We Put People First

We Are Better Together

Doing what's right. Integrity drives everything

# Invitation to Shareholders

**Dear Fellow Shareholder:**

The Stantec board of directors and management team invite you to attend the annual general meeting of shareholders of Stantec Inc. Details of the meeting follow:

Date: Thursday, May 12, 2016

Time: 10:30 AM (MDT)

Place: Stantec Centre

New York Room

10160 – 112 Street

Edmonton, Alberta  T5K 2L6

During the meeting, we will review the Company's 2015 operating and financial performance and outline our strategy going forward.

Enclosed in this package are the Notice of Meeting, Form of Proxy, and Management Information Circular.
Please return the Form of Proxy as soon as possible to ensure that your vote is recorded.

Thank you for your continuing support.

Sincerely,

Aram Keith, Chair
Board of Directors

Bob Gomes, P. Eng.
President & CEO

# Notice of Annual General Meeting

Notice is hereby given that Stantec Inc. (“Stantec” or the “Company”) will hold its annual general meeting of shareholders on Thursday, May 12, 2016, at Stantec Centre, New York Room, 10160 – 112 Street, Edmonton, Alberta, T5K 2L6. The meeting will be held to

1. Receive Stantec’s financial statements for the financial year ended December 31, 2015, together with the auditors’ report on those statements
2. Elect the directors of Stantec
3. Appoint the auditors of Stantec and authorize the directors to fix the auditors’ remuneration
4. Consider a nonbinding advisory resolution on Stantec’s approach to executive compensation
5. Transact any other business as may properly be brought before the meeting

The accompanying Management Information Circular contains additional information regarding these matters and forms part of this notice. Stantec’s 2015 audited financial statements are included in our 2015 Annual Report, which is available free of charge to shareholders upon request.

The board has fixed the close of business on March 15, 2016, as the record date for the determination of shareholders entitled to notice of and to vote at the meeting. Only sharehol

# Questions and Answers on Voting

### Q. Who can attend and vote at the meeting?

If you hold common shares of Stantec at the close of business on March 15, 2016, you have the right to attend the meeting and cast one vote for each common share that you hold.

### Q. What items of business am I voting on?

You will be voting on

- The election of Stantec's directors
- The appointment of Stantec's auditors
- A nonbinding advisory vote on Stantec's approach to executive compensation

Please see the Business of the Meeting section of this circular for more information.

### Q. Am I a registered or beneficial shareholder?

You are a registered shareholder if you hold any common shares in your own name.

You are a beneficial shareholder if

- Your common shares are held by an intermediary, such as a bank, securities broker, trust company,

### Q. How can I vote if I am a beneficial shareholder?

If you are a beneficial shareholder, you will receive all

# Business of the Meeting

## 1 Financial Statements

Our consolidated financial statements for the year ended December 31, 2015, together with the auditors' report on those statements, will be placed before the meeting. Our financial statements are contained in our 2015 Annual Report, which is available on our website at www.stantec.com and on SEDAR at www.sedar.com. Our Form 40-F is available on EDGAR at www.sec.gov. You may obtain a free copy of any of these documents by making a request to our corporate secretary at 10160 – 112 Street, Edmonton, Alberta, T5K 2L6.

## 2 Election of Directors

Eight directors will stand for election at the meeting. The persons listed in the Nominees for Election to the Board of Directors section of this circular will be presented for election at the meeting as management's nominees. We believe that each person nominated is well qualified to be a director of Stantec. Each one has confirmed his or her willingness to serve if elected. If any nominee is unable to serve as a director for any reason arising before the meeting, the person named in your proxy has the discretion to vote for another nominee at the meeting. Each director elected at the meeting will hold office until the next annual meeting of shareholders or until his or her successor is duly elected or appointed.

The director nominees follow:

| | | |
|---|---|---|
| Douglas K. Ammerman | Robert J. Gomes | Donald J. Lowry |
| Delores M. Etter | Susan E. Hartman | Ivor M. Ruste |
| Anthony P. Franceschini | Aram H. Keith | |

David Emerson will not stand for re-election at the meeting. Information relating to his service on our board does not appear with the information regarding the eight proposed nominees for election. However, because Mr. Emerson acted as a director up to the meeting date, information concerning him does appear in the other sections of this circular that pertain to the members of the board.

### MAJORITY VOTING FOR DIRECTORS

To ensure accountability to shareholders, the board has adopted a policy that requires any nominee in an uncontested election who receives a greater number of votes "withheld" than votes "for" his or her election as a director (i.e., the nominee is not elected by at least a majority of 50% + 1 vote) to promptly tender his or her resignation to the Corporate Governance and Compensation Committee of the board. This committee will consider the resignation and promptly recommend to the board whether or not to accept it. Any director who tenders his or her resignation will not participate in the committee recommendation or board consideration regarding whether or not to accept the resignation.

The board expects that resignations will be accepted unless extraordinary circumstances warrant a contrary decision. The board will act on the committee's recommendation no later than 60 days following the certification of the shareholder vote. We will promptly publicly disclose the board's decision and publish that decision in a report filed on SEDAR at www.sedar.com.

We recommend that you vote FOR the election of the nominees. Unless otherwise instructed, the management representatives designated in the enclosed proxy intend to vote FOR the election of the nominees listed above.

# Nominees for Election to the Board of Directors

## Description of Nominees

The following tables set out information as of March 15, 2016, regarding the nominees for election to the board. They include a profile of each nominated director, including a brief overview of his or her background and their key qualifications relevant to serving on our board. All nominees are current directors of Stantec.

**Douglas K. Ammerman**
Age: 64
Laguna Beach, California
United States
Director since 2011
Independent

Douglas Ammerman is a retired partner with KPMG LLP. Mr. Ammerman was with KPMG for almost 30 years, and during that time, he served as the national practice partner, as the managing partner of the Orange County office, and as a member of KPMG's nominating committee for its board of directors. He holds a master's degree in business taxation from the University of Southern California, as well as a bachelor of arts degree with an accounting emphasis from California State University at Fullerton. Mr. Ammerman is past president and director emeritus of the Pacific Club and served in the Reagan Administration as Special Assistant to the Secretary of Interior. He currently serves on the boards of directors of Fidelity National Financial, J. Alexander's Holdings, Inc., William Lyon Homes, and El Pollo Loco.

Key Qualifications

- 9 Public accounting
- 9 Public company board
- 9 Professional services management

| Stantec Board And Committee Memberships | Attendance | Attendance Total |
|---|---|---|
| Board of Directors | 4 of 4 | 100% |

**Delores Etter** has been a member of the Department of Electrical Engineering at Southern Methodist University in Dallas, TX, since June 2008. She holds the Caruth Professorship in Engineering Education and is a Distinguished Fellow in the Darwin Deason Institute for Cyber Security. From 2005-2007, she held the position of Assistant

**Delores M. Etter**

Age: 68
Dallas, Texas
United States
Director since 2011
Independent

**Anthony (Tony) P. Franceschini**

Age: 65

Edmonton, Alberta

Susan Hartman holds a bachelor of science in chemistry and has diverse experience in strategic planning, business management, mergers and acquisitions, operations, and international business development. In 1993, she started her own management consulting firm, The Hartman Group. Ms. Hartman continues to serve as president and owner of The Hartman Group, leading the company's consulting services in the strategic and operational planning, overall business assessment, process optimization, and project management areas.

