AECON GROUP INC.

ANNUAL INFORMATION FORM

For the Financial Year Ended

December 31, 2021

March 1, 2022

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GENERAL MATTERS

Unless the context otherwise requires, all references to the "Company" or "Aecon" include Aecon Group Inc., its predecessors and subsidiaries and unless otherwise expressly indicated, all references to "$" or "dollars" are to Canadian dollars.

The industry and other statistical data presented in this annual information form (the "**Annual Information Form**" or "**AIF**"), except where otherwise noted, have been compiled from sources and participants which, although not independently verified by the Company, are considered by the Company to be reliable sources of information.

Aecon's website is located at www.aecon.com. The contents of Aecon's website are expressly not incorporated by reference into this AIF.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of this AIF are disclosed in the Management's Discussion and Analysis of the Company for the year ended December 31, 2021 (the "**2021 MD&A**") which is filed under the Company's SEDAR profile at www.sedar.com and is incorporated by reference into this AIF.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information in this AIF may constitute "forward-looking information" as such term is used in applicable Canadian securities legislation. Forward-looking statements include information concerning possible or assumed future results of operations or financial position of Aecon, financial outlook, including statements regarding the sufficiency of Aecon's liquidity and working capital requirements for the foreseeable future, as well as statements preceded by, followed by, or that include the words "believes", "expects", "guidance", "outlook", "potential", "estimates", "intends", "seeks", "targets" or other similar expressions or future or conditional verbs such as "may", "will", "should", "would" and "could", or negative or grammatical versions thereof.

In various places in this AIF, management's expectations regarding the future performance of Aecon are discussed. These "forward-looking" statements include statements pertaining to: Aecon's attempts to drive a higher margin mix of business by participating in more complex projects, achieving operational efficiencies and synergies, and improving margins; Aecon's ability to execute its strategy of building strong partnerships and alliances; Aecon's ability to execute its risk management strategy; Aecon's ability to grow backlog across the organization by winning major projects; Aecon's ability to maintain a number of open, recurring and repeat contracts; Aecon's assessment of the risks and opportunities related to its industry's transition to a lower-carbon economy; Aecon's ability to assign responsibility relating to known and unknown environmental and climate change-related risks, including the ability to recognize and adequately respond to climate change concerns or public and governmental expectations on climate matters; Aecon's commitment to meeting its greenhouse gas emissions targets; Aecon's strategy of differentiating Aecon's service offerings in key end markets; Aecon's undertaking of initiatives to train employees; Aecon's expectations regarding the seasonal nature of Aecon's business; Aecon's ability to participate in large projects; Aecon's expectations regarding legal proceedings to which Aecon is a party; and Aecon's response to the COVID-19 pandemic and measures taken to mitigate its impact. These "forward-looking" statements are based on currently available competitive, financial and economic data and operating plans but are subject to known and unknown risks, assumptions, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company, or general industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. There are factors which could also cause Aecon's operations, performance and results to vary from those expressed or inferred in this AIF, including without limitation: risks relating to the COVID-19 pandemic, risks associated with an investment in Aecon's securities, risks related to Aecon's business including the ability to successfully manage large project risk and contractual risk (see "General Development of the Business – Three-Year History" and "Risk Factors – Large Project Risk" in the 2021

MD&A), credit, market, liquidity, inflation, competition from established competitors, climate change and new entrants in the construction industry, and general business and economic conditions, including inflation and supply chain issues, worldwide as well as in Canada, the U.S. and other countries where Aecon has operations. Additional discussion regarding risk factors is set out under the heading "Risk Factors" in the 2021 MD&A.

Readers are cautioned that the foregoing list of factors and those contained elsewhere in this AIF are not exhaustive. Although the Company believes that the expectations conveyed by forward-looking statements are reasonable based on information available to it on the date such forward-looking statements are made, no assurances can be given as to future results, levels of activity and achievements and, given the continued impact of the COVID-19 pandemic on the global economy, financial markets and the Company's business, there is inherently more uncertainty associated with the assumptions contained in this AIF as compared to prior periods. Such statements are included in this AIF solely to provide management's view of the Company's operations and their expectations regarding the Company's future plans and financial outlook, based on management's current expectations in these areas, and should not be relied upon for any other purpose. Investors and others should carefully consider the risk factors described in the 2021 MD&A and not place undue reliance on forward-looking statements. The Company assumes no obligation to update forward-looking statements contained in this AIF, except as required by applicable law.

NON-GAAP AND SUPPLEMENTARY FINANCIAL MEASURES

The 2021 MD&A presents certain non-GAAP and supplementary financial measures, as well as non-GAAP ratios to assist readers in understanding the Company's performance (GAAP refers to Canadian Generally Accepted Accounting Principles). These measures do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other issuers and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Management uses these non-GAAP and supplementary financial measures, as well as certain non-GAAP ratios to analyze and evaluate operating performance. Management also believes the financial measures defined below are commonly used by the investment community for valuation purposes, and are useful complementary measures of profitability, and provide metrics useful in the construction industry. The most directly comparable measures calculated in accordance with GAAP are profit (loss) attributable to shareholders or earnings (loss) per share.

A non-GAAP financial measure: (a) depicts the historical or expected future financial performance, financial position or cash flow of the Company; (b) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most comparable financial measure presented in the primary consolidated financial statements; (c) is not presented in the primary financial statements of the Company; and (d) is not a ratio.

The following term is used in this AIF, which is not found in the Chartered Professional Accountants of Canada Handbook and does not have a standardized meaning under GAAP:

- "**backlog**" means the total value of work that has not yet been completed that: (a) has a high certainty of being performed as a result of the existence of an executed contract or work order specifying job scope, value and timing; or (b) has been awarded to Aecon, as evidenced by an executed binding letter of intent or agreement, describing the general job scope, value and timing of such work, and where the finalization of a formal contract in respect of such work is reasonably assured. Operations and maintenance ("**O&M**") activities are provided under contracts that can cover a period of up to 30 years. In order to provide information that is comparable to the backlog of other categories of activity, Aecon limits backlog for O&M activities to the earlier of the contract term and the next five years.

CORPORATE STRUCTURE

Name, Address and Incorporation

Aecon Group Inc. and its predecessor entities have carried on business in Canada since 1877. Aecon was originally incorporated on January 14, 1957 under the name "Prefac Concrete Co. Ltd." and was continued under the *Canada Business Corporations Act* (the "**CBCA**") by certificate of continuance dated May 16, 1978. On June 18, 2001, the Company's name was changed to its current name "Aecon Group Inc."

Aecon's registered and principal office is located at 20 Carlson Court, Suite 105, Toronto, Ontario, Canada, M9W 7K6, telephone: +1 (416) 297-2600, fax: +1 (416) 293-0271. The common shares of the Company (the "**Common Shares**") are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "ARE."

Intercorporate Relationships

As of December 31, 2021, its most recent financial year end, Aecon conducted its business principally through the following subsidiary companies, all of which are wholly owned by Aecon:

Subsidiary	Jurisdiction of Incorporation
Aecon Construction Group Inc.	Canada
Aecon Construction and Materials Limited	Ontario
Aecon Infrastructure Management Inc.	Alberta
Bermuda Skyport Corporation Limited	Bermuda
Groupe Aecon Québec Ltée	Québec

Joint Ventures

Aecon conducts a substantial portion of its business through joint ventures with other Canadian and international companies. The following projects constituted the Company's most significant joint venture projects during 2021:

- Bruce Power Unit 3 and Unit 4 Steam Generator Replacement ("**SGR**") Project;
- Bruce Power Unit 6 SGR Project;
- Bruce Power Unit 3 Fuel Channel and Feeder Replacement ("**FCFR**") Project;
- Bruce Power Unit 6 FCFR Project;
- Coastal GasLink Pipeline (Spreads 3 and 4) Project;
- Darlington Nuclear Re-Tube and Feeder Replacement ("**RFR**") Project (Execution Phase);
- Darlington Nuclear Turbine Generator Refurbishment Project;
- Eglinton Crosstown Light Rail Transit ("**LRT**") Project;
- Eglinton Crosstown West Extension – Advance Tunnel Project;
- Finch West LRT Project;
- Gordie Howe International Bridge Project;

- Highway 401 Expansion Project;
- Highway 91/17 Upgrade Project;
- Kicking Horse Canyon Project – Phase 4;
- Pattullo Bridge Replacement Project;
- Réseau express métropolitain (“**REM**”) Montréal LRT Project;
- Second Narrows Water Supply Tunnel Burrard Inlet Crossing Project;
- Site C Generating Station and Spillways (“**GSS**”) Civil Works Project; and
- Winnipeg North End Sewage Treatment Plant Project.

See “General Development of the Business – Three Year History” and “Description of the Business – Operations – Major Projects” in this AIF for a description of each of the projects mentioned above.

