In addition, Board members meet with senior management of the Corporation on an ongoing basis to review the business and affairs of the Corporation. The Hon. Brian V. Tobin, P.C., O.C., Vice Chairman and Lead Director of the Corporation, addresses developments in corporate governance matters as appropriate. As necessary, outside presentations are arranged for Board members and outside materials are circulated. The Director Education Reimbursement Policy assists directors in enhancing their expertise by attending continuing education programs at Aecon's expense. Moreover, the Chair of the CGNC Committee, together with the Chairman of the Board and CEO, arranges periodic education sessions throughout the year, including engaging relevant speakers.

## **STRATEGIC PLANNING**

On an annual basis, the Board reviews and approves the Corporation's strategic plans. These plans include key initiatives, details of opportunities, risks, competitive position, financial projections and other key performance indicators for each of the principal business groups. The annual strategy session allows directors to gain a fuller appreciation of planning priorities and progress being made on strategic plans. Directors also give constructive feedback to management on the Corporation's strategic plans. The feedback from directors and management is a key input in planning for the next year's session. Directors also receive a strategic update on the progress of each of the principal business groups and major projects during the fiscal year.

## **DIRECTOR AND BOARD PERFORMANCE ASSESSMENT**

In 2012, the Board instituted a formal annual assessment process with respect to the effectiveness of the Board and its committees, and the performance and contribution of individual directors, which includes a bi-annual peer review. In 2013, the Board introduced an annual formal feedback process consisting of one-on-one meetings between the Chair of the Board and each director. Assessment of the Board consists of a survey which is approved by the Chair of the CGNC Committee and the bi-annual assessment of directors consists of a peer evaluation which is based on a questionnaire approved by the Chair of the CGNC Committee. The evaluations ask questions about what was done well and what could be done better and cover Board and committee structure and composition, Board leadership, strategic planning, risk management, operational performance and Board processes and effectiveness. In addition, as part of the review process each committee bi-annually evaluates its effectiveness in carrying out the duties specified in its charter. The results of the Board evaluation are analyzed and reviewed by the Lead Director (except for the peer evaluation results in respect of the Lead Director, which are reviewed by the Chair of the CGNC Committee), who considers whether any changes to the Board's processes, composition or committee structure are appropriate. Additionally, senior management is advised of any suggestions made by directors for enhancement of processes to support the work of the Board.

## **SUCCESSION PLANNING**

The Corporation's philosophy of promoting from within strengthens its values and culture and provides more options for succession. The Corporation complements this with selective external hiring to benefit from diverse experiences and fresh ideas. The Corporation holds senior leaders accountable for talent management and succession planning through a performance assessment process.

The CGNC Committee plays a key role in supporting the Board in its oversight of talent management and succession planning. Annually, the CGNC Committee reviews and discusses with management the composition of Aecon's leadership team. In December 2013, the CGNC Committee, at the Corporation's annual strategic and business plan meetings, reviewed the succession planning process and key potential succession candidates at both

the corporate and divisional levels. In March 2014, the Board announced that it will appoint Mr. Terrance L. McKibbin, currently President and Chief Operating Officer as the Corporation's President and Chief Executive Officer, effective as of the date of the Meeting. Mr. John M. Beck will become Executive Chairman and will continue to serve the Corporation on a full-time basis. This transition is a result of the Board's ongoing assessment of the Corporation's succession plan.

The Chief Executive Officer routinely discusses with the CGNC Committee the strengths and gaps of key succession candidates, development progress over the prior year and future development plans. There is also a systematic approach for the Board to meet and familiarize itself with potential succession candidates, including more junior executives.

## **SHAREHOLDER FEEDBACK AND COMMUNICATION**

The Corporation views its Shareholders and other investors as owners and partners and it has procedures in place to provide effective communications with its Shareholders and investors. Senior management (being the Chairman and Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer) together with the Vice Chairman and Lead Director are all committed to being accessible. The Disclosure Committee currently consists of the: (i) Chief Financial Officer; (ii) Executive Vice President, Legal and Commercial Services; (iii) Senior Vice President, Corporate Affairs; (iv) Assistant Corporate Secretary; and (v) ad hoc members, as required from time-to-time, including the Chief Executive Officer, the Chief Operating Officer, the Controller and the Senior Vice President, Finance. The Disclosure Committee has implemented procedures to obtain and appropriately deal with feedback from its Shareholders.

The Corporation also communicates regularly with Shareholders through annual and quarterly reports. At the Corporation's annual meeting of Shareholders, a full opportunity is afforded for Shareholders and other interested persons to ask questions concerning the Corporation's business. The Corporation endeavours to provide each Shareholder and investor inquiry with a prompt response from an appropriate officer of the Corporation. Information about the Corporation, including annual reports, interim financial reports and recent news releases, is also available on the Corporation's website at [www.aecon.com](http://www.aecon.com) and under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com). Correspondence to the Corporation or any of its directors and officers can be sent to the following address: 20 Carlson Court, Suite 800, Toronto, Ontario, Canada, M9W 7K6 or by fax to +1-416-940-2290. Shareholders who wish to ask questions or have comments about the Corporation's executive compensation should contact the Chair of the CGNC Committee at the address above.

## **BOARD EXPECTATIONS OF MANAGEMENT**

Management is responsible for the day-to-day operations of the Corporation and is expected to implement Board approved strategic business plans and initiatives within the context of authorized budgets and corporate policies and procedures. The information which management provides to the Board is critical. Management is expected to report regularly to the Board in a comprehensive, accurate and timely fashion in respect of the business and affairs of the Corporation. The Board monitors the nature of the information requested by the Board and otherwise provided to it so that it can effectively identify issues and opportunities for the Corporation. The Chairman, with the assistance of the Lead Director, is responsible for the management, development and effective performance of the Board in a manner that ensures the Board is adequately informed and is an effective monitor of management.

At the same time, the Board recognizes that the operations of the Corporation, its strategies and, ultimately, its success, will depend on management being successful. The Board's responsibility is to monitor and supervise, not to manage and operate the business.