**Susan E. Hartman**

Age: 65
Evergreen, Colorado
United States
Director since 2004
Independent

Donald Lowry

**Donald J. Lowry**

Age: 64
Edmonton, Alberta
Canada
Director since 2013
Independent

### INFORMATION ABOUT OUR RETIRED DIRECTOR

As noted earlier, David Emerson will be retiring from the board in May 2016. Mr. Emerson is a member of the Audit and Risk Committee. His attendance record for the year for Board of Directors meetings was 75% (3 of 4 meetings) and for the Audit and Risk Committee was 100% (4 of 4 meetings).

## Additional Information about Director Nominees

### DIRECTOR VOTING RESULTS FROM OUR 2015 ANNUAL GENERAL MEETING

A summary of the voting results from our 2015 annual general meeting follows:

| Director | Votes In Favor | % in Favor | Votes Withheld | % Withheld |
|---|---|---|---|---|
| Douglas Ammerman | 58,807,332 | 92.08 | 5,058,793 | 7.92 |
| David Emerson | 63,545,865 | 99.50 | 320,260 | 0.50 |
| Delores Etter | 59,793,785 | 93.62 | 4,072,340 | 6.38 |
| Tony Franceschini | 62,709,367 | 98.19 | 1,156,758 | 1.81 |
| Bob Gomes | 63,307,878 | 99.13 | 557,797 | 0.87 |
| Susan Hartman | 57,277,167 | 89.68 | 6,588,958 | 10.32 |
| Aram Keith | 61,417,885 | 96.17 | 2,448,240 | 3.83 |
| Donald Lowry | 59,390,216 | 92.99 | 4,475,909 | 7.01 |
| Ivor Ruste | 63,079,622 | 98.77 | 786,503 | 1.23 |

### DIRECTOR ATTENDANCE

The number and percentage of board and committee meetings each director nominee attended in 2015 follows:

| Director | Board Meetings Attended | | Committee Meetings Attended | | Total Meetings Attended | |
|---|---|---|---|---|---|---|
| Douglas Ammerman | 4 of 4 | 100% | 4 of 4 | 100% | 8 of 8 | 100% |
| Delores Etter | 4 of 4 | 100% | 10 of 10 | 100% | 14 of 14 | 100% |
| Tony Franceschini | 4 of 4 | 100% | - | - | 4 of 4 | 100% |
| Bob Gomes | 4 of 4 | 100% | - | - | 4 of 4 | 100% |
| Susan Hartman | 4 of 4 | 100% | 6 of 6 | 100% | 10 of 10 | 100% |
| Aram Keith | 4 of 4 | 100% | 10 of 10 | 100% | 14 of 14 | 100% |
| Donald Lowry | 4 of 4 | 100% | 6 of 6 | 100% | 10 of 10 | 100% |
| Ivor Ruste | 4 of 4 | 100% | 4 of 4 | 100% | 8 of 8 | 100% |

### DIRECTOR INDEPENDENCE

The board has determined that all director nominees, except Mr. Gomes, are independent within the meaning of applicable Canadian securities laws. Mr. Gomes, as president and CEO of Stantec, is not considered independent.

| Director Nominee | Independent | Non-Inde pendent | Reason for Non-Independence |
|---|---|---|---|
| Douglas Ammerman | | | |
| David Emerson | | | |
| Delores Etter | | | |
| Tony Franceschini | | | |
| Bob Gomes | | | President & CEO of the Company |
| Susan Hartman | | | |
| Aram Keith | | | |
| Donald Lowry | | | |
| Ivor Ruste | | | |

# Director Compensation

Our directors play a central role in en

The following table shows the meeting fees and retainers for Stantec's nonexecutive directors during 2015, together with the new retainer fee structure for 2016 (these new levels will remain the same for at least two years):

| Description of Fee or Retainer | 2015 Amount ($) | 2016 Amount ($) |
|---|---|---|
| Annual director cash retainer | 0 | 50,000 |

### Outstanding Share-Based Awards for Directors

Listed below are the total outstanding DSUs held by each director as of December 31, 2015.

| Director | Number of Shares or Units of Shares That Have Vested (#) | Market or Payout Value of Vested Share- Based Awards Not Paid Out or Distributed ($) (1) |
|---|---|---|
| Douglas Ammerman | 29,587 | 1,027,283 |
| David Emerson | 44,757 | 1,553,965 |
| Delores Etter | 29,587 | 1,027,283 |
| Tony Franceschini | 44,757 | 1,553,965 |
| Bob Gomes(2) | n/a | n/a |
| Susan Hartman | 75,095 | 2,607,329 |
| Aram Keith | 53,184 | 1,846,566 |
| Donald Lowry | 17,869 | 620,419 |
| Ivor Ruste | 59,926 | 2,080,647 |

(1) The weighted average of Stantec shares for the last 10 trading days of 2015 ($34.72) was used to calculate the aggregate value. The number of DSUs has been

## Director Equity Ownership

To align the interests of our directors with those of our shareholders, each independent director is required to own a certain value in Stantec common shares or DSUs. In 2015, we increased the equity ownership requirement from $200,000 to $750,000. As well, the chair of our board is now required to own at least $1,500,000 in equity. This threshold must be met by our independent directors within five years of their appointment to the board. In 2015, our CEO was required to own at least five times his base salary in Stantec common shares or deferred share units (with at least two times his base salary held in common shares). As at March 15, 2016, all current directors met or exceeded their ownership requirements.

The following table provides information on the number and value of common shares and DSUs owned by our current directors as at March 15, 2016. The value of each Stantec share is based on the closing price of $30.25 on March 15, 2016. The value of each DSU is $29.84, which is the value a director would have received for each unit if an event had occurred that gave rise to a payout on March 15, 2016.

| Director | Number of Stantec Shares Owned, Controlled, or Directed | Value of Stantec Shares Owned, Controlled, or Directed ($) | Total DSUs | Value of DSUs Held ($) | Total Value of Stantec Shares Owned, Controlled, or Directed, and DSUs (Total at Risk)($) | Meeting Requirement? |
|---|---|---|---|---|---|---|
| Douglas Ammerman | 16,427 | 496,917 | 30,483 | 909,613 | 1,406,529 | Yes |
| David Emerson | 10,000 | 302,500 | 46,248 | 1,380,040 | 1,682,540 | Yes |
| Delores Etter | 7,737 | 234,044 | 30,483 | 909,613 | 1,143,657 | Yes |
| Tony Franceschini | 301,210 | 9,111,603 | 45,702 | 1,363,748 | 10,475,350 | Yes |
| Bob Gomes | 182,845 | 5,531,061 | 120,859 | 3,606,433 | 9,137,494 | Yes |
| Susan Hartman | 9,727 | 294,242 | 76,140 | 2,272,018 | 2,566,259 | Yes |
| Aram Keith | 300,324 | 9,084,801 | 54,703 | 1,632,338 | 10,717,139 | Yes |
| Donald Lowry | 4,000 | 121,000 | 19,273 | | 696,106 | Yes[1] |
| Ivor Ruste | 6,310 | 190,878 | 60,921 | 1,817,883 | 2,008,760 | Yes |

