

WE ARE BETTER TOGETHER



2017 MANAGEMENT INFORMATION CIRCULAR

March 14, 2017



LIVING OUR WALLET



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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 11, 2017, at 10:30 am (MDT) 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, 2016, 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

at

Questions and Answers about Voting

How can I vote if I am a beneficial shareholder?

If you are a beneficial shareholder, you will receive all materials through an investment dealer or other intermediary. Carefully follow the intermediary’s procedures when completing your voting instruction form. Return the form promptly to ensure that your shares are voted at the meeting.

If you are a beneficial shareholder and want to vote in person at the meeting, insert your own name in the space provided on your voting instruction form, and carefully follow the instructions. When you arrive at the meeting, register with a Computershare representative before entering the meeting.

How can I vote if I am an employee shareholder?

a If you hold shares through Stantec’s Employee Savings Plan, you will receive all materials through an investment dealer or other intermediary. Carefully follow the intermediary’s procedures when completing your voting instruction form. Return the form promptly to ensure that your shares are voted at the meeting.

What happens if amendments, variations, or other matters are brought before the meeting?

The voting instructions you provide by proxy give discretionary authority to the person you appoint as proxy holder to vote as he or she sees fit (to the extent permitted by law) on any amendment or variation to any of the matters identified in the Notice of Meeting and on any other matter that may properly be brought before the meeting.

As of March 14, 2017, no director or executive officer of the Company was aware of any variation, amendment, or other matter to be presented for a vote at the meeting.

What is the deadline to return my proxy form?

Regardless of the voting method you choose, your proxy form or voting instructions must be received by Computershare before 10:30 AM (MDT) on May 9, 2017. If the meeting is adjourned or postponed, your proxy must be signed and received before 10:30 AM (MDT) on the second-last business day before the date of the reconvened meeting.

If I change my mind, can I revoke my proxy once I have given it?

If you are a registered shareholder and have voted by proxy, you may revoke your proxy in one of several ways:

By providing new voting instructions on a proxy form with a later date or at a later time if you are voting by telephone or on the Internet. Any new voting instructions must be received by Computershare before 10:30 AM (MDT) on May 9, 2017, or, if the meeting is adjourned or postponed, by 10:30 AM (MDT) on the second-last business day before the date of the reconvened meeting.

By delivering a revocation of proxy to the registered office of Stantec (to the attention of our corporate secretary at 10160 – 112 Street, Edmonton, Alberta, T5K 2L6) any time before 10:30 AM (MDT) on May 10, 2017, or, if the meeting is adjourned or postponed, before 10:30 AM (MDT) on the business day before the date of the reconvened meeting.

By going to the meeting and delivering a form of revocation of proxy to the chair of the meeting before the start of the meeting or before any adjournment or postponement. You may then vote at the meeting.

You may also revoke your proxy in any other manner permitted by law.

If you are a beneficial shareholder, you may revoke your voting instructions by contacting the person who serves your account. However, you are subject to the same time constraints as noted above for registered shareholders.

If you are an employee shareholder and you have voted by submitting your proxy, you may revoke it by providing new voting instructions with a later date or at a later time if you are voting by telephone or on the Internet. However, a

3 Appointment of Auditor

The board recommends that Ernst & Young LLP, Chartered Professional Accountants, be reappointed as our auditor for the 2017 fiscal year. Ernst & Young LLP has served as our auditor since December 11, 1993.

We recommend that you vote FOR the reappointment of Ernst & Young LLP as our auditor to hold office until the close of the next annual shareholders' meeting at remuneration to be fixed by the board. Unless otherwise instructed,

by proxy at the meeting approve this resolution. If approved, the 6,000,000 shares reserved for issuance under the plan

Nominees for Election to the Board of Directors

Description of Nominees

The following tables give information as of March 14, 2017, about the nominees for election to the board, including each nominee's background and the key qualifications relevant to serving on our board. All nominees are current directors of Stantec.

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.

Key Qualifications

**Douglas K.
Ammerman**

Age: 65
Laguna Beach, California
United States
Director since 2011
Independent

Don Lowry

Donald (Don) J.