GENERAL DEVELOPMENT OF THE BUSINESS

Aecon is a Canadian leader in construction and infrastructure development, providing integrated turnkey services to private and public-sector clients. As of the date of this AIF, Aecon operates in two principal segments: construction (“**Construction**”) and concessions (“**Concessions**”). Services range from financing, design, construction and operation to procurement, materials supply and fabrication. As such, Aecon is one of the most diverse and multi-disciplined companies in its industry in Canada.

Three-Year History

Significant business developments during the Company’s past three financial years (other than project awards won in the ordinary course of business) are discussed below.

The COVID-19 Pandemic

For a discussion on the COVID-19 pandemic and the Canada Emergency Wage Subsidy, see pages 10-11, 13, 18 and 28 in the 2021 MD&A, which pages are incorporated herein by reference.

Pacific Electrical Installations Acquisition

On November 17, 2021 Aecon acquired Pacific Electrical Installations (“**PEI**”), the largest independent full-service powerline contractor in British Columbia. The base purchase price was $25 million in cash, with additional earnout payments possible based on achieving minimum EBITDA targets over the subsequent two years. PEI provides maintenance and construction services for critical electrical infrastructure in British Columbia and is the designated powerline service provider for BC Hydro, a crown corporation, for the Lower Mainland South and Okanagan regions, and also works directly with a variety of private sector customers.

Voltage Power Acquisition

On February 3, 2020, Aecon announced that it acquired Voltage Power Ltd. (“**Voltage**”), an electrical transmission and substation contractor headquartered in Winnipeg, Manitoba. The base purchase price was $30 million in cash, with additional earnout payments possible based on achieving minimum EBITDA targets over the subsequent three years. Voltage brings key medium to high-voltage power transmission and distribution construction capabilities to Aecon.

Normal Course Issuer Bid

On October 31, 2019, the Company announced the receipt of regulatory approval from the TSX to make a normal course issuer bid to purchase for cancellation up to 5,975,486 Common Shares (representing approximately 10% of the public float as of October 24, 2019) during the 12-month period commencing on November 5, 2019 and ending on November 4, 2020 (the "**NCIB**"). As at the conclusion of the NCIB on November 4, 2020, the Company had repurchased for cancellation a total of 1,337,137 Common Shares under the NCIB for a total cash consideration of $22,673,467.

Segment Realignment

In the first quarter of 2019, Aecon implemented a structural realignment of its business segments to operate around two core end-markets. The two business segments are now: (i) Construction, which groups all of Aecon's construction capabilities and services under one organization, realigning services and resources to capitalize on the synergies provided by the Company's "One Aecon" approach; and (ii) Concessions, which includes the development, financing, construction and operation of infrastructure projects by way of build-operate-transfer, build-own-operate-transfer and other public-private partnership ("**P3**") contract structures. This refined and simplified organizational structure allows Aecon to offer its services to clients in a more focused and efficient manner.

DESCRIPTION OF THE BUSINESS

<u>Business of the Company</u>

As of the date of this AIF, Aecon operates in two principal segments within the construction and infrastructure development industry: Construction and Concessions.

The Construction segment includes all aspects of the construction of both public and private infrastructure, primarily in Canada and, on a selected basis, internationally, and focuses primarily on the following market sectors:

- Civil Infrastructure;
- Urban Transportation Systems;
- Nuclear Power Infrastructure;
- Utility Infrastructure; and
- Industrial Infrastructure.

Activities within the Concessions segment include the development, financing, build and operation of construction projects by way of public-private partnership contract structures, as well as integrating the services of all project participants, and harnessing the strengths and capabilities of Aecon. The Concessions segment focuses primarily on providing the following services:

- Development of domestic and international P3 projects;
- Private finance solutions;
- Developing effective strategic partnerships;
- Leading and/or actively participating in development teams; and
- Operations and maintenance.

Aecon holds a 100% interest in Bermuda Skyport Corporation Limited ("Skyport"), the concessionaire responsible for the Bermuda airport's operations, maintenance and commercial functions, and the entity managing and coordinating the overall delivery of the Bermuda International Airport Redevelopment Project over a 30-year concession term that commenced in 2017. Additional information regarding the foreign operations of the Concessions segment is set out in Section 8.2 Concessions in the 2021 MD&A.

The infrastructure development industry in Canada is seasonal in nature for companies like Aecon that perform a significant portion of their work outdoors, particularly road construction and utilities work. As a result, less work is performed in the winter and early spring months than in the summer and fall months. Accordingly, Aecon has historically experienced a seasonal pattern in its operating results, with the first half of the year, and particularly the first quarter, typically generating lower revenue and profit than the second half of the year. Therefore, results in any one quarter are not necessarily indicative of results in any other quarter, or for the year as a whole.

<u>Business Operations – Major Projects</u>

For the year ended December 31, 2021, except where otherwise noted below, Aecon was involved in the design and/or construction of 20 major projects. These projects are: the Bruce Power Unit 3 and Unit 4 SGR Project; the Bruce Power Unit 6 SGR Project; the Bruce Power Unit 3 FCFR Project; the Bruce Power Unit 6 FCFR Project; the Coastal GasLink Pipeline (Spreads 3 and 4) Project; the Darlington Nuclear RFR Project (Execution Phase); the Darlington Nuclear Turbine Generator Refurbishment Project; the Eglinton Crosstown LRT Project; the Eglinton West Extension – Advance Tunnel Project; the Finch West LRT Project; the Gordie Howe International Bridge Project; the Highway 401 Expansion Project; the Highway 91/17 Upgrade Project; the Kicking Horse Canyon Project – Phase 4; the NOVA Chemicals Area 100/200 Mechanical and Piping Installation Project; the Pattullo Bridge Replacement Project; the REM Montréal LRT Project; the Second Narrows Water Supply Tunnel Burrard Inlet Crossing Project; the Site C GSS Civil Works Project; and the Winnipeg North End Sewage Treatment Plant Project, as described in further detail below. The values disclosed below refer to the initial contract amount and do not account for any subsequent change orders which have resulted in an increase to the scope and/or price of the contract.

Bruce Power Unit 3 and Unit 4 SGR Project

Aecon holds a 50% interest in a joint venture project valued at approximately $350 million to replace steam generators at Units 3 and 4 of the Bruce Nuclear Generating Station in Kincardine, Ontario. The scope of work includes the removal of the eight original steam generators for Units 3 and 4 and the installation of replacement steam generators with related plant modifications for each of Units 3 and 4.

Bruce Power Unit 6 SGR Project

Aecon holds a 40% interest in a joint venture project valued at approximately $130 million to replace steam generators at Unit 6 of the Bruce Nuclear Generating Station in Kincardine, Ontario. The scope of work includes the removal of the eight original steam generators at Unit 6 and the installation of replacement steam generators with related plant modifications.

Bruce Power Unit 3 FCFR Project

Aecon holds a 55% interest in a joint venture project valued at approximately $400 million to execute work related to the Unit 3 FCFR at the Bruce Nuclear Generating Station in Kincardine, Ontario. Unit 3 is the second of six reactors being refurbished by Bruce Power through a major component replacement program. The scope of work includes an internal reactor inspection, the removal and replacement of calandria tubes, pressure tubes, and feeder tubes, as well as project management, construction management and field execution.

Bruce Power Unit 6 FCFR Project

Aecon holds a 40% interest in a joint venture project valued at approximately $475 million to execute work related to the Unit 6 FCFR at the Bruce Nuclear Generating Station in Kincardine, Ontario. Unit 6 is the first of six reactors being refurbished by Bruce Power through a major component replacement program. The scope of work includes the removal and replacement of calandria tubes, pressure tubes, and feeder tubes for Unit 6, as well as construction management and trade labour.

Coastal GasLink Pipeline (Spreads 3 and 4) Project

Aecon holds a 50% interest in a joint venture project initially valued at $526 million for the construction of Spreads 3 and 4 of the Coastal GasLink Pipeline in British Columbia. The scope of work includes construction of 123 kilometres of pipeline for Spread 3 and 74 kilometres of pipeline for Spread 4, northeast of Prince George, British Columbia.

Darlington Nuclear RFR Project (Execution Phase)

Aecon holds a 50% interest in a joint venture project valued at approximately $2.75 billion to carry out the execution phase of the re-tube and feeder replacement project for the Darlington Nuclear Generating Station Refurbishment Program at Ontario Power Generation's Darlington Nuclear Generating Station in Clarington, Ontario. The execution phase scope of work includes refurbishment of the reactor cores to replace critical components at the Darlington Nuclear Generating Station, using the tools and methods that were developed and tested during the project's definition phase carried out by the joint venture.

Darlington Nuclear Turbine Generator Refurbishment Project

Aecon holds a 60% interest in a joint venture project valued at approximately $265 million to carry out work on all four steam turbine generators at the Darlington Nuclear Generating Station in Clarington, Ontario.