# Statement of Corporate Governance Practices

At Stantec, one of our core values is we do what is right. We embrace the highest standards of personal and professional integrity. Our ideals are those shared by all good companies—sound governance, transparent accounting, and long-term shareholder value. These high standards reflect not only legal and regulatory requirements of corporate governance but also existing and emerging practices. Information about the corporate governance practices that support our board's mandate is set out below. The policies and position descriptions noted, including our Code of Ethics and Integrity policies and our Corporate Governance Guidelines, are available on our website at www.stantec.com. You can contact us for a free copy of the policies or the guidelines. The Code of Ethics Policy is also available on SEuvailable on Slable on a

### DIFFERENCES BETWEEN TSX AND NYSE RULES

As a Canadian reporting issuer on the TSX and NYSE, Stantec ensures that its corporate governance practices meet and in some cases exceed, legal and regulatory requirements. As a non-US company, we are not required to comply with many of the NYSE corporate governance listing standards; however, our governance practices do comply with them in all material respects other than those noted below.

Section 303A.08 of the NYSE's Listed Company Manual requires shareholder approval of all equity compensation plans and material revisions. Under the NYSE rules, equity compensation plans are those that provide for the delivery of newly issued securities and rely on securities reacquired on the market by the issuing company for the purpose of redistribution to employees and directors.

The TSX rules require shareholder approval of security-based compensation arrangements only for arrangements that involve the delivery of newly issued securities. The TSX rules require shareholder approval of security-based compensation plans when they are first introduced and thereafter

- Every three years for all unallocated options, rights, or other entitlements under an arrangement with a rolling percentage maximum, or
- At the time of and for any amendment to the arrangements (unless the amendment relates to an arrangement previously approved by shareholders and includes specific authority for certain TSX-specified types of amendments)

Stock purchase plans—in which securities are purchased in the public market and no financial assistance or discount is provided by the Company for the purchase of securities—are not subject to the shareholder approval requirement under the TSX rules; however, shareholder approval is required under the NYSE's rules. We comply with the TSX rules.

## Composition of Our Board

Director nominees put forward for election to our board of directors are recommended based on their relevant expertise and experience, their ability to exercise thoughtful, independent judgement when serving as a board member, and their alignment with our adherence to best practices in good corporate governance. We assess these skills and qualities while considering the current affairs and needs of the Company. The topics below describe how we reached our slate of qualified nominees for our 2016 board of directors.

### INDEPENDENCE OF DIRECTORS

Our Corporate Governance Guidelines mandates that our board have a majority of independent directors. Further, all members of the board's standing committees (the Audit and Risk Committee and the Corporate Governance and Compensation Committee) must be independent.

The board has determined that all director nominees, except Mr. Gomes, are independent within the meaning of applicable Canadian securities laws because they do not have any material direct or indirect relationship with Stantec that, in the view of the board, could be reasonably expected to interfere with the exercise of their independent judgment. Mr. Gomes, as president and CEO of Stantec, is not considered independent.

The board's policy states that the independent directors must meet without management and without Mr. Gomes present following every regularly scheduled or ad-hoc board and board committee meeting. In 2015, the independent directors met without management and without Mr. Gomes following all four board meetings, all four Audit and Risk Committee meetings, and all six Corporate Governance and Compensation Committee meetings.

## IDENTIFYING NOMINEES TO THE BOARD

The Corporate Governance and Compensation Committee is responsible for identifying and recommending to the board any suitable director candidates. As part of fulfilling this mandate, the committee maintains an evergreen list of potential suitable candidates. Current directors are regularly asked to provide names of potential candidates, and the committee has the authority to engage outside advisors to help identify them. The director evergreen list is reviewed and updated by the committee at least annually.

The committee manages a succession planning process for each board member, along with the positions of board and committee chairs. Succession plans are reviewed annually; when succession planning and maintaining the evergreen list, the committee considers (1) the competencies and skills of the board as a whole, (2) the skills of current board members in tandem with their anticipated length of service left on the board, (3) any gaps in the competencies and skills of the current board that need to be addressed, and (4) whether any additional skills are required that could be beneficial, considering the opportunities and risks our Company faces.

Potential candidates are screened to ensure they have integrity and accountability, can think strategically, are financially literate, have relevant industry experience, have excellent communication skills, and can work effectively in a team.

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anT132are r8mmportuniW.3(rea)6.8(lt Tc 0e-5try op)6.8(lp.2(ciesrt Tc 0rd)-5( l)6.8(l t)8) anTJ 0.0.8(lvTc 0.0.8(lg, emTc 0bra)6.8(lc-

Similarly, the executive succession planning process has been improved to increase focus on diversity and inclusion at

# Board of Directors Information

## Role and Duties of the Board of Directors

### MANDATE OF THE BOARD

The board is responsible for the stewardship of our Company. To carry out this role, the board oversees the conduct, The Company manages risk strategically through its Enterprise Risk Management program. We have adopted the integrated framework for risk management designed by the Committee of Sponsoring Organizations of the Treadway Commission, which provides a framework to identify, evaluate, treat, monitor, and report key risks. Our risk profile is reviewed quarterly by key members of our Executive Leadership Team and the Audit and Risk Committee, and a risk report is presented to the board annually. Quarterly updates to the risk report are provided to the Audit and Risk Committee, which in turn, reports the findings to the board.

### EXECUTIVE LEADERSHIP SUCCESSION PLANNING

The Corporate Governance and Compensation Committee is responsible for oversight of the executive leadership succession planning process, particularly for the CEO. The committee adopted a CEO succession-planning framework that outlines the steps it will take, in accordance with its work plan, to manage both critical and long-term succession planning.

The committee receives a quarterly report from the CEO about the critical and long-term succession planning measures for the CEO and other key leadership positions at Stantec. At each in-person meeting, the board hears presentations from and meets with key employees who are potential successor candidates for executive positions.

## Serving on Our Board

### ORIENTATION

## CONTINUING EDUCATION

The Corporate Governance and Compensation Committee ensures that an appropriate continuing education program is in place for directors. Board members participate in a robust internal continuing education plan to ensure they have

# Committee Reports

## Audit and Risk Committee

### MANDATE

The mandate of the Audit and Risk Committee is to oversee the following:

- Quality, integrity, and timeliness of Stantec's financial reporting
- Internal controls, including internal control over financial reporting and disclosure controls and procedures
- Risk management systems
- Internal audit function and compliance with legal and regulatory requirements

The committee also reviews and assesses the qualifications, independence, and performance of the external auditors.