Lowry

Age: 65

Edmonton, Alberta

Canada

Director since 2013

Independent

Additional Information about Director Nominees

DIRECTOR VOTING RESULTS FROM OUR 2016

Director Compensation

Our directors play a central role in enhancing shareholder value. Because of this, our director compensation programs are designed to attract and retain highly qualified people to serve on our board and take into account the risks and responsibilities of being a director. The program is also designed to align the interests of our directors with those of our shareholders and to discourage inappropriate risk taking.

Our director compensation philosophy is to align compensation with the median compensation of directors for our compensation peer companies, using a program design that reflects market best practices. The Corporate Governance and Compensation Committee of our board is responsible for reviewing and making recommendations to the board regarding board compensation matters. Mr. Gomes, our CEO, does not receive any additional compensation for his service as a director. His compensation is disclosed in the Executive Compensation Overview section of this circular.

Compensation Updates

Following the compensation review conducted in 2014, the board, on the recommendation of the Corporate Governance and Compensation Committee, approved revisions to the directors' compensation program, effective January 1, 2016. The key changes were:

- Meeting fees were eliminated and replaced with all-inclusive annual cash retainers

- A portion of the directors' equity compensation was moved to a fixed value rather than a fixed number of units granted

- Directors

The following table shows the annual cash retainers for our directors in 2016:

| Description of Annual Retainer | Amount (\$) |
|---|-------------|
| Director cash retainer | 50,000 |
| Chair cash retainers: | |
| Board | 75,000 |
| Audit and Risk Committee | 21,000 |
| Corporate Governance and Compensation Committee | 18,000 |

EQUITY-BASED COMPENSATION

In 2016, each director received 800 DSUs per quarter (fixed number equity grant) and \$17,500 per quarter in either common shares or DSUs (fixed value equity grant). For the fixed value equity grant, each director elects to receive either common shares (purchased on the Toronto Stock Exchange) or DSUs. The fixed value approach provides the Company with less volatility in the value of our directors' compensation. As well, each director can choose to receive common shares now or DSUs that will be monetized when the director retires from the board.

Fixed Number Equity Grant – Director DSU Awards in 2016

The following summarizes the value of DSUs awarded in 2016 to our current independent directors as a fixed number equity grant.

| Title | Value of DSUs Awarded in 2016 to Each Director (\$) ⁽¹⁾ | Increase in Value of DSUs Awarded in 2016 for Dividend Adjustment (\$) | Value as of December 31, 2016 (\$) ⁽²⁾ |
|-------------------------|--|--|---|
| Director ⁽³⁾ | 103,584 | 894 | 111,794 |

(1) The value of each DSU is calculated using the grant date fair value for each allotment. These values—\$34.32, \$33.00, \$31.33, and \$30.83 for the first, second, third, and fourth quarters of 2016—represent the closing price of Stantec's shares on the TSX on the day preceding the first trading day of each quarter.

(2) The value of each DSU as of December 31, 2016, was \$34.63. This represents the weighted-by-volume average of the closing price of Stantec's shares on 0.48 0.481 re f 440.76 26015t (4

Fixed Value Equity Grant –

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 the following:

- The competencies and skills of the board as a whole

- The skills of current board members in tandem with their anticipated length of service left on the board

- Any gaps in the competencies and skills of the current board that need to be addressed

- 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. The successful candidate must be able to attend all board meetings and come prepared to make an informed and productive contribution.

In 2016, because of David Emerson's departure from the board and the significant increase in the size and complexity of Stantec's business resulting from the acquisition of MWH Global, Inc. (MWH), the board identified a need to add another director. The Corporate Governance and Compensation Committee identified that international experience, government relations, and French language capabilities were areas of expertise that would improve the board's overall capabilities. The board is also committed to improving the diversity of its membership when adding new directors. Marie-Lucie Morin brought a wealth of expertise and capability in these key areas; three women are now on our board.