Eglinton Crosstown LRT Project

Aecon holds a 25% interest in a concessionaire, design and build joint venture and maintenance and rehabilitation partnership of the Eglinton Crosstown LRT system initially valued at $5.3 billion. The joint venture is responsible for the design, construction, finance, maintenance and lifecycle activities of the 19-kilometre long dual track system for a 30-year maintenance term, including 25 stations, an integrated system of track work, rolling stock, signaling and communications infrastructure along Eglinton Avenue in Toronto, Ontario.

Eglinton West Extension – Advance Tunnel Project

Aecon holds a 40% interest in a joint venture project valued at approximately $729 million for the construction of the Eglinton West extension advance tunnel project. This project is the first phase of work for the 9.2 kilometre extension of the Eglinton Crosstown LRT Project which will run primarily underground and westward from the future Mount Dennis Station between Weston Road and Black Creek Drive, to Renforth Drive. This system will connect to the GO Kitchener Line and the Union-Pearson (UP) Express at Mount Dennis Station, Toronto Transit Commission bus services in Toronto, as well as GO and MiWay bus services.

Finch West LRT Project

Aecon holds a 33.3% interest in equity and construction of a joint venture project valued at approximately $2.5 billion and a 50% interest in the 30-year maintenance term. The project consists of an 11-kilometre LRT that will run in a semi-exclusive lane along Finch Avenue in Toronto, Ontario, a below-grade terminal stop at Humber College and 16 surface stops as well as an underground interchange station. The project also includes a maintenance and storage facility for the light rail vehicles and other required components, such as trackworks, signaling, communications, and public realm infrastructure.

Gordie Howe International Bridge Project

Aecon holds a 20% interest in a joint venture project valued at approximately $5.7 billion (nominal value) to design, build and for a term of 30 years finance, operate, maintain and rehabilitate the new Gordie Howe International Bridge along the Canadian/U.S. border in the Windsor, Ontario and Detroit, Michigan region.

Highway 401 Expansion Project

Aecon holds a 50% interest in a joint venture project executing the contract for the Highway 401 Expansion project valued at approximately $640 million. This project is an approximately 18-kilometre reconstruction and widening project in the western part of the Greater Toronto Area, from the Credit River in Mississauga, Ontario to Regional Road 25 in Milton, Ontario, consisting of two 10-lane segments, two 12-lane core collector systems and median High Occupancy Vehicle (HOV) lanes. The scope of work also includes bridge reconstruction and replacement, structural culvert replacements, drainage and utilities work, as well as ecological restoration.

Highway 91/17 Upgrade Project

Aecon holds a 35% interest in a joint venture executing the contract valued at approximately $185 million for the design and construction of improvements to the existing Highway 91 and Nordel interchange, the Highway 91 Connector at Nordel Way, and the Highway 91/17 Connector (Sunbury) in Delta, British Columbia.

Kicking Horse Canyon Project – Phase 4

Aecon holds a 50% interest in a joint venture project valued at approximately $441 million to upgrade approximately 4.8 kilometres of the Trans-Canada Highway, east of Golden, British Columbia.

NOVA Chemicals Area 100/200 Mechanical and Piping Installation Project

Aecon is executing a contract by NOVA Chemicals for the Area 100/200 Mechanical and Piping Installation initially valued at approximately $200 million. The scope of work includes structural steel erection and piping at a new polyethylene plant in Sarnia, Ontario.

Pattullo Bridge Replacement Project

Aecon holds a 50% interest in a joint venture project valued at approximately $967 million to design, build and partially finance the replacement of the Pattullo Bridge in Greater Vancouver, British Columbia. The new four-lane cable-stayed bridge over the Fraser River in British Columbia will provide network connections to New Westminster and Surrey, feature a centre safety median barrier and wider lanes to accommodate both passenger and commercial vehicles, and have dedicated walking and cycling lanes. The project also includes the construction of connecting roadways on the north and south sides of the Pattullo Bridge, grade separations on Highway 17, and the removal of the existing bridge once the new bridge is complete.

REM Montréal LRT Project

Aecon holds a 24% interest in a joint venture project initially valued at $5 billion to engineer, procure and construct the REM in Montréal, Quebec. The REM is a fully automated, electric light rail transit network that includes 67 kilometres of double tracks, 3.5 kilometres of tunnels, 26 new stations and park-and-ride facilities with associated bus terminals.

Second Narrows Water Supply Tunnel Burrard Inlet Crossing Project

Aecon holds a 40% interest in a joint venture project valued at approximately $267 million to construct a water supply tunnel located at the Burrard Inlet Crossing in Vancouver, British Columbia. The scope of work includes construction of two shafts, one on each side of Burrard Inlet, connected by a 1,100-metre tunnel.

Site C GSS Civil Works Project

Aecon holds a 30% interest in a joint venture project initially valued at $1.6 billion for construction at the Site C Generating Station and Spillways Civil Works. The Site C Project is a hydroelectric dam and generating station under construction on the Peace River in northeast British Columbia. The scope of work includes the delivery of civil works associated with the powerhouse, penstocks, spillways and power intakes plus related ancillary construction work for BC Hydro.

Winnipeg North End Sewage Treatment Plant Project

Aecon holds a 50% interest in a joint venture to design and construct a new headworks facility valued at approximately $272 million that will include a raw sewage pump station, a micro-tunnel extension of the existing interceptor sewers, a grit removal system, a main control room, fine screens and compactors and a plant emergency generator facility.

Environmental, Health and Safety Policy and Sustainability Policy

Aecon is subject to federal, provincial and municipal environmental legislation in all of its manufacturing and construction operations in the jurisdictions in which it operates. In any given year, Aecon performs work on hundreds of job sites of varying size and duration in many different jurisdictions and as such is subject to a wide range of environmental laws. Environmental and climate change risks are assessed in a variety of ways as outlined below and further described in the "Risk Factors" section below.

Aecon recognizes that it must conduct all of its business in such a manner as to protect and preserve the environment as well as to comply with applicable statutory and regulatory requirements. At each place where work is performed, Aecon develops and implements a detailed quality control plan as the primary tool to demonstrate and maintain compliance with all environmental regulations and conditions of permits and approvals. All Aecon employees in a supervisor role or higher are required to complete on an annual basis environmental, health and safety, "Red Book" training, an internal training session which includes conventional safety training, occupational health and safety as well as environmental training. In addition, Aecon's Code of Ethics and Business Conduct (the "**Code**") identifies environmental protection as a fundamental corporate value. The Code states that each Aecon employee has a role to play in ensuring that Aecon's business complies with existing legislation and is consistent with sound environmental management as well as the principles of sustainable development. Employees are encouraged and required to report any environmental concerns or events to their manager, Aecon's Environment Health and Safety or Legal departments, or to Aecon's Ethics Hotline. Any immediate concerns are reviewed and assessed by the senior management team in consultation with Aecon's internal environment specialists, with additional monitoring and reporting up to the Board on an ongoing basis. Any significant issues or liabilities are raised and included in quarterly reports which are provided to the senior management team and the Board. Electronic notices are also issued from our Environmental, Health and Safety incident management system to notify senior management of any environmental and safety incidents in the past 24 hours.

Aecon introduced an Environmental, Social and Governance and Sustainability framework in June of 2019 (the **"ESG Program"**) and on August 18, 2020, Aecon published its first Sustainability Report, which reported against the metrics set forth in the United Nations Sustainable Development Goals, the Sustainability Accounting Standards Board, and the Task Force on Climate-Related Financial Disclosures frameworks. To ensure that Aecon's sustainability mandate receives the highest level of executive focus, in 2020 the Company also appointed a Chief Sustainability Officer and in 2021 established an executive-level Sustainability Steering Committee. In April 2021, in conjunction with the publication of its second Sustainability Report, Aecon proudly announced a target to reach net-zero greenhouse gas emissions (scopes 1, 2 and 3) by 2050, with an initial interim target to achieve a 30 per cent reduction in direct CO_2 emissions (scopes 1 and 2) by 2030 as compared to 2020 levels.

Most of Aecon's work is completed pursuant to alliance agreements, purchase orders or project specific contracts. These contracts typically assign responsibility for known and unknown environmental risk. Where Aecon accepts risk for environmental liability, an appropriate contingency is included in the contract price and all major projects with material environmental risk are evaluated by Aecon's Project Risk Committee. Historically, the costs of environmental compliance have either been covered in the contract price (including general project contingencies) or have been non-material. Nevertheless, there can be no guarantee that a material liability will not arise that exceeds project contingencies. Based on the quarterly reports and electronic notices described above, management is not aware of any pending environmental legislation, violations of existing environmental legislation or significant cost of compliance with existing environmental legislation which would be likely to have a material impact on any of Aecon's operations, capital expenditure requirements or competitive position. See "Risk Factors - Environmental and Safety Factors" and "Risk Factors – Climate Change Factors" in the 2021 MD&A for additional details.

