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ANJEC INC. 2011  
ANNUAL INFORMATION FORM  
FEBRUARY 23, 2012

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References in this annual information form to “Stantec” and the “Company” include, as the context may require, Stantec Inc. and all or some of the companies in which it has an interest collectively or one or more of such companies. References in this annual information form to “our,” “us,” or “we” also refer to “Stantec” in the contexts explained above.

#### Intercorporate Relationships

The following chart lists, as at December 31, 2011, the intercorporate relationships among Stantec and its subsidiaries; the jurisdiction of incorporation of these companies; and the percentage of voting and restricted securities owned, controlled or directed by Stantec:

| STANTEC INC.                       |                                   |   |                                  |
|------------------------------------|-----------------------------------|---|----------------------------------|
| SUBSIDIARY                         | PERCENTAGE<br>OF VOTING<br>SHARES | PERCENTAGE<br>OF<br>RESTRICTED<br>SHARES* | JURISDICTION OF<br>INCORPORATION |
| 58053 Newfoundland & Labrador Inc. | 100                               | n/a                                       | Newfoundland and Labrador        |
| 59991 Newfoundland & Labrador Ltd. | 100                               | n/a                                       |                                  |



2011

*Officer and Director Changes*

The following changes occurred in 2011

Douglas K. Ammerman and Delores M. Etter were appointed to Stantec's board of directors on September 1, 2011

Effective August 26, 2011, Jeffery Kishel stepped down from his role as practice area unit leader, Environment and left Stantec. Richard K. Allen assumed Mr. Kishel's role

Following the Company's annual general meeting, distinguished board member Paul Cellucci tendered his resignation from the Company board

During Stantec's annual general meeting on May 12, 2011, chair of the board Ronald Triffo announced the



| <u>Date</u> | <u>Business Acquired</u>                                     | <u>Nature of Business</u>                               |
|-------------|--|---|
| Jul<br>2010 | Natural Resources Consulting, Inc./<br>NRC Restorations, LLC | Provides services in the areas of wetland, aquatic, and |



## DESCRIPTION OF THE BUSINESS

Stantec, founded in 1954, provides professional consulting services in planning, engineering, architecture, interior design, landscape architecture, surveying, environmental sciences, project management, and project economics for infrastructure and facilities projects. Continually striving to balance economic, environmental, and social responsibilities, we are recognized as a world-class leader and innovator in the delivery of sustainable solutions. We support public and private sector clients in a diverse range of markets at every stage, from initial concept and financial feasibility to project completion and beyond.

In simple terms, the world of Stantec is the water we drink, the routes we travel, the buildings we visit, the industries in which we work, and the neighborhoods we call home. Our services are offered through approximately 11,100 employees operating out of more than 170 locations in North America and 4 locations internationally.

For the requirements of International Financial Reporting Standards (IFRS), we have one reportable segment—consulting services.

The following chart illustrates the breakdown of gross revenue for 2011 and 2010 for consulting services:

| <u>Units</u>        | 2011                   |          | 2010                   |          |
|---------------------|------------------------|----------|------------------------|----------|
|                     | <u>(C\$ millions )</u> | <u>%</u> | <u>(C\$ millions )</u> | <u>%</u> |
| Consulting Services | \$1,683.4              |          |                        |          |

## Employees

As at December 31, 2011, we had approximately 11,100 staff. This total staff number is comprised of approximately 6,400 professionals, 3,500 technologists and technicians, and 1,200 support personnel.

We are a knowledge-based organization and are always seeking talented and skilled professionals in all our specialist practice areas. Since the supply of qualified candidates is sometimes limited, we use various recruitment strategies to address staffing needs. Examples of our recruitment strategies include our employee referral bonus

- Completing root cause analysis and evaluating lessons learned from recordable injuries and other incidents
- Coordinating case management following work-related injuries and illnesses

Due to the diversity of the Stantec organization, the HSE team develops core health, safety, and environment standards that can be implemented Company-wide, yet are adaptable to suit the needs of any particular region, client, or project.

Our Company HSE program is outlined in our corporate Health and Safety policy, HSE Program Manual, and Safe Work Practices Guide.

The program is communicated to employees through a comprehensive communications strategy that includes regular features in our Company magazine, ongoing use of the Company's intranet, eBulletins from senior leadership, office signage, presentations, and workshops. In addition to tracking lagging indicators (workers' compensation costs and total recordable injury rates), we also track leading indicators such as site visits, file reviews, safety meetings, and worksite inspections to further gauge the effectiveness of the program. The HSE team is able to conduct internal and external audits to assist in not only assuring compliance, but also identifying program strengths and opportunities for improving health and safety performance.