Gender Diversity

The board is committed to ensuring that we actively pursue gender diversity on the board and in executive management. Increasing the number of women in board and e

DIRECTOR COMPETENCIES MATRIX

To assist in the nomination process, the Corporate Governance and Compensation Committee maintains an up-to-date matrix of competencies. Annually, each director assesses his or her own areas of expertise in the matrix and advises the committee of any additional areas of expertise. This matrix is also used to evaluate potential board candidates (those identified on our director evergreen list) and is reviewed annually by the committee.

The following competency matrix outlines the areas of expertise for each director.

Director Competencies

| Director | Experience Skills | | | | | | | | | | | Location | Gender | Age Range | | | | Board Tenure | | | | |
|-------------------|----------------------------|--------------------|----------------------------------|--|--------------------|------------------------|--|------------------------|---------------------------------------|----------------------|-------------------------------------|----------|--------|--------------|-------|-------|-------|--------------|------------|-------------|-----------|---|
| | Managing or leading growth | Financial literacy | Senior officer or CEO experience | Industry experience in Strattec's fields | Government affairs | International business | Service on other public company boards | Executive compensation | Capital structure and capital markets | Corporate governance | Risk management and risk mitigation | | | 59 and under | 60-65 | 66-70 | 71-75 | 0-5 years | 6-10 years | 11-15 years | 16+ years | |
| Douglas Ammerman | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | US | M | | ✓ | | | | ✓ | | | |
| Delores Etter | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | US | F | | | | | | ✓ | | | |
| Tony Franceschini | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | CA | M | | ✓ | | | | | | | ✓ |

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, direction, and results of the business. In turn, management is mandated to conduct the day-to-day business and affairs of Stantec and is responsible for implementing the board's strategies, goals, and directions.

The board and its members act in the best interests of our Company at all times, and the board's actions reflect its responsibility to establish the appropriate ethical standards and proper business practices expected at Stantec. The board approves all matters expressly required under the Canada Business Corporations Act, other applicable legislation, and our articles and bylaws.

POSITION DESCRIPTIONS

The board has developed written position descriptions for the CEO, board chair, Audit and Risk Committee chair, and Corporate Governance and Compensation Committee chair. The position descriptions can be found in our Corporate Governance Guidelines on our website at stantec.com. Descriptions are reviewed annually by the Corporate Governance and Compensation Committee and are updated as required.

INDEPENDENT CHAIRS

Our board is led by a nonexecutive, independent chair. The chair provides leadership and enhances our board's effectiveness by ensuring relationships between the board, management, shareholders and other stakeholders are effective, efficient, and fur.4(c)-2.7(r)6

ENTERPRISE RISK MANAGEMENT

The board provides oversight and carries out its risk management mandate primarily through the Audit and Risk Committee. Although not involved in day-to-day risk management activities, the committee ensures that the Company has an appropriate risk management system that allows management to bring the Company's risks to the board's attention.

The Audit and Risk Committee's oversight role is designed to

- Ensure that management has developed appropriate methods to identify, evaluate, mitigate, and report on the principal risks inherent in the Company's business and strategic direction

- Ensure that the Company's systems, policies, and practices are appropriate and address our principal risks

- Review the Company's risk appetite, risk tolerance, and risk retention philosophy

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 then reports the findings to the board.

In addition to regularly evaluating our Company's significant risks, the Audit and Risk Committee completes a formal risk assessment for

- Each proposed acquisition within North America with an enterprise value in excess of \$100 million, or outside of North America with an enterprise value in excess of \$50 million

- Any acquisition with an enterprise value in excess of \$100 million, or outside of North America with an enterprise value in excess of \$50 million

Serving on Our Board

ORIENTATION

The Corporate Governance and Compensation Committee is responsible for the orientation program for all new directors; the committee reviews the program when each new director is appointed.

New board members receive a comprehensive orientation manual that includes the following:

- Corporate bylaws and all board-

Overboarding

In 2017, the board implemented a guideline that in general no director will serve on more than four public company boards (including Stantec's), and no more than three public company audit committees. Exceptions to this limit will be considered by the Corporate Governance and Compensation Committee on a case by case basis, and the committee will consider the director's attendance record, performance and contributions to the board. If a director is an active executive-level employee of another company, he or she is expected to serve on no more than two p i s

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

Tony Franceschini
Mr.