## **INSURANCE**

The Corporation maintains insurance for the benefit of the directors and officers of the Corporation and of its subsidiaries against liability in their respective capacities. For the period January 1, 2013 through

December 31, 2013, the premium payable by the Corporation and the total amount of insurance purchased for the directors and officers as a group were \$98,671 (exclusive of applicable tax) and \$35,000,000 respectively. A deductible of \$100,000 applies where the Corporation indemnifies the director or officer where required or permitted by law or in the event of a securities claim against the Corporation and/or a director or officer. The Corporation also maintains coverage dedicated and exclusive to directors and officers for claims made against them when the Corporation cannot or will not indemnify the individual. The directors and officers are not required to pay any premium in respect of the insurance.

## SHAREHOLDER PROPOSALS

In accordance with the provisions of the *Canada Business Corporations Act*, a Shareholder may be entitled to submit to the Corporation notice of any matter that the person proposes to raise at the next annual meeting of Shareholders and the Corporation shall set out such proposal and the accompanying supporting statement, if any, in the management information circular for the next annual meeting of Shareholders, provided such notice is given to the Corporation by February 9, 2015. No Shareholder proposals were received by the Corporation with respect to the Meeting before the cut-off date specified in the Corporation's management proxy circular in respect of its annual meeting of Shareholders held on June 11, 2013.

## SECTION ELEVEN – AVAILABILITY OF DOCUMENTS

Additional information relating to the Corporation is available for review under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com). Copies of the Annual Information Form and the Corporation's 2013 Annual Report containing the audited comparative financial statements (together with the auditor's report thereon) and accompanying management's discussion and analysis for the year ended December 31, 2013 are available on SEDAR or Shareholders may request copies be sent to them upon written request to the Corporate Secretary at 20 Carlson Court, Suite 800, Toronto, Ontario, Canada, M9W 7K6.

## SECTION TWELVE – APPROVAL

The contents and the sending of this Circular have been approved by the directors of the Corporation.



L. Brian Swartz  
Executive Vice President, Legal and Commercial Services  
and Corporate Secretary

Dated at Toronto, Ontario  
May 9, 2014

## APPENDIX 1

### CORPORATE GOVERNANCE PRACTICES

#### PURSUANT TO NATIONAL INSTRUMENT 58-101

	<b>Governance Disclosure Requirement Under NI 58-101</b>	<b>Comment</b>
1.(a)	Disclose the identity of directors who are independent.	As at May 7, 2014, Messrs. Beutel, Butt, Carrabba, Franceschini, Hole, Tobin and Ms. Sloan are independent directors. Please see "Election of Directors – Director Independence" in Section Two of the Circular to which this Appendix is attached.
(b)	Disclose the identity of directors who are not independent and describe the basis for that determination.	One Board member does not qualify as an independent director, namely, Mr. Beck, the Chairman and Chief Executive Officer of the Corporation. In addition, Mr. McKibbon, the President and Chief Operating Officer of the Corporation is standing for election as a director of the Corporation at the Meeting. Mr. Beck and Mr. McKibbon served as executive officers of the Corporation within the prior three-year period.
(c)	Disclose whether a majority of the directors are independent. If a majority of directors are not independent, describe what the Board does to facilitate its exercise of independent judgment in carrying out its responsibilities.	As at May 7, 2014, a majority of the directors of the Corporation (being eight of nine directors or 88.9%) are considered independent directors. If all proposed nominees for election as directors are elected, 77.8% of directors will be considered independent. For details regarding committees and independent membership, please see "Corporate Governance Matters – Board Committees" in Section Ten of the Circular to which this Appendix is attached.
(d)	If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	All directorships with other public entities for each of the Board members, as applicable, are set forth in Section Two of the Circular to which this Appendix is attached under the heading "Election of Directors – Board Nominees".
(e)	Disclose whether the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.	For details, please see "Election of Directors – Meetings of Independent Directors" in Section Two of the Circular to which this Appendix is attached.

	<b>Governance Disclosure Requirement Under NI 58-101</b>	<b>Comment</b>
(f)	Disclose whether the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent directors.	The Chief Executive Officer of the Corporation, John M. Beck, is also the Chairman of the Board. In the view of the Board, the fact that Mr. Beck occupies both offices does not impair the ability of the Board to act independently of management. Furthermore, as of the date of the Meeting, Mr. Beck will no longer serve as Chief Executive Officer of the Corporation and the position will be filled by Terrance L. McKibbon, the current President and Chief Operating Officer. The Hon. Brian V. Tobin, P.C., O.C., the Vice Chairman and Lead Director of the Board, who is an independent director, represents the Corporation's outside and independent directors in discussions with senior management on corporate governance issues and related matters.
(g)	Disclose the attendance record of each director for all Board meetings held since the beginning of the issuer's most recently completed financial year.	The attendance record of each director for all Board and committee meetings held since the beginning of the Corporation's most recently completed financial year is set forth in Section Two of the Circular to which this Appendix is attached under the heading "Corporate Governance – Director Attendance".
2.	Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.	The Board Mandate is appended as Appendix 2 to the 2011 Circular which is incorporated by reference herein available for review under the Corporation's SEDAR profile at <a href="http://www.sedar.com">www.sedar.com</a> .
3.(a)	Disclose whether the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.	The Board has developed a written position description for the Chairman of the Board, the Chair of each Board committee and the Lead Director, each of which is attached to the 2011 Circular, incorporated by reference herein, which is available for review under the Corporation's SEDAR profile at <a href="http://www.sedar.com">www.sedar.com</a> .
(b)	Disclose whether the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.	The Board and the Chief Executive Officer have developed a written position description for the Chief Executive Officer, which is attached to the 2011 Circular, incorporated by reference herein, which is available for review under the Corporation's SEDAR profile at <a href="http://www.sedar.com">www.sedar.com</a> .
4.(a)	Briefly describe what measures the Board takes to orient new members regarding (i) the role of the Board, its committees and its directors; and (ii) the nature and operation of the issuer's business.	Please see "Corporate Governance Matters – Orientation of New Directors, Continuing Education and Strategic Planning" in Section Ten of the Circular to which this Appendix is attached.