With respect to asset retirement obligations, the Company has legal obligations associated with the retirement of pits and quarries utilized in aggregate mining operations. As a result, a provision is made for close down, restoration and environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the financial period when the related environmental disturbance occurs, based on estimated future costs using information available at the balance sheet date. The provision is discounted using a current market-based pre-tax discount rate that reflects the average life of the obligations. An increase in the provision due to the passage of time is recognized as a finance cost and the provision is reduced by actual rehabilitation costs incurred. The present value of the legal obligation incurred is recognized as an inventory production cost and is included in the cost of the aggregates produced. For additional detail, see Note 5.16 "Provisions – Decommissioning Liabilities" and "Provisions - General" in Aecon's Consolidated Financial Statements for the years ended December 31, 2021 and 2020 (the "**2021 Consolidated Financial Statements**") filed under the Company's SEDAR profile at www.sedar.com.

Employees

Aecon had approximately 2,900 full time salaried employees, approximately 2,700 union and 300 fixed term contract employees as of December 31, 2021, for a total of approximately 5,900 employees. This number is not indicative of the total number of employees at any time throughout the year as the Canadian construction industry is seasonal in nature, with less work performed in the winter and early spring months and may also vary depending on the number and nature of ongoing projects, acquisitions, divestitures and restructuring initiatives. At its peak operating capacity level during 2021, Aecon employed approximately 10,375 employees. Joint venture employees and independent contractors are excluded from these figures, as they are not employed by Aecon. Aecon recruits its hourly worker labour pool on an "as needed" basis consistent with relevant union contracts and traditional hiring practices. These employees are laid off upon the completion of the job they were working on unless they are transferred to another job. Management believes that its relationship with its employees is generally excellent.

Competitive Position

Aecon operates businesses in highly competitive sectors and geographic markets in Canada, the United States and, on a select basis, internationally. Aecon competes with other major contractors, as well as many mid-size and smaller companies, across a range of industry sectors. Further information on Aecon's competitive position can be found under the heading "Risk Factors" in the 2021 MD&A.

Sourcing Materials

The cost of raw materials represents a significant component of Aecon's operating expenses. Moreover, unexpected disruptions to global supply chains may cause fluctuations in such costs and supply shortages of such materials. Further information on Aecon's exposure to the cost and availability of raw materials can be found under the heading "Risk Factors" in the 2021 MD&A.

RISK FACTORS

A description of risks affecting Aecon and its business appears under the heading "Risk Factors" located on pages 27 to 45 of the 2021 MD&A, which pages are incorporated by reference herein. See the heading "Special Note Regarding Forward-Looking Statements" for a further discussion of risks associated with forward looking statements.

DIVIDENDS AND DISTRIBUTIONS

The declaration and payment of dividends is at the sole discretion of the Board and may vary depending on a variety of factors and conditions. The Board reviews Aecon's dividend policy periodically in the context of the Company's overall profitability, free cash flow, legal requirements and other such factors the Board determines to be relevant.

In March 2019, Aecon's dividend policy was to pay out quarterly dividends in the amount of $0.145 per Common Share on the first business day of each quarter to shareholders of record on the date that is ten calendar days prior to the payment date. In June 2019, the Board approved an amendment to Aecon's dividend policy to clarify that all dividend payments will be made on or prior to the second business day following the end of a quarter. In March 2020, the Board approved an increase to quarterly dividends to $0.16 per Common Share and in February 2021, the Board approved an increase to quarterly dividends to $0.175 per Common Share, and in March 2022, the Board approved an increase to quarterly dividends to $0.185 per Common Share.

Pursuant to the Trust Indenture and Supplemental Indenture (each as hereinafter defined) and the solvency restrictions under the CBCA, Aecon is restricted from declaring or paying a dividend to the holders of issued and outstanding Common Shares after the occurrence of an Event of Default (as defined in the Trust Indenture) unless and until such default shall have been cured or waived or shall have ceased to exist. For additional details, please see copies of each of the Trust Indenture and Supplemental Indenture filed under Aecon's SEDAR profile at www.sedar.com.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The authorized capital of the Company consists of an unlimited number of Common Shares. As of December 31, 2021, there were 60,822,889 outstanding Common Shares and no outstanding options to acquire Common Shares. For additional details, please see Note 25 "Capital Stock" to the 2021 Consolidated Financial Statements filed under the Company's SEDAR profile at www.sedar.com.

Holders of Common Shares are entitled to receive notice of all meetings of shareholders of the Company, to attend such meetings and to cast one vote per share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors. Shareholders vote for directors on an individual basis.

Holders of Common Shares are entitled to receive rateably such dividends, if any, as and when declared by the Board at its discretion from funds legally available therefore and upon the liquidation, dissolution or winding-up of the Company are entitled to receive rateably the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or rateably with the holders of the Common Shares with respect to dividends or liquidation. The Common Shares do not by their terms carry any pre-emptive, subscription, redemption, retraction or conversion rights.

2018 Debentures

On September 26, 2018, Aecon issued an aggregate of $160,000,000 principal amount of 5.00% convertible unsecured subordinated debentures (the "**2018 Debentures**") at a price of $1,000 per debenture pursuant to a short form prospectus dated September 19, 2018. On October 1, 2018, Aecon issued an additional $24,000,000 aggregate principal amount of the 2018 Debentures pursuant to the full exercise of the over-allotment option granted to the underwriting syndicate. The 2018 Debentures were issued pursuant to, and are governed by, the third supplemental trust indenture (the "**Supplemental Indenture**") to the trust indenture (the "**Trust Indenture**" and together with the Supplemental Indenture, the "**Indenture**") between the Company and Computershare Trust Company of Canada, as trustee (the "**Trustee**"). The following is a summary of the material attributes and characteristics of the 2018 Debentures and is subject to, and qualified by reference to, the terms of the Indenture. Unless otherwise indicated, capitalized terms in this section have the meanings ascribed to them in the Supplemental Indenture or Trust Indenture. Copies of the Trust Indenture and the Supplemental Indenture are available for review under Aecon's SEDAR profile at www.sedar.com.

Maturity and Interest

The 2018 Debentures bear interest at an annual rate of 5.00% payable semi-annually in arrears on May 31 and November 30 in each year commencing May 31, 2019. The maturity date of the 2018 Debentures is December 31, 2023 (the "**2018 Debenture Maturity Date**").

Conversion Privilege

The 2018 Debentures are convertible into fully paid and non-assessable Common Shares at the option of the holder thereof at any time prior to the close of business on the earlier of the 2018 Debenture Maturity Date or the business day immediately preceding the date specified by the Company for redemption of the 2018 Debentures at a conversion price (the "**2018 Debenture Conversion Price**") of $23.47 per Common Share, being a conversion rate of 42.6076 Common Shares per $1,000 principal amount of 2018 Debentures, subject to adjustment as provided in the Trust Indenture. The 2018 Debenture Conversion Price was adjusted in September 2020 and in October 2021 to reflect that dividends had been paid in excess of the threshold provided in the Supplemental Indenture. Upon conversion, holders will not be entitled to interest accrued since the last interest payment date, unless they convert their 2018 Debentures on an interest payment date, in which case they will be entitled to receive such interest payment.

Redemption

The 2018 Debentures were not redeemable before December 31, 2021 (except in the event of certain prescribed circumstances). On and after December 31, 2021 and prior to December 31, 2022, the 2018 Debentures may be redeemed in whole or in part from time to time at the option of the Company on not more than 60 days and not less than 30 days prior notice at a price equal to their principal amount plus accrued and unpaid interest to, but excluding the date of redemption, provided that the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date on which notice of redemption is given is at least 125% of the 2018 Debenture Conversion Price. On and after December 31, 2022 and prior to the 2018 Debenture Maturity Date, the 2018 Debentures may be redeemed in whole or in part from time to time at the option of the Company on not more than 60 days and not less than 30 days prior notice at a price equal to their principal amount plus accrued and unpaid interest.

Share Payment Option upon Redemption or Maturity

On redemption or at maturity, the Company may, at its option, on not more than 60 days and not less than 40 days prior notice and subject to regulatory approval and provided no event of default has occurred and is continuing, elect to satisfy its obligation to repay the principal amount of the 2018 Debentures, in whole or in part, by issuing and delivering that number of freely tradeable Common Shares obtained by dividing the principal amount of the outstanding 2018 Debentures which are to be redeemed or which have matured by 95% of the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date fixed for redemption or the 2018 Debenture Maturity Date, as the case may be. Any accrued and unpaid interest thereon will be paid in cash.