Auditor's Fees

Delores Etter

Dr. Etter currently serves on the compensation committees of two publicly traded companies and is on the Human Resources Committee for a privately held company. In 2015, she attended the Director Board Room Summit sponsored by the New York Stock Exchange; the first day of the program was focused on corporate governance issues and best practices. Dr. Etter has held a number of high-profile positions—including Assistant Secretary of the Navy for Research, Development and Acquisition—that required expertise in both corporate governance and compensation.

Don Lowry

Mr. Lowry currently serves as chair of the board for Capital Power Corporation and has served on the compensation committees of public companies. Mr. Lowry was the president and CEO of EPCOR Utilities Inc. and has several years of experience participating in corporate governance and executive compensation discussions. He holds bachelor of commerce (honors) and master of business administration degrees from the University of Manitoba, and is a graduate of the Harvard Advanced Management Program and the Banff School of Business. He is also a past president of the Canadian Institute of Directors.

Executive Compensation Overview

Performance and Compensation Summary

Below are the Company's key performance highlights from 2016 and their relationship to our executive pay, as well as the significant changes to the policies and practices that relate to executive compensation.

OUR PERFORMANCE IN 2016

Stantec had an extraordinary year in 2016. We continued to grow by consistently executing our strategy. Our results and performance reflect the five strategic acquisitions completed in the year, the completion of a common share offering, and the renegotiation of our long-term debt in the second quarter of 2016. In particular, the MWH acquisition, the largest in our history, significantly added to our operating results.

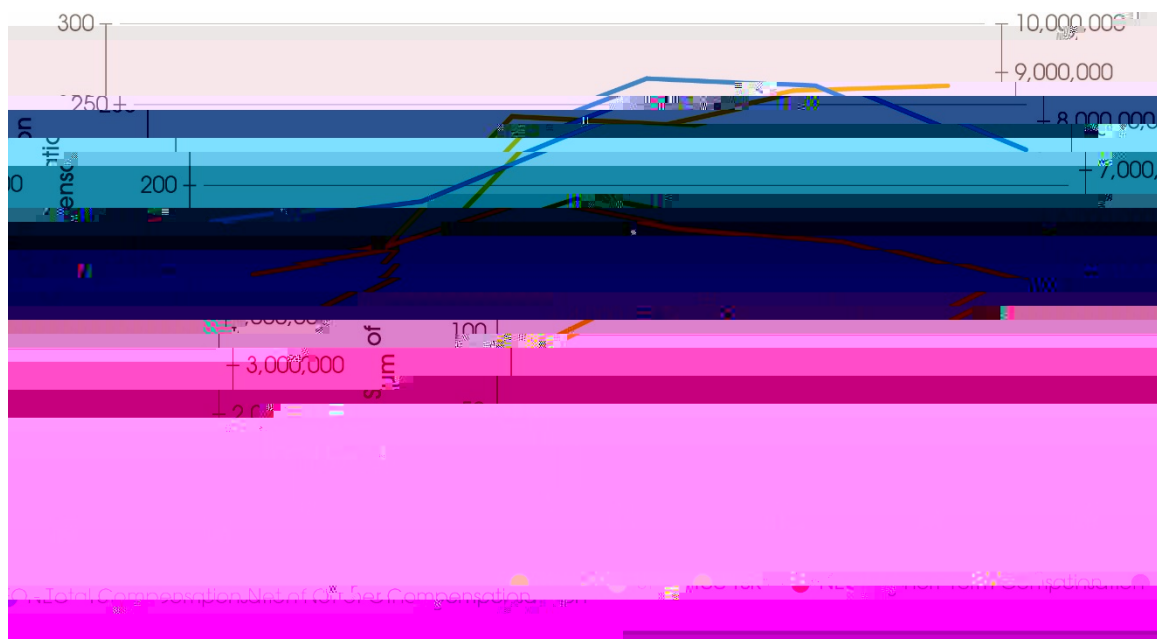
The following highlights other major financial achievements and strategic activities in 2016 that contributed to our financial performance and overall financial condition:

Continuous profitability and growth. We ended 2016 with 49.5% growth in gross revenue. Our net income was \$130.5 million in 2016 compared to \$156.4 million in 2015. Diluted earnings per share (EPS) was \$1.22 in 2016 compared to \$1.65 in 2015; adjusted diluted EPS was \$1.69 in 2016 compared to \$1.84 in 2015.