	<b>Governance Disclosure Requirement Under NI 58-101</b>	<b>Comment</b>
(b)	Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.	Please see “Corporate Governance Matters – Orientation of New Directors, Continuing Education and Strategic Planning” in Section Ten of the Circular to which this Appendix is attached.
5.(a)	Disclose whether the Board has adopted a written code for the directors, officers and employees of the issuer. If the Board has adopted a written code:	The Corporation has adopted a Code of Conduct.
	(i) disclose how a person or company may obtain a copy of the code;	The Code of Conduct is available for review under the Corporation’s SEDAR profile at <a href="http://www.sedar.com">www.sedar.com</a> .
	(ii) describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and	Please see “Corporate Governance” and, in particular, “Board Oversight of Corporate Governance” in the Section Ten of the Circular to which this Appendix is attached.
	(iii) provide a cross-reference to any material change report filed since the beginning of the issuer’s most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.	The Board has not granted any waiver of the Code of Conduct in favour of any directors, officers or employees since its adoption by the Board. Accordingly, no material change report has been required or filed in this regard.
(b)	Describe any steps the Board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.	A majority of the Corporation’s directors are independent in that they are free from any interest and any business or other relationship which has materially affected or would materially affect the Corporation or any of its subsidiaries (please see “Interest of Informed Persons in Material Transactions” and “Election of Directors – Director Independence” in Sections Eight and Two, respectively, of the Circular to which this Appendix is attached).  Transactions and agreements in respect of which a director or executive officer has a material interest must be reviewed and approved by the Audit Committee.
(c)	Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.	The Corporation has adopted the Code of Conduct in order to encourage, promote and require a culture of ethical business conduct. For additional steps taken by the Board, please see 5(a)(ii) above.

	<b>Governance Disclosure Requirement Under NI 58-101</b>	<b>Comment</b>
6.(a)	Describe the process by which the Board identifies new candidates for Board nomination.	Please see “Corporate Governance Matters – Nomination of Directors” in Section Ten of the Circular to which this Appendix is attached and see the Corporate Governance, Nominating and Compensation Committee Charter attached to this Circular as Appendix 2.
(b)	Disclose whether the Board has a Nominating Committee composed entirely of independent directors. If the Board does not have a Nominating Committee composed entirely of independent directors, describe what steps the Board takes to encourage an objective nomination process.	Please see “Corporate Governance Matters – Nomination of Directors” in Section Ten of the Circular to which this Appendix is attached and see the Corporate Governance, Nominating and Compensation Committee Charter attached to this Circular as Appendix 2.
(c)	If the Board has a Nominating Committee, describe the responsibilities, powers and operation of the Nominating Committee.	Please see “Corporate Governance Matters – Nomination of Directors” in Section Ten of the Circular to which this Appendix is attached and see the Corporate Governance, Nominating and Compensation Committee Charter attached to this Circular as Appendix 2.
7.(a)	Describe the process by which the Board determines the compensation for the issuer’s directors and officers.	Please see “Statement of Executive Compensation” in Section Six of the Circular to which this Appendix is attached.
(b)	Disclose whether the Board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the Board takes to ensure an objective process for determining such compensation.	As of the date of this Circular, the CGNC Committee is comprised of Michael A. Butt (Chair), Joseph A. Carrabba, Monica Sloan, and The Hon. Brian V. Tobin, P.C., O.C., all of whom are considered independent.
(c)	If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	The responsibilities, powers and operation of the CGNC Committee are described in Section Ten of the Circular to which this Appendix is attached under the heading “Corporate Governance Matters – Corporate Governance, Nominating and Compensation Committee”. Please see also the Corporate Governance, Nominating and Compensation Committee Charter attached to this Circular as Appendix 2.
8.	If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The function of the Environmental, Health and Safety Committee is described in Section Ten of the Circular to which this Appendix is attached under the heading “Corporate Governance Matters – Environmental, Health and Safety Committee”.

	<b>Governance Disclosure Requirement Under NI 58-101</b>	<b>Comment</b>
9.	<p>Disclose whether the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees and its individual directors are performing effectively.</p>	<p>Please see “Corporate Governance Matters – Director Performance Review” in Section Ten of the Circular to which this Appendix is attached.</p>

## APPENDIX 2

### CORPORATE GOVERNANCE, NOMINATING AND COMPENSATION COMMITTEE CHARTER

#### Overview and Purpose

The Corporate Governance, Nominating and Compensation Committee (the “**Committee**”) is responsible for performing the duties set out in this Charter to enable the board of directors (the “**Board**”, and each director, a “**Director**”) to discharge its responsibilities and obligations with respect to:

- developing an effective corporate governance system for Aecon Group Inc. (the “**Corporation**”);
- reviewing and assessing on an ongoing basis the Corporation’s corporate governance and public disclosure;
- identifying and recommending candidates for election to the Board and all committees of the Board;
- developing and reviewing compensation plans, particularly those relating to executive officers, senior management, Board members and committee members, as well as providing guidance on the Corporation’s overall compensation structure;
- assessing, on an annual basis, the performance of the Board and its members; and
- managing compensation related risk.

#### Committee Membership

The Committee will be comprised of a minimum of three Directors provided that a majority of the Directors of the Committee shall meet the independence requirements of applicable securities laws and the listing standards of the Toronto Stock Exchange (an “**Independent Member**”). A Chair of the Committee will be appointed.

The Board will appoint the members of the Committee and the Chair annually following the annual general meeting. The independent Directors of the Board may appoint a member to fill a vacancy or remove and/or replace a member at any time.

#### Attendance at Meetings

The Committee shall meet as frequently as it determines necessary but not less frequently than four times each year. Meetings may be called by the Chair or by a majority of members. At least forty-eight hours prior notice of such meetings will be given to Committee members, unless otherwise agreed to by all members of the Committee.

Meetings are chaired by the Chair or, in the Chair’s absence, by a member chosen by the Committee. The Chair may establish rules and procedures to be followed at meetings of the Committee. The Committee shall produce written minutes of its meetings and shall provide the Board with a report of its activities and proceedings.

A quorum for the transaction of business at any meeting of the Committee is a majority of members and the vote of a majority of the members present will be an act of the Committee. Meetings may be conducted with members physically present, or by telephone or other communication facilities which permit all persons

participating in the meeting to hear or communicate with each other. A written resolution signed by all Committee members is as valid as one passed at a Committee meeting.

Directors not on the Committee may attend meetings at the invitation of the Chair. Members of the Committee may invite members of management or other outside consultants to attend Committee meetings as determined necessary or desirable.