Share Interest Payment Option

The Company may elect from time to time, subject to any required regulatory approval and provided that no Event of Default has occurred and is continuing, to satisfy all or part of its obligation to pay interest on the Debentures, on the date it is payable under the Indenture, by delivering sufficient Common Shares to the Trustee to satisfy the Interest Obligation in accordance with the Indenture.

Change of Control

Within 30 days following the occurrence of a Change of Control, the Company will be required to make an offer in writing to purchase all of the 2018 Debentures then outstanding at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon.

If a Change of Control occurs in which 10% of more of the consideration for the voting shares of Aecon in the transaction or transactions constituting a Change of Control consists of: (i) cash; (ii) equity securities that are not traded or intended to be traded immediately following such transactions on a stock exchange; or (iii) other property that is not traded or intended to be traded immediately following such transactions on a stock exchange, holders of 2018 Debentures will be entitled to convert their Debentures and receive, subject to and upon completion of the Change of Control, in addition to the number of Common Shares they otherwise would have been entitled to under "- Conversion Privilege", an additional number of Common Shares per $1,000 principal amount of Debentures as set out in the Indenture.

Purchase for Cancellation

The Company has the right to purchase the 2018 Debentures for cancellation in the market, by tender, by private contract or otherwise, subject to applicable regulatory approval.

Subordination

The payment of the principal and premium, if any, of, and interest on, the 2018 Debentures will be subordinated in right of payment, as set forth in the Trust Indenture, to the prior payment in full of all Senior Indebtedness and indebtedness to trade creditors of the Company. The 2018 Debentures will also be effectively subordinated to claims of creditors of the Company's subsidiaries except to the extent the Company is a creditor of such subsidiaries ranking at least *pari passu* with such other creditors. The 2018 Debentures will not limit the ability of the Company to incur additional indebtedness, including indebtedness that ranks senior to the 2018 Debentures, or from mortgaging, pledging or charging its properties to secure any indebtedness.

MARKET FOR SECURITIES, TRADING PRICE AND VOLUME

Common Shares

The Common Shares are listed and posted for trading on the TSX under the trading symbol "ARE". The following table sets forth, for the periods indicated, the reported high and low trading prices and the aggregate volume of trading of the Common Shares on the TSX for the fiscal year ended December 31, 2021.

Month	High ($)	Low ($)	Volume
December	17.32	15.94	10,052,343
November	18.57	16.06	13,010,139

October	20.62	18.44	7,451,681
September	22.28	19.17	10,916,546
August	20.98	19.79	6,228,660
July	20.88	17.79	7,270,366
June	18.43	17.45	6,434,355
May	18.91	17.81	7,567,668
April	20.16	18.24	8,476,861
March	20.44	18.56	10,190,178
February	18.64	16.30	8,980,235
January	18.47	16.16	7,318,014

2018 Debentures

The 2018 Debentures are listed and posted for trading on the TSX under the trading symbol "ARE.DB.C". The following table sets forth, for the periods indicated, the reported high and low trading prices and the aggregate volume of trading of the convertible debentures on the TSX for the fiscal year ended December 31, 2021.

Month	High ($)	Low ($)	Volume
December	102.69	100.79	12,508,000
November	103.02	101.00	13,807,000
October	106.00	103.48	7,356,000
September	111.00	104.50	5,095,000
August	107.49	105.51	5,065,000
July	108.00	103.60	4,224,000
June	106.90	102.50	6,266,000
May	106.50	103.65	1,794,000
April	110.00	104.26	3,952,000
March	109.31	106.00	3,277,000
February	107.09	102.21	1,694,000
January	106.39	102.50	8,042,000

Prior Sales

The Company did not issue any securities in the financial year ended December 31, 2021 that were not listed on the TSX.

DIRECTORS AND OFFICERS

Directors

The names, municipalities of residence and principal occupations of Aecon's directors are set out below. Each director was elected to hold office until the next annual meeting of shareholders or until a successor is elected or appointed.

Name and Municipality of Residence	Office Held and Occupation	Year Became Director
JEAN-LOUIS SERVRANCKX Toronto, Ontario, Canada	President and Chief Executive Officer of the Company	2018
JOHN M. BECK Toronto, Ontario, Canada	Chairman of the Board	1963
JOHN W. BRACE	Corporate Director	2019

Toronto, Ontario, Canada		
ANTHONY P. FRANCESCHINI Edmonton, Alberta, Canada	Corporate Director	2009
J.D. HOLE Edmonton, Alberta, Canada	President, J.D. Hole Investments Inc.	2009
SUSAN WOLBURGH JENAH Toronto, Ontario, Canada	Corporate Director	2016
ERIC ROSENFELD New York, New York, USA	President and Chief Executive Officer, Crescendo Partners, L.P.	2017
MONICA SLOAN Calgary, Alberta, Canada	Managing Director, JKS Holdings Ltd.	2013
DEBORAH S. STEIN Calgary, Alberta, Canada	Corporate Director	2019
SCOTT THON Calgary, Alberta, Canada	President at Berkshire Hathaway Energy Canada and Chief Executive Officer of AltaLink	2021

Committees of the Board

The members of the Audit Committee are Deborah S. Stein (Chair), John W. Brace, Anthony P. Franceschini and J.D. Hole.

The members of the Corporate Governance, Nominating and Compensation Committee are Susan Wolburgh Jenah (Chair), Anthony P. Franceschini, Deborah S. Stein and Monica Sloan.

The members of the Environmental, Health and Safety Committee are J.D. Hole (Chair), Eric Rosenfeld and Monica Sloan.

The members of the Risk Committee are John W. Brace (Chair), Susan Wolburgh Jenah, Eric Rosenfeld and Scott Thon.

Biographies of Directors

Jean-Louis Servranckx is the President and Chief Executive Officer of Aecon. Mr. Servranckx has over 35 years of experience in the construction industry, across the infrastructure and industrial sectors, and is a seasoned leader with expertise in large-scale and complex international projects. Beginning his career at Spie Batignolles, his roles included Regional Manager for East Africa at Sogea-Satom, a subsidiary of Vinci before becoming International Development and Special Projects Manager. Mr. Servranckx continued his career at Vinci Construction, where he held progressively senior roles, including Operational Manager for the Mediterranean and Middle East regions, then Deputy Chief Executive Officer of the Major Projects Division. In 2011, he became President and Chief Executive Officer of Eiffage Civil Works Division, now known as Eiffage Infrastructures Branch, a business with operations throughout Europe, Africa and in Canada. Mr. Servranckx graduated from École des Mines de Paris, holds a Master of Business Administration from INSEAD and is fluent in English, French and Spanish.

John M. Beck is the Chairman of the Board. A leader in the Canadian construction industry, Mr. Beck has been a member of the Aecon Board since 1963. Mr. Beck has also served as a director of the Canadian Council for Public Private Partnerships. Mr. Beck is currently a member of the Board of the Royal Conservatory of Music, is a member of the Council of the Chartered Professional Accountants of Ontario and has served as the Co-Chair of the Infrastructure and Urban Development Industries at the World Economic Forum. He is a member of the Advisory Council for the School of Public Policy at the University of Calgary and is also a member of the Business Council of Canada. Mr. Beck is a Fellow of the Canadian Academy of Engineering. Mr. Beck was also awarded the Donald P. Giffen Sr. Construction Industry Achievement Award by the Toronto Construction Association for 50 years of achievement in the construction industry. A graduate in Civil Engineering from McGill University, Mr. Beck has more than 55 years of experience in the construction industry in Canada and internationally. His background includes corporate leadership in numerous construction activities including heavy civil, commercial and industrial projects, precast concrete manufacturing, and the development of P3s.

John W. Brace, ICD.D joined the Board in June 2019. Mr. Brace is the current Chairman and former Chief Executive Officer of Northland Power Inc., where he served as Chief Executive Officer from 2003 to 2018 and held various positions in risk management, development, construction and operations since 1988. Mr. Brace served as Chair and President of the Association of Power Producers of Ontario and as a member of the Electricity Conservation and Supply Task Force. Mr. Brace received his Bachelor of Science degree in engineering physics from Queen’s University and is ICD.D certified.

Anthony P. Franceschini joined the Board in March 2009. Mr. Franceschini is a graduate of the Civil Engineering program at the University of Waterloo and has had 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.

J. D. Hole became a director of Aecon following the completion of Aecon’s acquisition of Lockerbie & Hole Inc. 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 is also the President of J.D. Hole Investments Inc.