### MEMBERSHIP AND EXPERIENCE OF THE COMMITTEE MEMBERS

Audit and Risk Committee members are Ivor Ruste (chair), Douglas Ammerman, David Emerson, and Delores Etter. Aram Keith attends all meetings as a nonvoting, independent ex-officio member. Delores Etter also serves as a member of the Corporate Governance and Compensation Committee.

A description of the education and experience of each committee member follows:

#### Ivor Ruste (Chair)

Mr. Ruste is currently executive vice president and CFO for Cenovus Energy Inc. He has a bachelor of commerce degree (with distinction) from the University of Alberta and is a Fellow Chartered Accountant. As a chartered accountant with more than 30 years' experience working as a senior financial executive and an auditor with KPMG LLP of both public and private companies, Mr. Ruste has reviewed and audited many complex financial statements and prepared interim and annual financial statements in accordance with both Canadian and US generally accepted accounting standards.

#### Douglas Ammerman

Mr. Ammerman is a retired partner with KPMG LLP. During his almost 30 years with KPMG, Mr. Ammerman served as the national practice partner, as the managing partner of the Orange County office, and as a member of the nominating committee for its board of directors. He holds a master's degree in business taxation from the University of Southern California, as well as a bachelor of arts degree with an accounting emphasis from California State University at Fullerton. Mr. Ammerman's strong familiarity with preparing and reviewing interim and annual financial statements is a valuable asset to the committee.

Simultaneous Service

Mr. Ammerman simultaneously serves on the audit committees of four public companies in addition to Stantec. The board has reviewed Mr. Ammerman's over

**Delores Etter**

Dr. Etter has been the Director of the Caruth Institute for Engineering Education and the Texas Instruments Distinguished Chair in Engineering Education at Southern Methodist University since June 2008. Dr. Etter is also a member of the National Academy of Engineering and Fellow of the Institute of Electrical and Electronic Engineers, the American Association for the Advancement of Science, and the American Society for Engineering Education. Dr. Etter has over 10 years of audit committee experience with other public and nonprofit organizations, and her background has provided her with all-encompassing business practices that are assets to the committee.

## INDEPENDENCE OF THE COMMITTEE MEMBERS

All Audit and Risk Committee members are considered “independent” and “financially literate” as defined under applicable Canadian and US securities laws and exchange rules. Ivor Ruste, Douglas Ammerman, and David Emerson are all “audit committee financial experts” as defined under the U.S. Securities and Exchange Commission rules.

## KEY ACTIVITIES FOR 2015

Additional information regarding the Audit and Risk Committee and its members and the Terms of Reference can be

## INDEPENDENCE OF THE COMMITTEE MEMBERS

The board has determined that each member of the Corporate Governance and Compensation Committee is "independent" (as defined under applicable Canadian and US securities laws).

## KEY ACTIVITIES FOR 2015

The Corporate Governance and Compensation Committee met six times in 2015. In accordance with its internal work plan and terms of reference, it executed the following key projects during the year:

- Reviewed and updated the Company's corporate governance policies and practices in accordance with regulatory changes and best practices
- Continued succession planning for the board, board committee chair positions, the CEO, and other key leadership positions within the Company
- Conducted board and committee assessments
- Conducted a risk management review of the Company's corporate governance and compensation practices
- Completed a review of director compensation by engaging an external consultant to provide a peer review; results of the review were implemented January 1, 2016

Refer to Schedule B for a more detailed account of the Corporate Governance and Compensation Committee's activities. The committee's Terms of Reference can be found at www.stantec.com, or you can contact us for a free copy.

# Executive Compensation Overview

## Performance and Compensation Summary

Below are key performance highlights and their relationship to our executive pay in 2015. Also noted are the significant changes in the policies and practices that relate to executive compensation.

### OUR PERFORMANCE IN 2015

In 2015, by consistently executing our strategy, we continued to grow. We completed six acquisitions in the year, had strong organic growth in our Buildings and Infrastructure business operating units—which made up 65% of our Company's gross revenue in 2015—and, as a result of prevailing industry dynamics, retracted in our Energy & Resources business operating unit. Notwithstanding these challenging conditions, from January 2015 to December 2015, Stantec's share price on the Toronto Stock Exchange increased 8%, while the TSX S&P Composite Index decreased by approximately 11%. Our total shareholder return for 2015 was 9%, and our five-year total shareholder return ending December 31, 2015, was 161%.

Our annual results continue to demonstrate the resiliency and effectiveness of our diversified business model to adapt to changes in market conditions. We ended 2015 with 13.7% growth in gross revenue and a 3.9% increase in EBITDA (EBITDA is a non-IFRS measure, and a further description of this measure is found in our 2015 Annual Report under the heading "Definition of Non-IFRS Measures" in the Critical Accounting Estimates, Developments, and Measures section). Our net income was $156.4 million in 2015 compared to $164.5 million in 2014 and diluted earnings per share were $1.65 in 2015 compared to $1.74 in 2014.

We achieved or exceeded a number of our internal objectives with respect to growing our revenues with key clients, particularly in our Buildings and Infrastructure business operating units, as well as in our quality management programs, and employee retention goals. Achievement of these objectives positions us well for continued stability and future growth.

For more information about the Company's performance in 2015, we invite you to review our 2015 Annual Report, available on our website at www.stantec.com and on SEDAR at www.sedar.com.

### KEY HIGHLIGHTS OF OUR 2015 EXECUTIVE COMPENSATION

At Stantec, we are driven to achieve. That's why we align our executive pay decisions with the Company's performance. We target total direct compensation for our executives at the fiftieth percentile (P50) of the market. We provide the opportunity for executives to earn above P50 through variable pay in our short- and long-term incentive plans when the individual and Stantec exceed their stated objectives. A large percentage of our executive compensation is variable or at-risk, meaning it is paid only when individual goals and business outcomes are achieved. Although achieving outstanding results may support top percentile pay packages, both our short-term incentive plan and the performance share units issued under our long-term incentive plan have a capped maximum payout level. This ensures that actual pay amounts do not exceed what is appropriate and affordable for our Company.

Despite the challenging and severe economic conditions faced by our Energy & Resources business operating unit, we met or exceeded a number of our key business objectives in 2015. In 2015, our leadership team earned approximately 111% of their total target annual short-term incentive awards. This is a significant decrease from 2014, when they earned approximately 137% of total target annual short-term incentive.

The graph below shows Stantec's five-year total shareholder return, as well as the changes in short-term and total compensation for our named executive officers over the same period.

As part of our long-term incentive plan (LTIP), we awarded performance share units (PSUs) to executives in 2015. The

## SHAREHOLDER ENGAGEMENT

At our 2015 annual general meeting of shareholders, we invited you to cast your vote on our executive compensation practices. Of the votes cast, 88% were “For” our approach to executive compensation. The committee is dedicated to continuous improvement by ensuring that our executive compensation programs effectively meet our compensation objectives and that they are clearly understood and supported by our shareholders. In 2015, as a result of engagement and discussions with our significant shareholders, we have shortened the term of our share options to five years from seven years. Share options granted in 2016 will expire on the fifth anniversary of their grant. We believe this will address concerns by our significant shareholders that options with a seven-year term may lead to compensation windfalls to executives that could not be anticipated at the time of grant. In a dynamic and changing industry such as ours, our board is of the view that having a combination of incentive vehicles that provide one-, three- and five-year terms is an appropriate and balanced approach in line with our compensation philosophy.