### **Responsibilities and Duties**

The responsibilities and duties of the Committee with respect to its mandate are set forth below. In addition, the Committee may perform such other duties as may be necessary or appropriate under applicable law, the Toronto Stock Exchange regulations or as may be delegated to the Committee by the Board from time to time.

The Committee has the authority to delegate some or all of its responsibilities to a subcommittee from time to time, provided that the subcommittee is comprised of Independent Members.

### **Corporate Governance**

- Developing appropriate corporate governance principles and practices.
- Reviewing the corporate governance principles of the Corporation from time to time to ensure compliance with changing regulatory requirements and best practices.
- Providing continuing education of corporate governance issues, legal requirements and trends.
- Reviewing the Corporation's key public disclosure documents including its annual report and management information circular.
- Ensuring that Directors and committee members can engage special advisors, from time to time, at the expense of the Corporation.
- Reviewing the size, duties and responsibilities of the Board, all Board committees and all position descriptions from time to time.
- Reviewing the duties and responsibilities of the CEO from time to time and to the extent necessary recommending changes for approval of the Board.
- Reviewing the Corporation's business plan and the CEO's objectives for each year and assessing success at meeting those objectives.

### **Nomination of Directors**

- Developing the criteria, profile and qualifications for new nominees to fill vacancies on the Board and recommending same for approval of the Board.
- Identifying, interviewing and recruiting new nominees to fill vacancies on the Board as may be required.
- Recommending for the approval of the Board the nominees to stand for election as Directors at each annual meeting or otherwise to be appointed by the Board to fill any vacancy on the Board from time to time.

- Reviewing and recommending to the Board for approval, the need, composition, membership and chairmanship of all committees, including this Committee.
- Establishing an orientation program for new Directors.

### **Compensation**

- Reviewing the Corporation's compensation plans, particularly those relating to executive officers and senior management personnel, including in respect of salary and salary structure for executives and employees, bonus awards, stock option grants, pension and benefit arrangements, incentive plans and policies and making recommendations in connection therewith to the Board for approval.
- Annually reviewing the adequacy and form of compensation of the Directors and committee members to ensure it realistically reflects the responsibilities and risks involved and making appropriate recommendations to the Board for approval.
- Conducting periodic reviews of the Corporation's compensation philosophy (including the retention of outside consultants as deemed appropriate), as well as developing and fostering a compensation policy that rewards the creation of shareholder value and reflects an appropriate balance between short and long-term performance.
- Reviewing and recommending to the Board for approval a compensation report for inclusion in the Corporation's annual information circular.
- Annually meeting with the Audit Committee to consider the Corporation's key business risks and how the Corporation's compensation policies and programs mitigate or promote excessive risk.
- Annually reviewing the Corporation's compensation policies and programs to ensure that they motivate an appropriate level of risk-taking and implementing and/or amending the Corporation's policies and programs to ensure that they mitigate or do not promote excessive risk-taking.

### **Succession Planning**

- Establishing and reviewing succession planning for the CEO and other senior executives.

## APPENDIX 3

RESOLVED that:

1. Old By-law No. 1 of the Corporation is repealed, provided that such repeal shall not affect the operation of such by-law prior to such repeal or affect the validity of any act done, or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made pursuant to, or the validity of any articles (as defined in the *Canada Business Corporations Act*) or predecessor charter documents of the Corporation obtained pursuant to, such by-law prior to its repeal.
2. New By-law No. 1 of the Corporation, the full text of which is attached as Appendix 4 to this Circular dated May 9, 2014, being a by-law relating generally to the transaction of the business and affairs of the Corporation, is confirmed as made by the board of directors of the Corporation.
3. Each of the directors and officers of the Corporation is hereby authorized and directed to do all things and execute documents necessary or desirable to give effect to the foregoing.

## APPENDIX 4

### BY-LAW NO. 1

A by-law relating generally to the  
transaction of the business and  
affairs of

**Aecon Group Inc.**

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#### Contents

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**BE IT ENACTED** as a by-law of Aecon Group Inc. (hereinafter called the “**Corporation**”) as follows:

SECTION ONE  
INTERPRETATION

1.01            Definitions - In the by-laws of the Corporation, unless the context otherwise requires:

“Act” means the *Canada Business Corporations Act*, or any statute that may be substituted therefor, and the regulations to the Act, as from time to time amended;

“appoint” includes “elect” and vice versa;

“articles” means the articles attached to the restated certificate of incorporation of the Corporation dated September 16, 2004, as from time to time amended or restated;

“board” means the board of directors of the Corporation;

“by-laws” means this by-law and all other by-laws of the Corporation from time to time in force and effect;

“Corporation” means the corporation incorporated under the Act by the said certificate to which the articles are attached, and named “Aecon Group Inc.”;

“including” means including, without limitation;

“meeting of shareholders” includes an annual meeting of shareholders and a special meeting of shareholders; and “special meeting of shareholders” includes a meeting of any class or classes of shareholders and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders;

“prescribed” means prescribed in accordance with the Act; and

“recorded address” has the meaning set forth in section 11.08.

Save as aforesaid, words and expressions defined in the Act, including “distributing corporation”, “electronic document” and “resident Canadian”, have the same meanings when used herein. Words importing the singular number include the plural and vice versa; and words importing a person include an individual, partnership, association, body corporate, trustee, executor, administrator and legal representative.

## SECTION TWO

### BUSINESS OF THE CORPORATION

2.01 Registered Office - The registered office of the Corporation shall be in the province in Canada from time to time specified in the articles, and at such location therein initially as is specified in the notice thereof filed with the articles and thereafter as the board may from time to time determine.

2.02 Corporate Seal - The Corporation may, but need not, adopt a corporate seal and if one is adopted it shall be in a form approved from time to time by the board.

2.03 Financial Year - Until changed by the board, the financial year of the Corporation shall end on the last day of December in each year.

2.04 Execution of Instruments - Deeds, transfers, assignments, contracts, obligations, certificates and other instruments in writing requiring the signature of the Corporation may be signed on behalf of the Corporation by any one director or officer of the Corporation, and all deeds, transfers, assignments, contracts, obligations, certificates and other instruments so signed shall be binding upon the Corporation without any further authorization or formality. The Board is authorized from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer may affix the corporate seal to any instrument requiring the same.