Susan Wolburgh Jenah, ICD.D joined the Board in 2016. Ms. Wolburgh Jenah currently serves as a director of Laurentian Bank of Canada and of Hydro One Limited. She is the former President and Chief Executive Officer of the Investment Industry Regulatory Organization of Canada (“**IIROC**”), the national self-regulatory body that oversees investment dealers and trading activity on debt and equity markets in Canada and served as a member of the Board of the Global Risk Institute and of NEO Exchange and NEO Innovations, a Public Governor of the U.S. Financial Industry Regulatory Authority as well as a Senior Advisor to Aird & Berlis LLP. Prior to this, Ms. Wolburgh Jenah had an accomplished career with the Ontario Securities Commission spanning over two decades and serving in numerous executive roles including Vice-Chair, Head of International Affairs and General Counsel. She also serves as Vice-Chair of the Humber River Hospital Board, as a member of the C.D. Howe Institute’s National Advisory Council, and as a member of the Independent Review Committee for Vanguard Investments Canada. She was also a former mentor/sponsor for Catalyst Women on Board. Ms. Wolburgh Jenah holds a J.D. from Osgoode Hall Law School and was recognized with the Osgoode Hall Alumni Award for Achievement in 2011. She is ICD.D certified.

Eric Rosenfeld, 64, of New York, New York, U.S.A., has been the President and Chief Executive Officer of Crescendo Partners, L.P., a New York based investment firm, since its formation in November 1998. Prior to forming Crescendo Partners, he held the position of Managing Director at CIBC Oppenheimer and its predecessor company Oppenheimer & Co., Inc. for 14 years. Mr. Rosenfeld currently serves as lead independent director for Primo Water Corp, a water delivery company and is on the board of CPI Aero (Chairman Emeritus), a company engaged in the contract production of structural aircraft parts. He is also on the board at Pangaea Logistics Solutions, a logistics and shipping company. He is a board member at Algoma Steel, a steel company that merged with Legato Merger Corp., a blank check corporation where he had been the Chief SPAC Officer. Mr. Rosenfeld has also served as Chairman and CEO for Arpeggio Acquisition Corporation, Rhapsody Acquisition Corporation, Trio Merger Corp, Quartet Merger Corp and Harmony Merger Corp., all blank check corporations that later merged with Hill International, Primoris Services Corporation, SAExploration Holdings, Pangaea Logistics Solutions Ltd and NextDecade Corporation respectively. Mr. Rosenfeld is also the CEO of Allegro Merger Corp, a shell company, and the Chief SPAC Officer of Legato Merger Corp II, a blank check corporation. He was also a director of Canaccord Genuity, an investment banking and financial services firm, NextDecade Corporation, a development stage company building natural gas liquefaction plants, Absolute Software Corp., a leader in firmware-embedded endpoint security and management for computers and ultraportable devices, AD OPT Technologies, an airline crew planning service, Sierra Systems Group Inc., an information technology, management consulting and systems integration firm, Emergis Inc., an electronic commerce company, Hill International, a construction management firm, Matrikon Inc. a company that provides industrial intelligence solutions, DALSA Corp., a digital imaging and semiconductor firm, HIP Interactive, a video game company, GEAC Computer, a software company, Computer Horizons Corp. (Chairman), an IT services company, Pivotal Corp, a cloud software firm, Call-Net Enterprises, a telecommunication firm Primoris Services Corporation, a specialty construction company, and SAExploration Holdings, a seismic exploration company. Mr. Rosenfeld is a regular guest lecturer at Columbia Business School and has served on numerous panels at Queen's University Business Law School Symposia, McGill Law School, the World Presidents' Organization and the Value Investing Congress. He is a senior faculty member at the Director's College. He is a guest lecturer at Tulane Law School. He has also been a regular guest host on CNBC. Mr. Rosenfeld received an A.B. in Economics from Brown University and a Master of Business Administration from the Harvard Business School. Mr. Rosenfeld has served on Aecon's Board since 2017.

Monica Sloan, ICD.D joined the Board in 2013. Ms. Sloan 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 serves as a director of Kingston Midstream, a Canadian midstream infrastructure company and has also served as director of Methanex Corporation, the world's largest supplier of methanol and the Balancing Pool 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.

Deborah S. Stein, ICD.D joined the Board in June 2019. Ms. Stein has held a number of senior finance leadership roles, including Senior Vice President, Finance and Chief Financial Officer of AltaGas Ltd. from 2008 to 2015, and Chief Financial Officer and Corporate Secretary of AltaGas Utilities Group Inc. from 2005 to 2006. Ms. Stein also held senior leadership roles at Wendy's Restaurants of Canada, Paramount Canada's Wonderland and TransCanada Corporation. Ms. Stein currently sits on the boards of NuVista Energy Ltd., Parkland Corporation and Trican Well Services Ltd. Ms. Stein also serves on various private boards. She has previously served as Chairperson of Financial Executives International (FEI) Canada and was Trustee of the Calgary Zoo. Ms. Stein received the ESG Global Competent Boards Designation and is a Fellow of Chartered Professional Accountants (FCPA, FCA). Ms. Stein holds a Bachelor of Arts degree in Economics (Hons.) from York University and is ICD.D certified.

Scott Thon, ICD.D joined the Board in June 2021. Mr. Thon has served as President and Chief Executive Officer of Berkshire Hathaway Energy Canada since 2014, and the Chief Executive Officer of its largest Canadian subsidiary, AltaLink, since 2002. For over 30 years, Mr. Thon has held a variety of senior positions in the energy industry, from operations and engineering to market design and financial management. He has led the investment and construction of significant energy infrastructure developments in Alberta, Canada and globally. Mr. Thon serves as the Chair of the Southern Alberta Institute of Technology's Board of Governors, a director of Alberta Blue Cross Benefits Foundation and a director of the Calgary Stampede Foundation. He is a former Chair of the Canadian Electricity Association's Board of Directors and maintains a seat on the board. Additionally, Mr. Thon is a member of the Electricity Subsector Coordinating Council, a physical and cyber security collaboration between the electricity sector and the governments of Canada and the United States. Mr. Thon is a registered Professional Engineer with a Bachelor of Science in Electrical Engineering from the University of Saskatchewan. He is also a graduate of the Executive Program from the University of Western Ontario's Richard Ivey School of Business and is ICD.D certified.

Executive Officers

The names, municipalities of residence and titles of the Executive Officers of Aecon as of the date of this AIF are:

Name and Municipality of Residence	Office
JEAN-LOUIS SERVRANCKX Toronto, Ontario, Canada(1)	President and Chief Executive Officer
DAVID SMALES Oakville, Ontario, Canada	Executive Vice-President and Chief Financial Officer
YONNI FUSHMAN Toronto, Ontario, Canada	Executive Vice-President, Chief Legal Officer, Chief Sustainability Officer and Secretary
GORDANA TERKALAS Milton, Ontario, Canada	Senior Vice-President, Human Resources

(1) For Mr. Servranckx's biography, please see "Biographies of Directors" under "Directors and Officers" in this AIF.

Biographies of Executive Officers

David Smales has served as Executive Vice President and Chief Financial Officer of Aecon since November 2009. He oversees all Corporate and Operational Finance activities, Information Services, Communications and Corporate Affairs, Data and Analytics and Capital Markets activities. Prior to joining Aecon, Mr. Smales was the Chief Financial Officer of Catalyst Paper Corporation and prior to that held a number of senior financial positions at Novar plc in the United Kingdom focused on international operations. His career also includes roles in general management, strategy, and mergers & acquisitions, both in industry and during 10 years with PricewaterhouseCoopers. Mr. Smales is a member of the Institute of Chartered Accountants in England and Wales and has a BA (Honours) degree from the University of Newcastle-Upon-Tyne in England.

Yonni Fushman has served as Executive Vice-President and Chief Legal Officer of Aecon since July 2017 and was appointed Aecon's Chief Sustainability Officer in July 2020. Mr. Fushman is responsible for managing the legal, corporate secretarial, ethics and compliance, sustainability, insurance and bonding, and strategic procurement functions at Aecon. Prior to that role, Mr. Fushman held successively more senior roles with Aecon since 2005, including Associate General Counsel from 2011 to 2015 and Deputy General Counsel from 2015 to 2017. Mr. Fushman is called to the bar in Ontario and is also licensed to practice law in California and Massachusetts (inactive status in both states). Mr. Fushman has a BA (magna cum laude) degree in Economics from the University of Southern California and a Juris Doctor (cum laude) degree from the Boston University School of Law. Mr. Fushman completed the Duke University Continuing Studies Certificate in Sustainable Management, the UN Global Compact Network Canada Anti-Corruption Certificate and is a Sustainability Accounting Standards Board FSA credential-holder.

Gordana Terkalas is Aecon's Senior Vice President, Human Resources. She leads the Company's Diversity & Inclusion Council, is a member of the Ethics & Compliance Committee, and leads the Organizational Change Management Community of Practice. Prior to joining Aecon in 2008, Ms. Terkalas practiced Human Resources in various industries including consulting engineering, technology and healthcare. Throughout her career, she has garnered extensive experience in both operations and corporate services across all facets of the Human Resources function – from organization design, talent acquisition and total rewards to employee development, talent and succession management. She holds a Bachelor of Commerce degree from Ryerson University, as well as a CHRL Designation and is a member of the Association of Change Management Professionals.