Growth through acquisition. By successfully executing our acquisition and integration strategy, acquisitions completed in 2016 and 2015 contributed \$1.5 billion

As part of our LTIP, we awarded PSUs to executives in 2016. Their actual realized value will be determined based on the average performance of our Company in 2016, 2017, and 2018. This three-year performance cycle helps ensure that executives make decisions that aim to provide longer-term shareholder benefits. Also as part of our LTIP, we continued to award stock options to our executives: the three-year vesting hurdles attached to those options will further encourage executives to focus on the longer-term growth of our share price.

The graph below shows Stantec's total shareholder return (TSR) and the short-term and total compensation for our named executive officers (NEOs) over the past five years.



The graph above illustrates the high standards of performance we are driven to achieve. While Stantec's TSR has been increasing over the past five years, our executive compensation is primarily a product of our own success and the performance measures that relate to our Strategic Plan. Our performance expectations meet and in many cases exceed industry standards and peer performance. As a result, our executive compensation over the past five years reflects the achievement of our own goals and our commitment to our Strategic Plan.

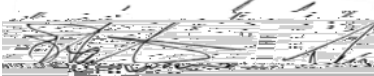
EFFECTIVE RISK MANAGEMENT FEATURES

To create longer-term shareholder value and mitigate risk, we have incorporated various other measures into our executive compensation program:

- Offer an appropriate mix of fixed and at-risk compensation
- Set predetermined minimum and maximum payout limits on our short- and long-term performance-based incentives, which include performance targets that encourage profitable decisions, but not undue risk-taking
- Require each executive to own three times and our CEO to own five times his or her base salary in Stantec equity
- Require our CEO to retain Stantec shares for one year following his retirement from the Company
- Prohibit all employees from speculating in the securities of the Company or purchasing financial instruments that are designed to hedge or offset a decrease in the value of equity securities of the Company
- Commit to the principle that compensation paid to our executives on the basis of financial information that has since been restated should be returned; our board has adopted the Executive Compensation Clawback Policy

SHAREHOLDER ENGAGEMENT

At our 2016



COMPONENTS OF COMPENSATION AND PAY MIX

In 2016,



Short-Term Incentive Plan (STIP)

At the start of 2016, the Company identified key financial and nonfinancial performance measures from our Strategic Plan to form the basis of the STIP performance scorecard. This scorecard is used to assess the Company's achievement of its near-term business goals and to determine each executive's 2016 STIP award. Our performance measures—based on our four value statements—follow:

| We Put People First | We Are Better Together | We Do What Is Right | We Are Driven to Achieve |
|-------------------------|------------------------|--------------------------------|----------------------------|
| Employee Retention | Account Management | Health, Safety and Environment | Overall Revenue Growth |
| Diversity and Inclusion | Strategic Pursuits | Quality Management | Organic Net Revenue Growth |
| | | | Operational Effectiveness |
| | | | Return on Investment |
| | | | E |

Further, in 2016 three additional executive vice presidents were added to the Company's leadership team. To accommodate the compensation cost of these additions, all executive vice president STIP targets were reduced from 60% to 50% of base salary.

2016 STIP Award Results

In January 2017, the Corporate Governance and Compensation Committee reviewed the 2016 completed scorecard, the final report on the results of the scorecard metrics, and the draft figures for the annual financial performance of the Company.