2.05 Banking Arrangements - The banking business of the Corporation, including the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time prescribe.

2.06 Voting Rights in Other Bodies Corporate - The signing officers of the Corporation under section 2.04 may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments shall be in favour of such persons as may be determined by the officers executing or arranging for the same. In addition, the board may from time to time direct the manner in which and the persons by whom any particular voting rights or class of voting rights may or shall be exercised.

2.07 Divisions - The board may cause the business and operations of the Corporation or any part thereof to be divided into one or more divisions upon such basis, including types of business or operations, geographical territories, product lines or goods or services, as may be considered appropriate in each case. In connection with any such division the board or, subject to any direction by the board, the chief executive officer may authorize from time to time, upon such basis as may be considered appropriate in each case:

- (a) Subdivision and Consolidation - the further division of the business and operations of any such division into sub-units and the consolidation of the business and operations of any such divisions and sub-units;
- (b) Name - the designation of any such division or sub-unit by, and the carrying on of the business and operations of, any such division or sub-unit under, a name other than the name of the

Corporation; provided that the Corporation shall set out its name in legible characters in all places required by law; and

- (c) Officers - the appointment of officers for any such division or sub-unit, the determination of their powers and duties, and the removal of any of such officers so appointed, provided that any such officers shall not, as such, be officers of the Corporation.
-

## SECTION THREE

### BORROWING AND SECURITY

3.01 Borrowing Power - Without limiting the borrowing powers of the Corporation as set forth in the Act, but subject to the articles, the board may from time to time on behalf of the Corporation, without authorization of the shareholders:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell, pledge or hypothecate bonds, debentures, notes or other evidences of indebtedness or guarantee of the Corporation, whether secured or unsecured;
- (c) give a guarantee on behalf of the Corporation to secure performance of any present or future indebtedness, liability or obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable, property of the Corporation, including book debts, rights, powers, franchises and undertakings, to secure any such bonds, debentures, notes or other evidences of indebtedness or guarantee or any other present or future indebtedness, liability or obligation of the Corporation.

Nothing in this section limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

3.02 Delegation - Unless the articles of the Corporation otherwise provide, the board may from time to time delegate to a director, a committee of the board, or an officer of the Corporation any or all of the powers conferred on the board by section 3.01 to such extent and in such manner as the board may determine at the time of such delegation.

## SECTION FOUR

### DIRECTORS

4.01 Number of Directors - Until changed in accordance with the Act, the board shall consist of not fewer than the minimum number and not more than the maximum number of directors provided in the articles. The board shall consist of not fewer than the minimum number of directors required by the Act for a distributing corporation.

4.02 Qualification - No person shall be qualified for election as a director if such person is less than 18 years of age, is of unsound mind and has been so found by a court in Canada or elsewhere, is not an individual, or has the status of a bankrupt. Unless the articles otherwise provide, a director need not be a shareholder. Subject to the Act, at least 25 per cent of the directors shall be resident Canadians, or if the number of directors is fewer than four, at least one director shall be a resident Canadian. At least such number of directors as may be specified by the Act, other applicable law or stock exchange requirements shall not be officers or employees of the Corporation or of its affiliates.

4.03 Election and Term - The election of directors shall take place at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. The number of directors to be elected at any such meeting shall be the number of directors then in office unless the directors otherwise determine. Where the shareholders adopt an amendment to the articles to increase the number or maximum number of directors, the shareholders may, at the meeting at which they adopt the amendment, elect the additional number of directors authorized by the amendment. The election shall be by resolution. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

4.04 Removal of Directors - Subject to the Act, the shareholders may by resolution passed at a meeting of shareholders specially called for such purpose remove any director from office and the vacancy created by such removal may be filled at the same meeting, failing which, subject to the Act, it may be filled by the board.

4.05 Vacation of Office - A director ceases to hold office on death, on removal from office by the shareholders, on ceasing to be qualified for election as a director, on receipt of a written resignation by the Corporation, or, if a time is specified in such resignation, at the time so specified, whichever is later. Subject to the Act, a quorum of the board may appoint a qualified individual to fill a vacancy in the board

4.06 Appointment of Additional Directors - If the articles of the Corporation so provide, the directors may, within the maximum number permitted by the articles, appoint one or more additional directors, who shall hold office for a term expiring not later than the close of the next annual meeting of the shareholders, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of shareholders.

4.07 Action by the Board - The board shall manage, or supervise the management of, the business and affairs of the Corporation. The powers of the board may be exercised at a meeting (subject to sections 4.08 and 4.09) at which a quorum is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board. Where there is a vacancy in the board, the remaining directors may exercise all the powers of the board so long as a quorum remains in office.

4.08 Canadian Directors Present at Meetings - Subject to the Act, the board shall not transact business at a meeting, other than filling a vacancy in the board, unless at least 25 per cent of the directors present are resident Canadians, or if the Corporation has fewer than four directors, at least one of the directors present is a resident Canadian, except where

- (a) a resident Canadian director who is unable to be present approves in writing, or by telephonic, electronic or other communication facility, the business transacted at the meeting; and
- (b) the required number of resident Canadians would have been present had that director been present at the meeting.

4.09 Meeting by Telephone or Video Conference - Subject to the Act, if all the directors of the Corporation consent thereto generally or in respect of a particular meeting, a director may participate in a meeting of the board or of a committee of the board by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, and a director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board and of committees of the board.

4.10 Place of Meetings - Subject to the articles, meetings of the board may be held at any place in or outside Canada.

4.11 Calling of Meetings - Meetings of the board shall be held from time to time at such time and at such place as the board, the chair of the board, the chief executive officer, the president or any two directors may determine.

4.12 Notice of Meeting - Notice of the time and place of each meeting of the board shall be given in the manner provided in Section Eleven to each director not less than 48 hours before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, including, if required by the Act, any proposal to:

- (a) submit to the shareholders any question or matter requiring approval of the shareholders;
- (b) fill a vacancy among the directors or in the office of auditor, or appoint additional directors;
- (c) issue securities except as authorized by the board;
- (d) issue shares of a series except as authorized by the board;
- (e) declare dividends;
- (f) purchase, redeem or otherwise acquire shares issued by the Corporation;
- (g) pay a commission for the sale of shares except as authorized by the board;
- (h) approve a management proxy circular;
- (i) approve a take-over bid circular or directors' circular;

- (j) approve any annual financial statements; or
- (k) adopt, amend or repeal by-laws.