<u>Security Holdings of Directors and Executive Officers</u>

To the knowledge of the Company, the directors and executive officers of the Company listed in this AIF beneficially own, directly or indirectly, or exercise control or direction over as of December 31, 2021, an aggregate of approximately 1,098,226 Common Shares, representing approximately 1.81% of the issued and outstanding Common Shares as of such date (please see Note 25 "Capital Stock" to the 2021 Consolidated Financial Statements filed under the Company's SEDAR profile at www.sedar.com).

<u>Conflicts of Interest</u>

Circumstances may arise where members of the Board serve as directors or officers of corporations which are in competition to the interests of Aecon, who supply goods and services to the Aecon or who purchase goods and services from Aecon. However, each director and executive officer must comply with the disclosure requirements of the CBCA regarding any material interest. If a declaration of material interest is made, the declaring director shall not vote on the matter if put to a vote of the Board. In addition, the declaring director and executive officer may be requested to recuse himself or herself from the meeting when such matter is being discussed.

No circumstances with respect to existing or potential material conflicts of interest arose during the financial year ended December 31, 2021 where it was necessary or advisable for a director to recuse himself or herself from any Board meetings.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Coastal GasLink Pipeline, Sections 3 and 4

The project has been delayed and impacted by various events for which SA Energy Group ("SAEG"), a partnership in which the Company holds a 50% interest, asserts Coastal GasLink ("CGL") is contractually responsible, including, but not limited to, significant scope changes and delays by the client, unforeseen site conditions, recoverable weather impacts and a suspension implemented by the client as a result of regulatory restrictions imposed due to the COVID-19 pandemic. SAEG asserts that it is entitled to additional compensation for costs associated with those delays and impacts and has commenced an arbitration pursuant to the terms of the contract to resolve the matter. While this commercial dispute could result in a material impact to Aecon's earnings, cash flow, and financial position if not resolved favourably, the ultimate results cannot be predicted at this time.

During the second quarter of 2021, CGL issued a Change Directive instructing SAEG to proceed with completing the remaining work on the project without an agreement as to the price for that work. During the fourth quarter, SAEG and CGL reached a number of informal agreements, that were formalized in the first quarter of 2022, that Aecon believes, based on current assumptions, will enable it to complete the project without a material impact to its cash flow. Following completion of the project, the arbitration process between SAEG and CGL, as noted above, will determine the final price for the work performed.

Kemano Generating Station Second Tunnel Project

During the second quarter of 2020, Rio Tinto issued a notice of termination of contract to the joint venture in which Aecon holds a 40% interest with respect to the Kemano Generating Station Second Tunnel Project. Rio Tinto also issued notice to the joint ventures' sureties asserting a claim on the 50% performance bonds; the sureties entered into a cooperation agreement with Rio Tinto but have not taken a position on the validity of this claim on the bonds. In the third quarter of 2020, the joint venture issued a notice of civil claim seeking approximately $105 million in damages from Rio Tinto. The joint venture has also registered and perfected a builders' lien against project lands, providing security over approximately $97 million of the claimed damages. Rio Tinto has issued a counterclaim against the joint venture but has not articulated the amount of damages it may seek from the joint venture; such amount is expected to be material. While it is possible that this commercial dispute could result in a material impact to Aecon's earnings and cash flow if not resolved, the ultimate results cannot be predicted at this time. The aforementioned notice of civil claim was commenced in the Supreme Court of British Columbia between Frontier Kemper Constructors and Frontier Kemper – Aecon Joint Venture as plaintiffs/defendants by counterclaim and Rio Tinto Alcan Inc. and Aluminum Company of Canada Limited/Aluminum Du Canada Limitee as the defendants/plaintiffs by counterclaim.

K+S Potash Canada

During the second quarter of 2018, the Company filed a statement of claim in the Court of Queen's Bench for Saskatchewan (the "**Court**") against K+S Potash Canada ("**KSPC**") and KSPC filed a statement of claim in the Court against the Company. Both actions relate to the Legacy mine project in Bethune, Saskatchewan. The Company is seeking $180 million in payments due to it pursuant to agreements entered into between the Company and KSPC with respect to the project plus approximately $14 million in damages. The Company has recorded $139 million of unbilled revenue and accounts receivable as at December 31, 2021. Offsetting this amount to some extent, the Company has accrued $45 million in trade and other payables for potential payments to third parties pending the outcome of the claim against KSPC. KSPC is seeking an order that the Company repay to KSPC approximately $195 million already paid to the Company pursuant to such agreements. The Company has also been brought into two other lawsuits in the same Court between KSPC and various other contractors involved with the Legacy mine project, both relating to matters which the Company believes are materially covered by insurance coverage, to the extent of any liability. These claims may not be resolved for several years. While the Company considers KSPC's claim to be without merit and does not expect that the resolution of these claims will cause a material impact to its financial position, the ultimate results cannot be predicted at this time.

The Company is not a party to any other individual proceedings involving Aecon, its business or operations which are likely to have a material adverse effect on the business, operations or financial conditions of Aecon as a whole. To the knowledge of Aecon, no such legal proceedings are contemplated.

To its knowledge, Aecon is not currently a party to any regulatory investigation or proceeding or subject to any potential penalty, individually or in the aggregate, which is likely to have a material adverse effect on the business, operations or financial condition of Aecon as a whole.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Company and, to the knowledge of the directors and executive officers of the Company, none of their respective associates or affiliates, nor any person who beneficially owns or exercises control or direction, directly or indirectly, over more than 10% of the Company's outstanding Common Shares, nor their respective associates or affiliates, has had any material interest, direct or indirect, in any transaction within the Company's three most recently completed financial years or in any proposed transaction which has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries on a consolidated basis.

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc. of Toronto, Ontario is the Transfer Agent and Registrar for the Common Shares and the 2018 Debentures.

MATERIAL CONTRACTS

The Company has no material contracts, other than contracts entered into in the ordinary course of business, that were entered into during the financial year ended December 31, 2021, or that were entered into before the financial year ended December 31, 2021 that are still in effect, other than (i) the Trust Indenture and (ii) the Supplemental Indenture.

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP

The Company's auditor is PricewaterhouseCoopers LLP, Chartered Professional Accountants ("**PwC**").

PwC has prepared an independent auditor's report dated March 1, 2022 in respect of the Company's consolidated financial statements with accompanying notes as at December 31, 2021 and December 31, 2020 and for the years ended December 31, 2021 and December 31, 2020. PwC has advised that it is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.

AUDIT COMMITTEE

Audit Committee Charter

The text of the Audit Committee's Charter in effect as of the date hereof is attached hereto as Appendix A.

Composition of the Audit Committee

The current members of the Audit Committee are Deborah S. Stein (Chair), John W. Brace, Anthony P. Franceschini and J.D. Hole. All members of the Audit Committee for the year ended December 31, 2021 were independent and financially literate.

Relevant Education and Experience

Please see "Directors and Officers – Biographies of Directors" in this AIF for a description of the relevant education and experience of the members of the Audit Committee.

Pre-Approval of Policies and Procedures

The Audit Committee has delegated the approval of non-audit services under $25,000 (excluding expenses and applicable taxes) to the Chief Executive Officer and such employees designated by the Chief Executive Officer to an annual limit of $100,000. All other engagements are pre-approved by the Audit Committee.

External Auditor Service Fees

The following table sets forth the fees paid to PwC, the external auditor of the Company, for services rendered for financial years ended December 31, 2021 and 2020:

Description	**2021**	**2020**
Audit Fees	$1,455,000	$1,303,000
Audit Related Fees	$66,000	$156,000
Tax Fees	-	$14,000
All Other Fees	$92,000	$105,000
Total Fees	$1,613,000	$1,578,000

Audit Fees

Audit fees were paid for professional services rendered by the auditor for the audit of the annual financial statements of the Company and its wholly owned subsidiaries and services provided in connection with statutory and regulatory filings or engagements.

Audit-Related Fees

Audit-related fees include fees paid to the Company's auditor for attestation services, quarterly review, services provided in connection with the Company's offering of convertible unsecured subordinated debentures and other accounting and reporting consultations. In addition, audit-related fees include the cost of translation of various continuous disclosure documents of the Company.

Tax Fees

Tax fees were paid in connection with the advice on tax compliance related matters.