A summary of the completed scorecard and performance assessment is outlined in the table below:

| Metrics | | Performance Measure | Board Assessment of Performance |
|---------------------------------|---|---------------------|---------------------------------|
| We Put People First | | | |
| Employee Retention | Low voluntary turnover | < 9% | Meeting |
| Diversity and Inclusion | Reduction of inclusion gaps between identified groups (per employee survey) | 10% | Meeting |
| We Are Better Together | | | |
| Account Management | Grow relationships with top clients | Between 2 and 6% | Not Meeting |
| Strategic Pursuits | Win/loss ratio for strategic pursuits | 50% | Meeting |
| We Do What Is Right | | | |
| Health, Safety and Environment | Decrease total recordable injury rate | <0.60 | Exceeding |
| Quality Management | Improve ISO-compliance audit results | >90% | Meeting |
| We Are Driven to Achieve | | | |
| Overall Revenue Growth | Grow net revenues at an annual rate of 15% | 15% | Exceeding |
| Organic Growth | Increase net revenue organic growth | 2.3% | Not Meeting |
| Operational Effectiveness | Achieve pre-tax, pre-bonus net income | > 12% | Not Meeting |
| Return on Investment | Achieve a return on equity | 13.6% | |

Mr. Murray, promoted to the role of COO in January 2016, performed well in his first year. He led our operations team's focus on operational excellence and continued the strong tradition of industry-leading operational performance. Mr. Murray's operations team created new processes for reviewing underperforming business centers to ensure they were addressing ongoing performance issues. Although Mr. Murray's personal efforts were strong in 2016, Stantec's Energy & Resources and Environmental Services business operating units were impacted by the continued retraction in the commodity markets. In addition, Stantec's operations in western Canada were further impacted by the stress in the energy markets. Mr. Murray's STIP award was set at 81% of his target.

Mr. DiManno assumed a new role in 2016. This role, also new to Stantec, was created to provide more executive leadership focus on our top-line organic growth. We separated this role from the COO role to ensure that focus was dedicated to the revenue growth of our Company. Mr. DiManno did an excellent job in his first year in defining the role and creating several initiatives to deal with our organic growth. Stantec's organic growth rate improved quarter over quarter throughout the year, even with the continued retraction in the commodity markets. Mr. DiManno's STIP was also impacted by the performance of our Energy & Resources and Environmental Services business operating units 1.7(-10.342(t)2.1(y

Net Income Growth Test

If the Company's adjusted net income growth rate is "minimum," the performance factor to be applied to the PSUs is 0%, and therefore the net income portion of the award is also zero. If the growth rate is above "minimum" 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 portion of the award is capped at 200%.

Return on Equity Test

If the Company's adjusted average return on equity rate is "minimum," the performance factor to be applied to the PSUs is 0%, and therefore the return on equity portion of the award is also zero. If the rate is above "minimum" 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 portion of the award is capped at 200%.

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

LTIP Amendments in 2016

In 2016, in response to a recommendation made by our independent compensation consultant to the Corporate Governance and Compensation Committee, we amended the settlement "me,n amandeeodol-12.1(gy10.4(t)6.9(oi)-5.2(P)-2.2(U)2(deU)

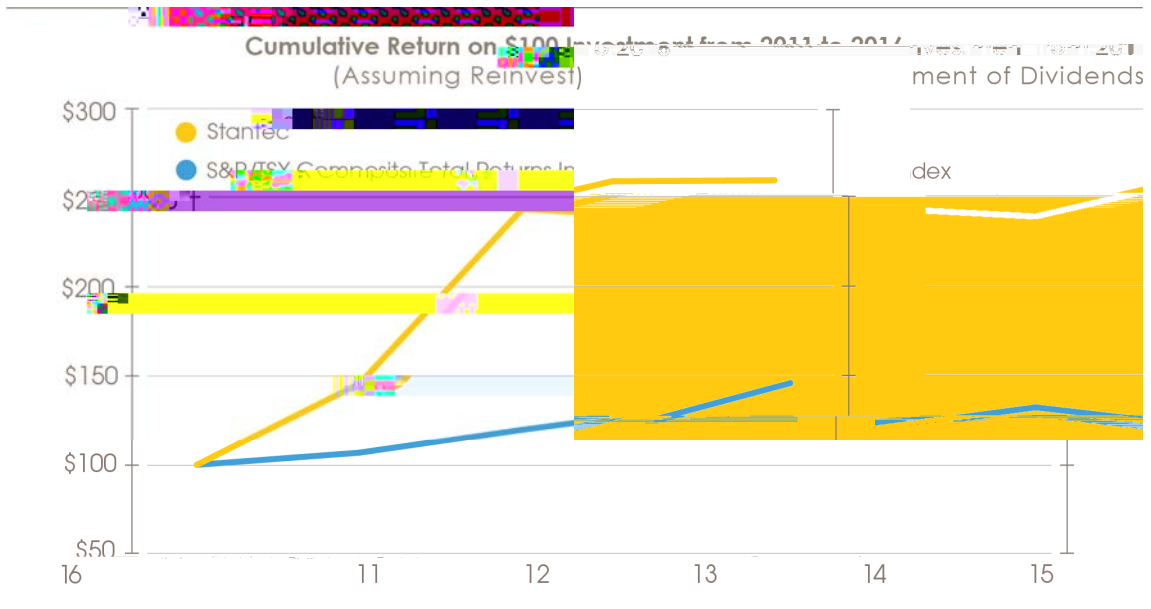
For Canadian employees, we offer four retirement plans: a Group Registered Retirement Savings Plan (Group RRSP), a registered Employee Share Purchase Plan (ESPP), a non-registered ESPP, and a Group Tax-Free Savings Account (Group TFSA). None of the retirement plans involve the issuance of Stantec shares from treasury.