4.13 First Meeting of New Board - Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting immediately following the meeting of shareholders at which such board is elected.

4.14 Adjourned Meeting - Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.

4.15 Regular Meetings - The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

4.16 Chair - The chair of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: chair of the board, chief executive officer or president. If no such officer is present, the directors present shall choose one of their number to be chair.

4.17 Quorum - Subject to the articles and subject to section 4.08, the quorum for the transaction of business at any meeting of the board shall consist of at least fifty per cent (50%) of the number of directors on the board or such greater number of directors as the board may from time to time determine.

4.18 Votes to Govern - At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chair of the meeting shall not be entitled to a second or casting vote.

4.19 Conflict of Interest - A director or officer of the Corporation shall disclose to the Corporation, in the manner and to the extent provided by the Act, any interest that such director or officer has in a material contract or transaction, whether made or proposed, with the Corporation, if such director or officer (a) is a party to the contract or transaction; (b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or (c) has a material interest in a party to the contract or transaction. Such a director shall not vote on any resolution to approve the same except as provided by the Act.

4.20 Remuneration and Expenses - The directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

## SECTION FIVE

### COMMITTEES

5.01 Committees of the Board - The board may appoint one or more committees of the board, however designated, and delegate to any such committee any of the powers of the board except those which pertain to items which, under the Act, a committee of the board has no authority to exercise.

5.02 Transaction of Business - The powers of a committee of the board may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Canada.

5.03 Audit Committee - The board shall appoint annually from among its number an audit committee to be composed of not fewer than three directors. At least such number of directors as may be specified by the Act, other applicable law or stock exchange requirements shall not be officers or employees of the Corporation or its affiliates. The audit committee shall have the powers and duties provided in the Act and in other applicable law and in addition, such other powers and duties as the board may determine.

5.04 Advisory Bodies - The board may from time to time appoint such advisory bodies as it may deem advisable.

5.05 Procedure - Unless otherwise determined by the board, each committee and advisory body shall have power to fix its quorum at not less than a majority of its members, to elect its chair and to regulate its procedure.

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## SECTION SIX

### OFFICERS

6.01 Appointment - The board may from time to time appoint a chief executive officer, a president, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. One person may hold more than one office. The board may specify the duties of and, in accordance with this by-law and subject to the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to section 6.02, an officer may but need not be a director.

6.02 Chair of the Board - The board shall from time to time also appoint a chair of the board who shall be a director. The board may also appoint the chair of the board as the chief executive officer. The board may assign to the chair any of the powers and duties that are by any provisions of this by-law assigned to the chief executive officer. The chair shall have such other powers and duties as the board may specify.

6.03 Powers and Duties of Officers - The powers and duties of all officers shall be such as the terms of their engagement call for or as the board or the chief executive officer may specify. The board and the chief executive officer may, from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the chief executive officer otherwise directs.

6.04 Term of Office - The board, in its discretion, may remove any officer of the Corporation. Otherwise each officer appointed by the board shall hold office until a successor is appointed or until the officer resigns.

6.05 Agents and Attorneys - The Corporation, by or under the authority of the board, shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including the power to subdelegate) of management, administration or otherwise as may be thought fit.

6.06 Conflict of Interest - An officer shall disclose any interest in a material contract or material transaction, whether made or proposed, with the Corporation in accordance with section 4.19.

## SECTION SEVEN

### PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

7.01 Limitation of Liability - All directors and officers of the Corporation in exercising their powers and discharging their duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, and without limiting any defences available to a director or an officer under the Act or otherwise, no director or officer shall be liable for the acts, omissions, failures, neglects or defaults of any other director, officer or employee, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on the part of such director or officer, or for any other loss, damage or misfortune which shall happen in the execution of the duties of office or in relation thereto; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act or from liability for any breach thereof.

7.02 Indemnity - Subject to the Act, the Corporation shall indemnify a director or an officer, a former director or officer, or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, and their heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation, or other entity, if such individual (a) acted honestly and in good faith with a view to the best interests of the Corporation, or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Corporation's request; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful.

7.03 Advance of Costs - The Corporation shall advance moneys to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to in section 7.02. The individual shall repay the moneys if the individual does not fulfil the conditions of section 7.02.

7.04 Additional Circumstances - The Corporation shall also indemnify an individual referred to in section 7.02 in such other circumstances as the Act or law permits or requires. Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law.

7.05 Insurance - Subject to the Act, the Corporation may purchase and maintain insurance for the benefit of an individual referred to in section 7.02 hereof as the board may from time to time determine.

## SECTION EIGHT

### SHARES

8.01 Allotment of Shares - Subject to the Act and the articles, the board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the board shall determine, provided that no share shall be issued until it is fully paid as provided by the Act.

8.02 Commissions - The board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of such person's purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares. The board may, to the extent permitted by the Act, delegate this authority to a committee of directors.

8.03 Registration of Transfers - Subject to the Act, no transfer of a share shall be registered in a securities register except upon compliance with the reasonable requirements of the Corporation and its transfer agents.

8.04 Non-recognition of Trusts - Subject to the Act, the Corporation may treat the registered holder of any share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payment in respect of the share, and otherwise to exercise all the rights and powers of an owner of the share.

8.05 Share Certificates - Every holder of one or more shares of the Corporation shall be entitled, at the holder's option, to a share certificate, or to a non-transferable written acknowledgement of such right to obtain a share certificate, stating the number and class or series of shares held by such holder as shown on the securities register. Subject to the Act, such certificates shall be in such form as the board may from time to time approve. Any such certificate shall be signed in accordance with section 2.04 and need not be under the corporate seal. Notwithstanding the foregoing, unless the board otherwise determines, certificates representing shares in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the signing officers under section 2.04 or, in the case of a certificate which is not valid unless countersigned by or on behalf of a transfer agent and/or registrar and in the case of a certificate which does not require a manual signature under the Act, the signatures of both signing officers under section 2.04 may be printed or otherwise mechanically reproduced in facsimile thereon. Every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

8.06 Replacement of Share Certificates - The board or any officer or agent designated by the board may direct the issue of a new share or other such certificate in lieu of and upon cancellation of a certificate that has been mutilated or in substitution for a certificate claimed to have been lost, destroyed or wrongfully taken on payment of such reasonable fee and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

8.07 Joint Shareholders - If two or more persons are registered as joint holders of any share, the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give

effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.