Independent (third party) audits of the HSE program may be conducted by a third party to ensure compliance with applicable laws and regulations. (b) (5) - (i) - 16 (a) - 13 (d)



## Common Shares

The holders of common shares are entitled to receive, as and when declared by our board of directors, dividends in such amount and in such form as our board of directors may from time to time determine. The holders of the c

## Prior Sales

On May 13, 2011, we issued \$70 million of 4.332% senior secured notes due May 10, 2016, and \$55 million of 4.757% senior secured notes due May 10, 2018. These amounts were recorded net of transaction costs of \$1.1 million. The senior secured notes were issued pursuant to an indenture dated May 13, 2011, between Stantec Inc., as issuer, and BNY Trust Company of Canada, as trustee. The senior secured notes are ranked equally with our existing revolving credit facility. Interest on the senior secured notes is payable semi-annually in arrears on May 10 and November 10 each year commencing on November 10, 2011, until maturity or the earlier payment, redemption, or purchase in full of the senior secured notes.

## DIRECTORS AND OFFICERS

The following table lists the directors of Stantec Inc., current to February 23, 2012, their municipality of residence, and their principal occupation within the five preceding years:

From November of 2005 to November of 2007, Ms. Etter's occupation was Assistant Secretary of the Navy for Research, Development and Acquisitions.

The following table lists the executive officers of Stantec, current to February 23, 2012, their municipality of residence, and their principal occupation within the five preceding years:

Nonexecutive and Executive Officers of Stantec

| Name and<br>Municipality of Residence                    | Principal Occupation   | Officer Positions Held   |
|--|--|--|
| <i>Nonexecutive Officers of Stantec Inc.</i>             |  |  |
| ARAM H. KEITH<br>Irvine, California, United States       | Chair of the Board   | Chair of the Board of Stantec Inc.   |
| <i>Executive Officers of Stantec Inc.</i>                |  |  |
| ROBERT J. GOMES<br>Edmonton, Alberta, Canada             | President & CEO  | President & CEO of Stantec Inc.  |
| DANIEL J. LEFAIVRE<br>St. Albert, Alberta, Canada        | Senior Vice President & CFO  | Senior Vice President & CFO of Stantec Inc.  |
| RICHARD K. ALLEN<br>Canton, Massachusetts, United States | Senior Vice President & COO  | Senior Vice President & COO of Stantec Inc.; Interim Practice Area Unit Leader, Environment  |
| PAUL J.D. ALPERN<br>Edmonton, Alberta, Canada            | Vice President, Secretary & General Counsel  | Vice President, Secretary & General Counsel of Stantec Inc., and Vice President and Corporate Counsel of certain Stantec Inc. subsidiaries |
| <i>Other Executive Officers</i>                          |  |  |
| W. PAUL ALLEN<br>Elmira, Ontario, Canada                 | Practice Area Unit Leader, Urban Land, and Regional Operating Unit Leader, Canada East | Senior Vice President of certain Stantec Inc. subsidiaries   |
| DONALD R. BELLIVEAU                                      |  |  |

| Name and<br>Municipality of Residence                  | Principal Occupation                    | Officer Positions Held  |
|--|---|---|
| STANIS I.R. SMITH<br>Burnaby, British Columbia, Canada | Practice Area Unit Leader,<br>Buildings | Senior Vice President of certain<br>Stantec Inc. subsidiaries |

All the above executive officers have held their present position or other positions with Stantec for the past five years, except for Daniel J. Lefaiivre, who, prior to January 1, 2009, was Stantec's vice president, Finance & Treasury; Richard K. Allen, who, prior to April 17, 2006, was president and chief executive officer of Dufresne-Henry, Inc. and who following August 26, 2011, became Interim Practice Area Unit Leader, Environment; Paul Allen, who, prior to July 1, 2010, was Stantec's corporate practice area unit leader, Urban Land, and following July 1, 2010, also became Stantec's regional operating unit leader, Canada East; and Scott Murray, who, prior to January 1, 2008, was an owner and vice president of Fuller, Mossbarger, Scott & T00.00T0 100T0 1e0.4(t) F0T0 1in.4(t)a.4(t)h i(16 /TT00.w (& 46(i 410x r)410



currently retired and is a corporate director for one additional company and one charity. In addition to Mr. Bradshaw's experiences in diverse industries as an engineer, he also has 25 years of experience in acquiring companies for turnaround purposes. In that context, Mr. Bradshaw reviewed and analyzed the financial statements of those companies, as well as their financial procedures. Mr. Bradshaw has also taken university accounting courses to further supplement his knowledge. As of December 31, 2011, he owned 110,000 common shares valued at \$3,032,700 and 27,200 deferred share units valued at \$738,208. a n .

## MATERIAL CONTRACTS

We did not enter into any material contracts outside the ordinary course of business in 2011. We consider the acquisition of professional services firms to be in the ordinary course of our business.

A.