We welcome feedback from shareholders on all aspects of our compensation program. You are invited to contact us regarding executive compensation and to take advantage of your “say on pay” again in 2016.

**Sincerely,**

Aram Keith, Chair

Susan Hartman, Chair

# Compensation Discussion and Analysis

## NAMED EXECUTIVE OFFICERS

This Compensation Discussion and Analysis (CD&A) explains our executive compensation policies and programs for 2015 and focuses on the following named executive officers (NEOs), who appear in the summary compensation tables on page 50. Executive compensation described in this CD&A reflects compensation earned by each NEO in his 2015 role (listed below).

| Name | Position Title in 2015 |
|---|---|
| Bob Gomes | President & Chief Executive Officer |
| Dan Lefaivre | Executive Vice President and Chief Financial Officer |
| Rich Allen | Executive Vice President and Chief Operating Officer |
| Valentino DiManno | Executive Vice President and Regional Operating Unit Leader, Canada<br>Executive Vice President and Business Operating Unit Leader, Energy & Resources(1) |
| Scott Murray | Executive Vice President and Regional Operating Unit Leader, United States |

(1) In addition to serving as the ROUL, Canada, throughout 2015, Mr. DiManno was the BOUL, Energy & Resources, until July 3, 2015.

Because Rich Allen is preparing to retire in 2016, the roles and responsibilities of the chief operating officer have been divided into two positions to better meet the needs of Stantec's diverse business model. Effective January 1, 2016,

- Valentino DiManno was appointed as chief business officer (CBO), a newly created role which oversees all business operating units, account management, client development, and quality management
- 

## COMPONENTS OF COMPENSATION AND PAY MIX

## Scorecard Assessment and Weighting by Measure

Each objective in the

by capitalizing on opportunities to increase project activity in our Buildings and Infrastructure business operating units.

For 2015, the Corporate Governance and Compensation Committee approved the use of two equally weighted three-year performance objectives: net income growth and return on equity. These measures are key indicators of success based on Stantec's Strategic Plan. We chose these measures as indicators of long-term success because we believe that achievement of these measures will result in sustainable, long-term shareholder return.

From time to time, we test our practices against a competitive set (see our list of compensation peers on page 40 of this circular), and our approach fits within that external landscape and, importantly, it supports our overall approach to performance and pay. We have explored relative performance measures as a potential complement to our current performance focus. At this time, we have chosen instead to maintain our focus on internal performance measures and goals that link to our strategic plan. We undertake significant analyses and benchmarking against industry performance, peer performance and our own historical performance when we set minimum, target, stretch, and maximum ranges for each measure, thus ensuring our targets are based in part on relative performance. Further, we take comfort in the fact that relative measurement is not a prevalent practice among our peers.

Based on performance targets set out during our comprehensive strategic planning process, the committee approved four performance levels—miss, minimum, base, and maximum—that will dictate the amount of PSUs each executive will earn on payout, as outlined in the table below:

### Net Income Growth Test

If the Company's adjusted net income growth rate is "0," the performance factor to be applied to the PSUs is "0" and therefore the net income award is "0." If the rate is above "0" and up to "maximum," the performance factor to be applied to the net income award will be interpolated on a linear basis. If the rate is above "maximum," the performance factor to be applied to the net income award is capped at 200%.

### Return on Equity Test

If the Company's adjusted average return on equity rate is "0," the performance factor to be applied to the PSUs is "0" and therefore the return on equity award is "0." If the rate is above "0" and up to "maximum," the performance factor to be applied to the return on equity award will be interpolated on a linear basis. If the rate is above "maximum," the performance factor to be applied to the return on equity award is capped at 200%.

PSUs will be paid out at their cash value, which is determined on the third anniversary of the grant date. During the vesting period, the value of a PSU will fluctuate with any change in the share price.

### Options

Options granted in 2015 have a three-year equal vesting schedule and a seven-year term. In 2016, we granted stock options with a five-year term to reflect comments received from our key shareholders that stock options should have a shorter term to avoid unanticipated compensation windfalls to recipients.

To determine the number of stock options to grant to each executive under the LTIP, the

### Service Awards

Stantec’s Milestone Service Award Program recognizes and celebrates our employees for their valued contributions and sustained commitment to the success of Stantec. Milestone recognition begins with the employee’s fifth year of service and is celebrated every 5 years after that. All regular full- and part-time employees are eligible for the award, provided they remain in continuous and uninterrupted service with Stantec for the required number of years.

Canadian employees receive a one-time lump-sum contribution to the employee’s non-registered ESPP of $500 for every 5 years of service to a maximum award of $2,000 for 20 years of service. The $2,000 award will continue for each 5 years of service after that. US employees receive a one-time lump-sum contribution, which is used to purchase Stantec shares under the ESPP in the amount of US$500 for every 5 years of service to a maximum award of US$2,000 for 20 years of service. The US$2,000 award will continue for each 5 years of service after that.

## PERFORMANCE GRAPH

The following graph compares the total shareholder return for $100 invested in our common shares on December 31, 2010, assuming reinvestment of dividends, against the total return of the S&P/TSX Composite Total Returns Index.

In the past five years, Stantec's total shareholder return has outperformed the S&P/TSX Composite Total Returns Index. Over the same period, Stantec's NEO compensation has generally followed the trends set by our share price, as shown on the graph set out on page 36 of this circular.

## OUR DECISION-MAKING AND APPROVAL PROCESS

The Corporate Governance and Compensation Committee is responsible for determining the compensation strategy for executives on behalf of the board and for administering executive compensation policies. The committee develops the compensation philosophy based on that strategy, and the programs are then designed to effectively achieve the Company's primary compensation objectives.

The committee is composed of three independent directors. At the end of 2015, the directors were Susan Hartman (chair), Delores Etter, and Donald Lowry. Each committee member brings a diverse range of direct experience relating to executive compensation, succession planning, and risk management. Detailed biographies of the members, including their experience with respect to executive compensation and risk oversight, can be found in the Committee Reports section of this circular.

Annually, the Corporate Governance and Compensation Committee reviews and approves the compensation programs available to the Company's executives, as well as the performance criteria associated with the STIP and PSUs. With the recommendation of the committee, the board sets the CEO's compensation. The compensation for each NEO, other than the CEO, is approved by the CEO—with recommendations and guidance from the committee—and always in keeping with the minimum and maximum awards for STIP amounts and long-term incentive grants set out in the compensation programs.