8.08 Deceased Shareholders - In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make any dividend or other payments in respect thereof except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

8.09 Transfer Agents and Registrars - The board may from time to time appoint one or more agents to maintain, in respect of each class of shares of the Corporation issued by it, a central securities register and one or more branch securities registers. Such a person may be designated as transfer agent or registrar according to the functions of such person and one person may be designated both registrar and transfer agent subject to any applicable stock exchange requirements. The board may at any time terminate such appointment.

8.10 Record Dates - The board may, within the prescribed period, fix in advance a date as the record date for the purpose of determining the shareholders: (a) entitled to receive notice of a meeting of shareholders; (b) entitled to vote at a meeting of shareholders; (c) entitled to receive payment of a dividend; or (d) for any other purpose, and, unless waived in accordance with the Act, notice of any such record date shall be given within the prescribed period in the manner provided in the Act.

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## SECTION NINE

### DIVIDENDS

9.01 Dividends - Subject to the Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation. Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

9.02 Dividend Cheques - A dividend payable in money shall be paid by cheque to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at the holder's recorded address, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold. In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

9.03 Record Date - The board may, within the prescribed period, fix in advance a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend and notice of the record date shall be given within the prescribed period in the manner provided by the Act. If no date is so fixed, the record date for the determination of the shareholders entitled to receive payment of any dividend or for such other purposes shall be at the close of business on the day on which the directors pass the resolution relating thereto.

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## SECTION TEN

### MEETINGS OF SHAREHOLDERS

10.01 Annual Meetings - Subject to the Act, the board shall call an annual meeting of shareholders: (a) not later than 18 months after the Corporation comes into existence; and (b) subsequently, not later than 15 months after holding the last preceding annual meeting but no later than six months after the end of the Corporation's preceding financial year. The annual meeting of shareholders shall be held for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.

10.02 Special Meetings - The board shall have power to call a special meeting of shareholders at any time.

10.03 Place of Meetings - Meetings of shareholders shall be held at the registered office of the Corporation or elsewhere in Canada if the board shall so determine. A meeting of shareholders may be held at a place outside Canada if the place is specified in the articles or all the shareholders entitled to vote at the meeting agree that the meeting is to be held at that place. A shareholder who attends a meeting of shareholders held outside Canada is deemed to have agreed to it being held outside Canada except when the shareholder attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully held. A meeting held pursuant to section 10.05 shall be deemed to be held at the place where the registered office of the Corporation is located.

10.04 Participation in Meeting by Electronic Means - Any person entitled to attend a meeting of shareholders may participate in the meeting, in accordance with the Act, by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Corporation makes available such a communication facility. A person participating in a meeting by such means is deemed for the purposes of the Act to be present at the meeting.

10.05 Meeting held by Electronic Means - If the directors or the shareholders of the Corporation call a meeting of shareholders pursuant to the Act, those directors or shareholders, as the case may be, may determine that the meeting shall be held, in accordance with the Act, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

10.06 Notice of Meetings - Notice of the time and place of each meeting of shareholders shall be given in the manner provided in Section Eleven within the prescribed period to each director, to the auditor, and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements and auditor's report, election of directors and reappointment of the incumbent auditor shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting.

10.07 List of Shareholders Entitled to Notice - For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder entitled to vote at the meeting, within the time period required by the Act. If a record date for notice of the meeting is fixed pursuant to section 10.08, the shareholders listed shall

be those registered at the close of business on such record date. If no record date for notice is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given or, where no such notice is given, on the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the central securities register is maintained and at the meeting for which the list was prepared. Where a separate list of shareholders has not been prepared, the names of persons appearing in the securities register at the requisite time as the holder of one or more shares carrying the right to vote at such meeting shall be deemed to be a list of shareholders.

10.08 Record Date for Notice - The board may, within the prescribed period, fix in advance a date as the record date for the purpose of determining the shareholders entitled to vote at a meeting of shareholders and notice of the record date shall be given within the prescribed period in the manner provided by the Act. If no such record date is so fixed, the record date for the determination of the shareholders entitled to receive notice of the meeting shall be at the close of business on the day immediately preceding the day on which the notice is given or, if no notice is given, shall be the day on which the meeting is held.

10.09 Meetings Without Notice - A meeting of shareholders may be held without notice at any time and place permitted by the Act (a) if all the shareholders entitled to vote thereat are present or duly represented or if those not present or represented waive notice of or otherwise consent to such meeting being held, and (b) if the auditors and the directors are present or waive notice of or otherwise consent to such meeting being held; so long as such shareholders, auditors or directors present are not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. At such a meeting any business may be transacted which the Corporation at a meeting of shareholders may transact. If the meeting is held at a place outside Canada, shareholders not present or duly represented, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to the meeting being held at such place.

10.10 Chair, Secretary and Scrutineers - The chair of any meeting of shareholders shall be the first mentioned of such of the following officers as have been appointed and who is present at the meeting: chair of the board, the chief executive officer, president, or a vice president who is a shareholder. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chair. If the secretary of the Corporation is absent, the chair shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chair with the consent of the meeting.

10.11 Persons Entitled to be Present - The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditor of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.

10.12 Quorum - Subject to the Act, a quorum for the transaction of business at any meeting of shareholders shall be two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxyholder or representative for an absent shareholder so entitled and together holding or representing in the aggregate not less than twenty-five per cent (25%) of the outstanding shares of the Corporation entitled to vote at the meeting. If a quorum is present at the opening of any meeting of shareholders, the shareholders present or represented may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of any meeting of

shareholders, the shareholders present or represented may adjourn the meeting to a fixed time and place but may not transact any other business.