Other Fees

Other fees were paid in connection with consultations in respect of the Company's project controls and work on Infrastructure Ontario contracting practices. Management and the Audit Committee concluded that the services provided by PwC were not restricted services and implemented monitoring safeguards to ensure independence was maintained.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Aecon's securities, securities authorized for issuance under equity compensation plans and the Company's corporate governance practices are contained in the Company's Management Information Circular dated May 9, 2021 for the most recent annual meeting of shareholders held on June 8, 2021. Additional financial information is provided in the Company's audited Consolidated Financial Statements for the year ended December 31, 2021 and, in the Company's related Management's Discussion and Analysis, both filed on SEDAR on March 1, 2022. A copy of the foregoing documents may be obtained by shareholders upon request from the Corporate Secretary of the Company. These documents, as well as additional information relating to Aecon, are available on SEDAR at www.sedar.com.

APPENDIX A
<u>**AUDIT COMMITTEE CHARTER**</u>

1. OVERVIEW AND PURPOSE

The Audit Committee is appointed by the Board of Directors (the "**Board**") to assist the Board in monitoring:

1. the integrity of the financial statements of the Corporation;
2. the compliance by the Corporation with applicable legal and regulatory requirements relating to audit and internal controls;
3. the independence, qualifications and performance of the Corporation's external auditors; and
4. the Corporation's internal controls and audit function.

In carrying out its responsibilities, the Audit Committee shall undertake such tasks and responsibilities that, in its judgment, would most effectively contribute to and implement the purposes set out above.

2. COMMITTEE MEMBERSHIP

The Committee will be comprised of a minimum of three members (including a Chair of the Committee), all of whom shall meet the independence requirements of applicable securities laws and the listing standards of the Toronto Stock Exchange (an "**Independent Director**"). The members of the Audit Committee must have the requisite collective skills necessary to enable the Committee to carry out its responsibilities, as set out in this Charter. At least one member of the Audit Committee must be "financially literate" as may be defined from time to time by the relevant regulatory authorities.

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.

3. 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.

An *in camera* session without management present shall be held at each Committee meeting and the Chair shall be responsible for reporting to management any comments or concerns arising out of such *in camera* sessions.

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.

4. RESPONSIBILITIES AND DUTIES

Set out below are the principal recurring activities of the Audit Committee in carrying out its oversight responsibility.

4.1 AUDITOR OVERSIGHT

While the Audit Committee has the responsibilities and powers set forth in this Charter, and its members may have financial experience, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate. This is the responsibility of management and the independent auditor.

The Audit Committee shall be responsible for the selection (subject to Board and shareholder approval) and oversight over the work of the Corporation's auditors. The Audit Committee shall also approve all auditing engagement fees and terms and all non-audit engagements with the Corporation's auditors and shall determine which non-audit services the Corporation's auditors are prohibited from providing.

The Audit Committee, as a committee of the Board, shall be directly responsible for the oversight of the work of the Corporation's auditors (including resolution of disagreements between management and the auditors) for the purpose of preparing or issuing an audit report or related work, and the auditors shall report directly to the Audit Committee.

The Audit Committee shall:

4.1.1 Determine the remuneration for the services required to support the independent auditor's opinion on the Corporation's financial statements.

4.1.2 Evaluate the performance of the independent auditor and, if so determined by the Audit Committee, recommend that the shareholders replace the independent auditor.

4.1.3 Review and approve the planning and staffing proposed for the audit in advance of its commencement.

4.1.4 Meet with the independent auditor to review the independent auditor's judgements about the quality and acceptability of the Corporation's accounting principles and underlying estimates in the financial statements.

4.1.5 Consider and review with management and other Board-level committees and the independent auditors:

(a) the effectiveness of, or weaknesses in, the Corporation's internal controls, including the status and adequacy of information systems and security; and

(b) any related significant findings and recommendations of the independent auditors together with management's responses, including the timetable for implementation of recommendations to correct weaknesses in the internal controls.

4.1.6 Receive at least annually written reports from the independent auditor, discuss such reports with the auditor, and if so determined by the Audit Committee recommend that the Board take appropriate actions. Such reports from the independent auditor should include:

(a) Outline of all existing and contemplated relationships between the independent auditor and the Corporation;

(b) Confirmation that, in the auditor's professional judgment, it is independent of the Corporation; and

(c) Description of the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent auditor and the Corporation.

4.1.7 Review major changes to the Corporation's accounting principles and practices as suggested by the independent auditor or management.

4.1.8 Instruct the independent auditors to communicate directly to the Audit Committee any material difficulties or disputes with management.

4.1.9 Review with the independent auditor any problems or difficulties the auditor may have encountered and any managerial letters provided by the auditor and the Corporation's response to such letters. Such review should include:

(a) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information; and

(b) Any changes required in the planned scope of the audit.

4.1.10 Discuss and review with management and the independent auditors any significant financial reporting issues and judgements made in connection with the preparation of the Corporation's financial statements, including review of analyses prepared by management or the auditors regarding significant financial reporting issues and judgements, analyses of the effects of alternative GAAP methods on the financial statements, and the effect of regulatory and accounting initiatives, and off-balance sheet structures, on the financial statements.

4.1.11 Meet separately, periodically, with management, including the Chief Financial Officer and with independent auditors.

4.1.12 Set clear hiring policies for employees or former employees of the independent auditors.

4.2 INDEPENDENT CONSULTANTS

4.2.1 The Audit Committee shall have the authority to recommend that the Board retain special legal, accounting or other consultants to advise the Committee and to conduct or authorize investigations into any matters within the scope of its responsibilities.

4.2.2 The Audit Committee may request any representative of the Corporation's outside counsel or independent consultant to attend any meeting of the Audit Committee or to meet with any members of the Committee.

4.3 FINANCIAL RISK OVERSIGHT

4.3.1 Review and evaluate the effectiveness of the Corporation's process for assessing significant financial risks or exposures and the steps management has taken to monitor and control such risks to the Corporation.

4.4 COMPLIANCE OBLIGATIONS

4.4.1 Review, in conjunction with other Board-level committees or the full Board, if applicable, the Corporation's policies and procedures regarding compliance with applicable financial and audit related laws and regulations.

4.4.2 Review, on an annual basis or more frequently as required, with the Corporation's internal legal counsel any legal matters that could have a significant impact on the Corporation's financial statements, compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

4.4.3 In conjunction with the Corporate Governance, Nominating and Compensation Committee and the Risk Committee, review the Corporation's ESG-related public disclosure, including any financial and compliance program disclosure contained in the annual Sustainability Report and any other reports that may accompany and/or be ancillary to the annual Sustainability Report (the "**Sustainability Documents**") and oversee third-party assurance of such financial disclosure, to the extent required by regulation(s) or in the context of the Committee's obligations under this Charter. For greater certainty, the obligation to recommend approval of the Sustainability Documents to the Board shall rest with the Risk Committee.

4.4.4 Oversee, in conjunction with other Board-level committees or the full Board, if applicable, the Whistleblower Policy of the Corporation, which outlines procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

4.4.5 Establish procedures for (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting or audit matters, and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding accounting or auditing matters.

4.4.6 Review the quarterly Whistleblower and Governance Report, including summaries of anonymous reports submitted through the Aecon Ethics Hotline.

4.5 CONTINUOUS DISCLOSURE OBLIGATIONS

4.5.1 Review the annual audited and interim unaudited financial statements and accompanying Management's Discussion and Analysis ("**MD&A**") with management and the independent auditor, discuss matters arising from the audit under generally accepted accounting standards, including major issues regarding accounting and auditing principles and practices, and discuss the adequacy of internal controls, that could materially affect the Corporation's financial statements, and recommend the approval of such financial statements and MD&A to the Board before they are publicly released or filed with regulators.

4.5.2 Review and discuss with management disclosure of financial information, including earnings press releases, as well as financial information and earnings guidance, if any, provided to analysts and rating agencies.

4.5.3 Review certifications made by the Corporation's Chief Executive Officer and Chief Financial Officer regarding compliance with their continuous disclosure obligations under applicable securities law or stock exchange requirements, if any, including in respect of the Corporation's internal controls for financial reporting and evaluations thereof, and disclosure controls and procedures.

4.6 PENSION PLAN OVERSIGHT

4.6.1 Oversee the administration, financial reporting and investment activities of the Corporation's defined benefit pension plan and the defined contribution pension plan (together, the "**Pension Plans**"), any succession plans and any related supplemental retirement arrangements.

4.6.2 Report to the Board with respect to the actuarial soundness of the Pension Plans, the administrative aspects of the pension plans, investment policy, performance of the investment portfolios and compliance with government legislation.

4.6.3 Consider amendments to the Pension Plans and make recommendations in respect thereof to the Board.

4.7 POLICY REVIEW

4.7.1 Annually review and where appropriate, provide recommendations to the Board of Directors in respect of the Limits of Authority Policy ("LOA") and, together with the Risk Committee, recommend delegation of risk limits to management set out in the LOA.

5. CHARTER REVIEW

The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. Nothing contained in this charter shall expand applicable standards of conduct or other obligations under any law or regulation for the Directors of the Corporation or the members of the Committee.