### Independent Advice

In 2015, the Corporate Governance and Compensation Committee adopted a preapproval policy with respect to the use of the board's compensation consultant by management. Under the terms of this policy, the committee

- Will not approve the use of a board consultant by management if that use could compromise the independence of the consultant as an advisor to the board
- Will preapprove the terms of any use of a consultant by management, including the fees and proposed terms of service

In 2015, the committee retained two independent consultants to advise it on various compensation matters. Mercer (Canat conbby usi.0022.9([1con)-oa)usi.002pa)l6(by cen)1rby o.8(vi-0.y ceon)-wrmsepptcomop

## RISK MITIGATION IN OUR COMPENSATION PROGRAMS

As part of its mandate, the Corporate Governance and Compensation Committee continually reviews our compensation programs to align pay outcomes with the Company's risk management strategies and to discourage inappropriate risk taking by our executives. The committee has not identified any risks related to Stantec's executive compensation programs that are reasonably likely to have a material adverse effect on the Company. Additionally, Mercer, the board's independent compensation consultant, has not identified any material risks with our programs. The following components of our executive compensation programs mitigate risk.

## MIX OF FIXED AND AT-RISK PAY

In 2015, we offered our executives an appropriate mix of fixed and at-risk pay, as well as short- and long-term incentives.

### Balanced Program

- We offer various target levels of base salary, STIP, and LTIP, depending on the executive's position in the Company; our CEO's compensation is most heavily weighted toward equity-based vehicles
- We offer a variety of performance metrics for both STIP and LTIP to support our pay-for-performance philosophy and respond to our shareholders' expectations

### Fixed Limits on Variable Compensation

- Both the STIP and LTIP are designed to include the possibility of a zero payout, as well as a predefined maximum (i.e., a cap)
- The PSUs in our LTIP program have additional performance hurdles along with time-based vesting

## EMPLOYMENT CONTRACTS

- All NEOs have entered into employment agreements that include non-competition and non-solicitation restrictive covenants
- These employment agreements include a "double trigger" provision before a termination payment is owing following a change of control of Stantec (before a payment is made, the executive must be terminated without cause or terminate his or her employment for good reason following a change of control)
- NEOs receive reasonable severance when terminated without cause, and no payments when retiring

The table below sets out (1) the common shares, PSUs, and either the DSUs or restricted share units (RSUs) held by each NEO, (2) his ownership in

# 2015 Compensation Details

## SUMMARY COMPENSATION TABLE FOR NAMED EXECUTIVE OFFICERS

The following table summarizes the compensation for our CEO, CFO, and the next three most highly compensated executive officers, who, collectively, are our named executive officers (NEOs).

Mr. Allen and Mr. Murray reside in the United States and received their compensation in US dollars. All other NEOs reside in Canada and are paid in Canadian dollars. All amounts reflected in the table below are stated in Canadian dollars, and for Mr. Allen's and Mr. Murray's compensation, the Canadian dollar equivalents are based on the average annual currency exchange rate. In 2015, the average exchange rate was $1.2785; in 2014, it was $1.1046; and in 2013, it was $1.0298.

| Name and Principal Position | Year | Salary ($) (1) | Long-Term Compensation ($) | | Non-Equity Incentive Plan Compensation ($) | | Pension Value ($) | All Other Compensation ($) (2) | Total Compensation ($) |
|---|---|---|---|---|---|---|---|---|---|
| | | | Share-Based Awards (3) | Option-Based Awards (4) | Annual Incentive Plan Bonus | Long-Term Incentive Plans | | | |
| Bob Gomes | 2015 | 850,005 | 1,133,333 | 566,667 | 935,005 | - | - | 81,173 | 3,566,183 |
| President & CEO | 2014 | 831,736 | 1,133,339 | 566,501 | 1,147,500 | - | - | 58,354 | 3,737,430 |
| | 2013 | 375,005 | 375,000(5) | - | 2,513,337 | - | - | 44,000 | 3,307,342 |
| Dan Lefaivre | 2015 | 450,002 | | | | | | | |
| Executive Vice | 2014 | 447,117 | | | | | | | |
| President & CFO | 2013 | 372,120 | | | | | | | |

The following table summarizes the compensation for our US-based NEOs restated in US dollars:

| Name and Principal Position | Year | Salary (US$) | Long-Term Compensation (US$) | | Non-Equity Incentive Plan Compensation (US$) | | Pension Value (US$) | All Other Compensation (US$) | Total Compensation (US$) |
|---|---|---|---|---|---|---|---|---|---|
| | | | ShcBT .! Based Awards | Option-Based Awards | Annual Incentive Plan Bonus | Long-Term Incentive Plans | | | |
| Rich Allen | 2015 | | | | | | | | |
| Executive Vice | 2014 | 520,205 | 351,219 | 175,547 | 672,000 | | | | |
| President & COO | 2013 | 399,043 | 240,000 | 54,272 | 720,000 | | | | |

## INCENTIVE PLAN AWARDS—VALUE VESTED OR EARNED DURING THE YEAR

The following table summarizes the value of all option and share-based awards vested or earned by each NEO during the 2015 fiscal year, along with the 2015 STIP awards (non-equity incentive plan compensation).

| Name | Option-Based Awards—Value Vested during the Year ($) [1] | Share-Based Awards—Value Vested during the Year ($) [2][3] | Non-Equity Incentive Plan Compensation— |
|---|---|---|---|

# Employment Agreements

## 2015 EMPLOYMENT AGREEMENTS

On January 1, 2014, the Company entered into new employment agreements with our NEOs. These agreements incorporated changes made to our executive compensation program in 2014, as well as an obligation to adhere to our share ownership and executive compensation clawback policies. In addition, the following key terms apply.

### Non-Competition and Non-Solicitation

All employment agreements include non-competition or non-solicitation covenants in varying scope and duration. Mr. Gomes's agreement restricts him from (a) soliciting Stantec staff or clients for whom Stantec has undertaken business development efforts during the last year of his employment and (b) competing with Stantec's business in Canada or the United States. These restrictions apply for two years following the termination of his employment. Mr. Allen and Mr. Lefaivre are subject to similar restrictions; however, their covenants apply for one year following the termination of their employment. Mr. DiManno and Mr. Murray are subject to a non-solicitation covenant that restricts them from soliciting Stantec staff or clients for one year following the termination of their employment.

### Confidentiality

### Benefits on Termination and Change of Control

The following tables summarize the payments due to each NEO upon termination of employment or a change of control followed by a termination of employment without cause or for good reason. The payments described below relate to the employment agreements that the NEOs entered into with the Company effective January 1, 2014.