10.13 Right to Vote - The board may, within the prescribed period, fix in advance a date as the record date for the purpose of determining the shareholders entitled to vote at a meeting of shareholders and notice of the record date shall be given within the prescribed period in the manner provided by the Act. If a record date for voting is fixed, the Corporation shall prepare, within the time period required by the Act, an alphabetical list of shareholders who are entitled to vote as of the record date that shows the number of shares held by each shareholder. If no record date for voting is fixed, the Corporation shall prepare, within the time period required by the Act, an alphabetical list of shareholders who are entitled to vote as of the record date determined under the Act that shows the number of shares held by each shareholder. Each shareholder whose name appears on the list prepared as aforesaid is entitled to vote the shares shown opposite their name at the meeting to which the list relates.

10.14 Proxyholders and Representatives - Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, to attend and act as the shareholder's representative at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or the shareholder's attorney authorized in writing and shall conform with the requirements of the Act. The Corporation shall recognize any individual authorized by a resolution of the directors or governing body of a body corporate or association to represent it at a meeting of shareholders and such individual may exercise on the shareholder's behalf all the powers it could exercise if it were an individual shareholder. The authority of such an individual shall be established by depositing with the Corporation a certified copy of such resolution, or in such other manner as may be satisfactory to the secretary of the Corporation or the chair of the meeting. Any such proxyholder or representative need not be a shareholder.

10.15 Time for Deposit of Proxies - The board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than 48 hours, excluding Saturdays and holidays, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or if, no such time having been specified in such notice, it has been received by the secretary of the Corporation or by the chair of the meeting or any adjournment thereof prior to the time of voting.

10.16 Joint Shareholders - If two or more persons hold shares jointly, any one of them present or duly represented at a meeting of shareholders may, in the absence of the other or others, vote the shares; but if two or more of those persons are present or represented and vote, they shall vote as one the shares jointly held by them.

10.17 Votes to Govern - At any meeting of shareholders every question shall, unless otherwise required by the articles or by-laws or by law, be determined by a majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chair of the meeting shall not be entitled to a second or casting vote.

10.18 Show of Hands - Subject to the Act, any question at a meeting of shareholders shall be decided by a show of hands, unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote, subject to any provision of the Act restricting the ability of a proxyholder or alternate proxyholder to vote by way of show of hands where such person has conflicting instructions from more than one shareholder. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chair of the meeting that the vote upon the question has been carried or carried by a particular majority or defeated and an entry to that effect in the minutes of the meeting shall be prima facie proof of the fact without proof of the

number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question. Any vote referred to in section 10.17 and this section 10.18 may be held, subject to and in accordance with the Act, partly or entirely by means of a telephonic, electronic or other communication facility, if the Corporation makes available such a communication facility. Any person participating in a meeting of shareholders under section 10.04 or 10.05 and entitled to vote at that meeting may vote, subject to and in accordance with the Act by means of the telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

10.19            Ballots - On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, the chair may require a ballot or any person who is present and entitled to vote on such question at the meeting may demand a ballot. A ballot so required or demanded shall be taken in such manner as the chair shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which such person is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

10.20            Adjournment - The chair at a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place. If a meeting of shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. Subject to the Act, if a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

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## SECTION ELEVEN

### NOTICES

11.01 Method of Giving Notices - Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given, subject to any provisions in the Act regarding certain types of communications or documents, if delivered personally to the person to whom it is to be given; if delivered to the person's recorded address or if mailed to such person at such recorded address by prepaid ordinary mail; if sent to such person at such recorded address by any means of prepaid transmitted or recorded communication; or by providing an electronic document subject to and in accordance with the Act. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication or by providing an electronic document shall be deemed to have been given when dispatched or delivered for dispatch. A notice so delivered shall be deemed to have been received when it is personally delivered; a notice so mailed shall be deemed to be received at the time it would be delivered in the ordinary course of mail and a notice so sent shall be deemed to have been received on the day it is transmitted. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by the secretary to be reliable.

11.02 Notice to Joint Shareholders - If two or more persons are registered as joint holders of any share, any notice may be addressed to all such joint holders, but notice addressed to one of such persons shall be sufficient notice to all of them.

11.03 Computation of Time - In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the day of giving the notice shall be excluded and the day of the meeting or other event shall be included.

11.04 Undelivered Notices - If any notice given to a shareholder pursuant to section 11.01 is returned on two consecutive occasions because the shareholder cannot be found, the Corporation shall not be required to give any further notices to such shareholder until informed in writing by the shareholder of a new address.

11.05 Omissions and Errors - The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

11.06 Persons Entitled by Death or Operation of Law - Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom such person derives title to such share prior to the name and address of such person being entered on the securities register (whether such notice was given before or after the happening of the event upon which such person became so entitled) and prior to such person furnishing to the Corporation the proof of authority or evidence of entitlement prescribed by the Act.

11.07 Waiver of Notice - Any shareholder, proxyholder, director, officer, auditor or member of a committee of the board, or any other person entitled to receive notice of a meeting of shareholders or any other notice from the Corporation, may at any time waive any notice, or waive or abridge the time for any notice,

required to be given to such person under the Act, the articles, the by-laws or otherwise, and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board or a committee of the board which may be given in any manner.

11.08            Interpretation - In the by-laws, “recorded address” means: in the case of a shareholder, the address as recorded in the securities register; in the case of joint shareholders, the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; and in the case of a director, officer, auditor or member of a committee of the board, the latest address as shown in the records of the Corporation.

11.09            Electronic Documents - A requirement under these by-laws that a notice, document or other information be provided in writing may be satisfied by providing an electronic document and a requirement under these by-laws for a signature or that a document be executed, in relation to an electronic document, may be satisfied, in each case, if the requirements in the Act in respect thereof are met.

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## SECTION TWELVE

### EFFECTIVE DATE AND REPEAL

12.01 Effective Date - This by-law shall come into force when made by the board in accordance with the Act.

12.02 Repeal - All previous by-laws of the Corporation are repealed as of the coming into force of this by-law. Such repeal shall not affect the previous operation of any by-law so repealed, or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made pursuant to, or the validity of any articles (as defined in the Act) or predecessor charter documents of the Corporation obtained pursuant to, any such by-law prior to its repeal. All officers and persons acting under any by-law so repealed shall continue to act as if appointed under the provisions of this by-law and all resolutions of the shareholders or the board or a committee of the board with continuing effect passed under any repealed by-law shall continue to be good and valid except to the extent inconsistent with this by-law and until amended or repealed.

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