(b)

E. External Auditor

13. Assess the performance and consider the annual appointment of an external auditor for recommendation to the board for ultimate recommendation for appointment by the shareholders.
14. Review, approve, and execute the annual engagement letter with the external auditor and ensure that there is a clear understanding between the board, the committee, the external auditor, and management that the external auditor reports directly to the shareholders and the board through the committee. The terms of the engagement letter or the annual audit plan should include, but not be limited to, the following:
  - (a) Staffing
  - (b) Objectives and scope of the external audit work
  - (c) Materiality limits
  - (d) Audit reports required
  - (e) Areas of audit risk
  - (f) Timetable
  - (g) The proposed fees
15. Obtain and review a report from the external auditor at least annually regarding the auditor's independence and the profession's or audit firm's requirements regarding audit partner rotation.
16. Approve, before the fact, the engagement of the external auditor for all nonaudit services and the fees for such services and consider the impact on the independence of the external audit work of fees for such nonaudit services.
17. Review all fees paid to the external auditor for audit services and, if appropriate, recommend their approval to the board. Receive confirmation from management that the corporation has provided for adequate funding for the payment of compensation to the external auditor.
18. Receive an annual certification from the external auditor that they participate in the public oversight program established by the Canadian Public Accountability Board (CPAB) and the standards of the United States Public Company Accounting Board (PCAOB) and that they are in good standing with the CPAB and the PCAOB.
19. Review a report from the external auditors describing (a) the firm's internal quality control procedures and (b) 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 regarding the audits carried out by the external auditor together with any steps taken to deal with any such issues.
20. Receive and resolve any disagreements between management and the external auditor regarding all aspects of the corporation's financial reporting.
21. Review with the external auditor the results of the annual audit examination including, but not limited to, the following:
  - (a) Any difficulties encountered, or restrictions imposed by management, during the annual audit
  - (b) Any significant accounting or financial reporting issues
  - (c) The auditor's evaluation of the corporation's internal controls over financial reporting and management's evaluation thereon, including internal control deficiencies identified by the auditor that have not been previously reported to the committee
  - (d) The auditor's evaluation of the selection and application of accounting principles and estimates and the presentation of disclosures
  - (e) The postaudit or management letter or other material written communications containing any findings or recommendations of the external auditor including management's response thereto and the subsequent follow-up to any identified internal accounting control weaknesses



preparation of financial data reported to the market is adequate and effective, and the system of internal controls is effectively designed and implemented.

32. Review management's annual report on the effectiveness of internal controls and procedures, as well as quarterly and annual chief executive officer and chief financial officer certificates filed pursuant to securities regulations.
33. Receive reports from management and/or the internal auditor on all significant deficiencies and material weaknesses identified.
34. Review annually, or as required, the appropriateness of the system of internal controls and approval policies and practices concerning the expenses of the officers of the Corporation, including the use of its assets.
35. Review and approve, on a quarterly after-the-fact basis, the expense accounts of the board chair and of the chief executive officer of the corporation.

#### H. Risk

##### *General*

36. Review at least annually with Management:

- (a) the Corporation's method of identifying, evaluating, mitigating and reporting on the principal risks inherent in the Corporation's businesses and strategic directions;
- (b) the systems, policies and practices applicable to the Corporation's assessment, management, prevention and mitigation of risks (including strategic, operating, compliance, reputation as well as financial risks including but not limited to the foreign currency, liquidity and interest rate risk, the use of derivative instruments, counterparty credit exposure, litigation and adequacy of tax provisions); and
- (c) the Corporation's risk appetite, risk tolerance and risk retention philosophy, including the Corporation's loss prevention policies a(pnot)15(i)- t1/MCIDtfinancial risks including bui154(54(i) [(a)13(n)-3

*Finance*

41. Review and assess, in conjunction with management and the external auditor, at least annually or on a quarterly basis where appropriate or required, the impact of the corporation's capital structure on current and future profitability.
42. Review and recommend to the board of directors proposals requesting a grant of a guarantee issued by Stantec for an amount in excess of \$5 million, prior to issuance.
43. Review and recommend to the board of directors proposals requesting a grant of a surety bond issued by Stantec or its subsidiaries for: (a) an amount in excess of \$5 million individually or (b) where by virtue of the grant of such surety bond would put the aggregate value of all surety bonds issued and outstanding in excess of \$50 million, prior to issuance.



60. Meetings may be conducted with members present or by telephone or other communications facilities that permit all persons participating in the meeting to hear or communicate with each other.
61. A written resolution signed by all committee members entitled to vote on that resolution at a meeting of the committee is as valid as one passed at a committee meeting.
62. The secretary of the corporation, or his designate, shall be the secretary for the committee and shall keep a record of minutes of all meetings of the committee.
63. Minutes of the meetings of the committee shall be distributed by the secretary of the corporation to all members of the committee within seven (7) working days of each meeting and shall be submitted for approval at the next regular meeting of the committee.