### Benefits on Termination and Change of Control for Our CEO

| Name | Resignation | Termination without Cause | Change of Control and "Double Trigger" Conditions Fulfilled [1] | Termination for Cause |
|---|---|---|---|---|
| Short-Term Incentive Plan (STIP) | Forfeits STIP eligibility | No STIP eligibility other than what may be calculated in the severance payment described below | No STIP eligibility other than what may be calculated in the severance payment described below | Not eligible for STIP |
| Vested Stock Options[2] | Must exercise within 90 days of effective date of resignation; options remaining unexercised after that are cancelled | Must exercise within 90 days of effective date of termination; options remaining unexercised after that are cancelled | Must exercise within 90 days of effective date of termination; options remaining unexercised after that are cancelled | Must exercise within 90 days of effective date of termination; Tm [ter56 10.02 re f BT 067.3 Tn(te |

### Benefits on Termination and Change of Control for Our NEOs Other Than Our CEO

| Name | Resignation | Termination without Cause | Change of Control and "Double Trigger" Conditions Fulfilled (1) | Termination for Cause |
|---|---|---|---|---|
| Short Term Incentive Plan (STIP) | Forfeits STIP eligibility | No STIP eligibility other than what may be calculated in the severance payment described below | No STIP eligibility other than what may be calculated in the severance payment described below | Not eligible for STIP |
| Vested Stock Options | Must exercise within 90 days of effective date of resignation; options remaining unexercised after that are cancelled | Must exercise within 90 days of effective date of termination; options remaining unexercised after that are cancelled | Must exercise within 90 days of effective date of termination; options remaining unexercised after that are cancelled | Must exercise within 90 days of effective date of termination; options remaining unexercised after that are cancelled |
| Unvested Stock Options | Cancelled | Cancelled | All options immediately vest and must exercise within 90 days of effective date of termination; options remaining unexercised after that are cancelled | Cancelled |
| Restricted Share Units (RSUs) | Payout of previously granted but unpaid RSUs within 60 days of the regularly scheduled release date | Payout of previously granted but unpaid RSUs within 60 days of the regularly scheduled release date | Immediately vests and payment of Special Value calculated in accordance with the terms of the RSU plan. "Double trigger" requirement does not apply(2) | Forfeits all unvested and unpaid RSUs |
| Performance Share Units (PSUs) | Cancelled | Cancelled | All PSUs vest as if all performance objectives they relate to have been satisfied based on performance objectives achieved as of the effective date of termination; payout of PSUs within 60 days of termination | Cancelled |
| Other Benefits, including the Group RRSP and ESPP | Payment of vested benefits | Payment of vested benefits | Payment of vested benefits | Payment of vested benefits |
| Severance Payment | No severance payable | Unpaid salary earned to the date of termination, together a payment equal to<br>€ One times annual base salary existing as at the effective date of termination, plus<br>€ One times the NEO's Historical Bonus Amount(3) | Unpaid salary earned to the date of termination, together with the following:<br>€ One times annual base salary existing as at the effective date of termination, and<br>€ One times the NEO's Historical Bonus Amount(4) | No severance payable |

(1) The "double trigger" provisions are fulfilled if (1) a change of control occurs and (2) within twelve months following the change of control, (a) the NEO's

## TERMINATION PAYMENT CALCULATION

The following table presents the incremental payments we would have to make to each NEO if a triggering event (i.e., a termination without cause or a change of control payment trigger) occurred on the last business day of Stantec's most recently completed financial year, in this case, 2015:

| Name | Termination Payout on a Without-Cause Termination ($) | Termination Payout on a Change in Control ($) |
|---|---|---|
| Bob Gomes | 3,995,010 | 3,995,010 |
| Rich Allen[(1)] | 1,498,195 | 2,996,391 |
| Dan Lefaivre | 1,033,752 | 2,067,503 |
| Valentino DiManno | 856,670 | 856,670 |
| Scott Murray[(1)] | 748,931 | 748,931 |

(1) Mr. Allen's and Mr. Murray's payments would be paid in US dollars. The amounts shown above are converted to Canadian dollars at the 2015 average annual exchange rate of $1.2785.

# Additional Information

## Currency

Unless otherwise indicated, the dollar amounts presented in this Management Information Circular are in Canadian dollars.

## Interest of Certain Persons in Matters to be Acted Upon

To our knowledge, other than the election of directors, none of our directors or executive officers, or any associate or affiliate of any such person, has any material interest, direct or indirect, by way of securitie

## Shareholder Feedback

Stantec maintains a comprehensive investor communications program. We welcome comments and feedback from shareholders. We invite you to comment using the following contact information:

**Investor Relations**
Telephone: (780) 917-7114
Fax: (780) 917-7330
Email: ir@stantec.com

**General Inquiries**
Stantec Inc.
10160 – 112 Street
Edmonton, Alberta, Canada  T5K 2L6
Telephone: (780) 917-7000
Fax: (780) 917-7330
www.stantec.com

## Directors' Approval

# Schedule A

## Activities of the Audit and Risk Committee in 2015

## RISK OVERSIGHT

Focused on reviewing the risks Stantec faced in 2015 in the context of changing economic and risk environments; the committee reviewed the Annual Risk Report of management regarding Stantec's principal risks, including those

# Schedule B

## Activities of the Corporate Governance and Compensation Committee in 2015

The Corporate Governance and Compensation Committee met six times in 2015 and, in accordance with its terms of reference and internal work plan, accomplished the following:

### CORPORATE GOVERNANCE PROCESS REVIEW

- Reviewed corporate policies and procedures for each of the following key governance areas:
  - Corporate strategy and strategic planning
  - Annual budgeting
  - Identification of principal business risks and systems for managing such risks
  - CEO and senior management succession planning
  - Corporate communications
  - Corporate internal controls and management information systems
- Reviewed all board-approved policies and reported back to the board
- Reviewed the duties and responsibilities of the board and its committees, along with the position descriptions for the chair of the board, the CEO, and the chair of each committee
- Ensured that each committee reviewed its terms of reference and updated them as required
- Received regular updates from management and corporate counsel on current corporate governance issues, including "say on pay" advisory votes, changes to best practices in corporate governance, and legislative reform initiatives in Canada and the United States
- Reviewed compliance with CEO and senior executive share ownership requirements

### BOARD OF DIRECTORS GOVERNANCE

- Reviewed the criteria, profile, and qualifications for new nominees to fill vacancies on the board
- Managed the internal continuing education program for current directors
- Conducted the annual board assessment and individual director assessment process
- Conducted the annual self-assessment process for the Corporate Governance and Compensation Committee
- Set the number of directors and the membership of committees for the year for recommendation to the board
- Reviewed director compliance with share ownership requirements
- Developed a board chair and committee chair succession planning framework

### COMPENSATION MATTERS

- Reviewed and approved the CEO's recommendations for 2015 compensation for the Company's executive leadership team
- Reviewed and recommended to the board for approval the CEO's 2015 short-term incentive plan award
- Reviewed and approved the issuance of performance share units to the executive leadership team under the Long Term Incentive Plan
- Reviewed and approved the 2015 option grant to the eligible participants
- Completed a review of the adequacy and form of compensation of directors and recommended changes to the board for approval

# Schedule C
# Stantec Long-Term Incentive Plan

## Overview of the Plan

### SHARES AUTHORIZED FOR ISSUANCE UNDER THE PLAN

### Plan Amendments

The Company may generally amend, suspend, discontinue, or terminate the Stantec LTIP and any outstanding awards granted under it, in whole or in part, at any time, provided that all material amendments to the Stantec LTIP require prior approval of the Company's shareholders. Examples of amendments that may be made without shareholder approval include

€

### Award Adjustments

The committee will determine the appropriate adjustments, if any, to outstanding awards and shares available for future awards in connection with an increase or reduction in the number of shares or any change (including in the case of a spin-off, dividend, or other distribution in respect of shares, a change in value) in the shares or exchange of shares for a different number or kind of shares or other securities of the Company or another corporation because of a reclassification, recapitalization, merger, consolidation, or other change in capitalization as further defined in the Stantec LTIP.

Such adjustments may be made to any of the following:

- Maximum number and class of shares or other securities with respect to which awards may be granted
- Maximum number and class of shares or other securities with respect to which awards may be granted to an eligible recipient in any calendar year
- Number and class of shares and other securities which are subject to outstanding awards granted under the Stantec LTIP and the exercise price of such awards, if applicable
- Performance objectives

## Award Vehicles Available under the Plan

### SUMMARY OF AVAILABLE VEHICLES

Under the Stantec LTIP, the Company can issue five different vehicles, which are briefly described in the table below:

| Name of Vehicle | Description of Vehicle |
|---|---|
| Options | Gives the recipient an option to purchase Stantec common shares in the future at a price fixed on the grant date. The option price cannot be less than 100% of the fair market value of the shares on the grant date. The option is subject to vesting restrictions as set by the Company at the time of grant and an expiry date. |
| Share Appreciation Rights (SARs) | SARs granted under the Stantec LTIP are granted either alone or in connection with an option. A SAR gives the recipient the right to receive payment equal to the appreciation in the Company's common shares over the term of the SAR. If granted in connection with an option, a SAR covers the same shares as covered by the option and is subject to the same terms and conditions. A recipient can choose to either exercise the option and receive the underlying share, resulting in the cancellation of the SAR, or surrender the option to the Company for cancellation and instead receive the value of the SAR at the time of exercise. If a SAR is granted unrelated to an option, the SAR gives the recipient the right to receive all or some portion of the increase in the value of the shares. |
| Dividend Equivalent Rights | Gives the recipient the right to receive all or some portion of the cash dividends that are or would be payable in respect of the Company's shares. A dividend equivalent right is granted in tandem with respect to another type of award available under the LTIP, other than an option. |
| Restricted Share Units (RSUs) | An RSU is a notional or phantom share unit that gives the recipient the right to receive payment equal to the fair market value of the RSU upon meeting the applicable vesting criteria. |
| Performance Share Units (PSUs) | A PSU is a notional or phantom share unit that, upon meeting a |

#### Performance Objectives

Under the Stantec LTIP, the committee has the discretion to apply performance objectives to options, RSUs, and PSUs. Performance objectives may be expressed in terms of earnings per share, earnings (which may be expressed in earnings before specified items), return on assets, return on invested capital, revenue, operating income, net income, cash flow, total shareholder return, operational metrics (such as voluntary staff turnover, health and safety, quality management, achievement of growth objectives, client satisfaction, and employee satisfaction), or any combination these; or, other than with respect to 162(m) awards, any other metric approved by the committee. The performance objectives may be in respect of performance of the Company, any of its subsidiaries, any of its operating units, individual performance metrics applicable to one or more recipients, or any combination of these.

Performance objectives may be absolute or relative (to prior performance of the Company or to the performance of one or more entities or external indices) and may be expressed in terms of progression within a specified range. The committee has authority to modify performance objectives after they have been established and as appropriate to reflect the impact of certain corporate transactions (such as a stock split or stock dividend), special charges, accounting or tax law changes, or other extraordinary, nonrecurring, or special events or circumstances. However, none of these modifications is permitted to the extent it would cause a 162(m) award to be non-deductible under the provisions of the U.S. Internal Revenue Code.

### DETAILS OF EACH AWARD VEHICLE [U)-5.7(2orm)129o5oUerf3(e)6(oI.7(2oiv[9(n)-eher)5r.7(2oiv[aot)3.9e

### Dividend Equivalent Rights

Dividend equivalent rights are granted in connection with another award, such as a PSU or RSU. Recipients of dividend equivalent rights are entitled to receive payments in single or multiple installments, as determined by the committee, that are equivalent to all or some portion of the cash dividends payable with respect to the Company's common shares. The amounts payable may be made currently or deferred until the lapsing of any applicable restrictions on the right to payment for the dividend equivalent right or on the award to which the dividend equivalent right relates.

Payments may be made in cash, common shares, or a combination of cash and common shares. If the amounts payable are deferred, the committee will determine whether the deferred amounts will be held in cash, reinvested in shares, or deemed notionally to be reinvested in shares. If the amounts deferred are to be held in cash, the committee may determine whether interest should be credited on those deferred amounts. Notwithstanding the foregoing, with respect to a dividend equivalent right granted in connection with a SAR that is subject to Section 409A of the U.S. Internal Revenue Code, amounts payable in respect of such dividend equivalent right may not be contingent upon or otherwise payable on the exercise of the SAR and must be treated in a manner that will not result in the SAR being treated as providing for deferred compensation.

## EFFECT OF TERMINATION OF EMPLOYMENT ON AWARDS

The Stantec LTIP contains provisions concerning the treatment of awards upon termination of the recipient's employment. These provisions will apply unless otherwise set forth in an applicable award agreement or unless otherwise determined by the committee at any time before or after the recipient's termination of employment, with the consent of the recipient.

Generally, if a recipient's employment terminates for any reason other than those described below, all awards that the recipient holds will be forfeited immediately, except for any vested and exercisable options or SARs the recipient holds, which remain exercisable for 90 days following the termination date. If the recipient dies within 90 days following termination, those options and SARs remain exercisable by the deceased's estate until the first anniversary of the termination date (but in no event beyond the maximum term of the option or SAR).

Exceptions to the above treatment of awards upon termination of employment are set out below. Certain specific exceptions may also be specified in the award agreement.

### Treatment upon Death

€ Options and SARs–become immediately exeecipe committee lri200in T2 iTJ /TS.5(e c3 b)0.7(inns  10.02 5()-4.9( )-4(n 5-1.5(.9(

### Treatment upon Termination following a Change in Control

If within 12 months following the occurrence of a change in control of the Company the recipient’s employment with the Company is terminated without cause or the recipient terminates his or her employment with the Company for good reason, the recipient’s outstanding awards will be treated as follows:

- Options and SARs – become immediately exercisable as of the termination date
- Unvested RSUs – become fully vested as of the termination date and will be settled as described in the award agreement
- Performance Awards – become immediately vested as if all performance objectives had been satisfied based on the achievement of such objectives as of the termination date, and the recipient will receive a cash payment in respect of all such performance awards within 60 days after the termination date

### Effect of Certain Transactions

If the Company is involved in a liquidation, dissolution, merger, or consolidation, or an acquisition of all of the issued and outstanding shares of the Company by any person (unless such acquisition is a non-control transaction) (a Transaction), outstanding awards will be treated as provided for in the agreement entered into in connection with the transaction, or if not provided for in the agreement, recipients will be entitled to receive the same consideration that each holder of one of our common shares was entitled to receive in the transaction in respect of a common share.

## Additional Plan Terms

The following is a summary of certain additional terms and conditions set out in the Stantec LTIP.

### Misconduct

If a recipient has used for profit or disclosed to unauthorized persons confidential information or trade secrets of the

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Stantec