Under the Group RRSP, Stantec matches employee contributions at 100% of the first 3% of the employee's base salary. Group RRSP contributions are invested in the employee's choice of 17 investment funds, including the option to invest in Stantec shares. Under the registered and non-registered ESPPs, employees purchase Stantec shares. Stantec matches employee contributions at 50% of the first 4% of the employee's base salary (a maximum of 2% of the employee's base salary). The maximum that Stantec can contribute is 5% of an employee's base salary (3% for the Group RRSP and 2% for the registered and non-registered ESPP). Under the Group TFSA, contributions are invested in the employee's choice of 17 investment funds.

Stantec's US employees are eligible to participate in the Stantec Consulting 401(k) Plan.

PERFORMANCE GRAPH

The following graph compares the total shareholder return



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 th

The table below sets out the following:

The common shares, PSUs, and DSUs held by each NEO. The values of common shares and PSUs were calculated using the closing price of Stantec shares on December 30, 2016, the last trading day of 2016 (\$33.92). The value of each DSU was calculated using the weighted-by-volume average of Stantec shares for the last 10 trading days of 2016 (\$34.63).

Each NEO's ownership interest, demonstrating compliance with our policy as of December 31, 2016.

The total amount of equity held by the NEO that is at risk.

| Name | Value of Stantec Shares Owned, Controlled, or Directed (\$) | Value of DSUs Held (\$) | Base |
|------|---|-------------------------------|------|
|------|---|-------------------------------|------|

The following table summarizes the compensation for our US-

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 2016, along with the 2016 STIP awards (non-equity incentive plan compensation).

| Name | Option-Based Awards—Value |
|------|---------------------------|
|------|---------------------------|

Benefits on Termination and Change of Control

The following tables summarize the payments due to each NEO other than Mr. Krause upon termination of employment or a change of control followed by a termination of employment without cause or for good reason. Because Mr. Krause's employment agreement is for a fixed term, he is not subject to similar provisions as described below.

Benefits on Termination and Change of Control for Our CEO

| Name | Resignation | Termination without Cause | Change of Control and "Double Trigger" Conditions Fulfilled ⁽¹⁾ |
|------|-------------|---------------------------|--|
|------|-------------|---------------------------|--|

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

| Name | Resignation | Termination without Cause | Change of Control and "Double Trigger" Conditions Fulfilled ⁽¹⁾ | Retirement ⁽²⁾ |
|---|---|---|--|---|
| Short-Term Incentive | None | None other than what may be calculated in the severance payment (described below) | None other than what may be calculated in the severance payment (described below) | None |
| Vested Stock Options⁽³⁾ | Must be exercised within 90 days of resignation date; options remaining unexercised after that date are cancelled | Must be exercised within 90 days of termination date; options remaining unexercised after that date are cancelled | Must be exercised within 90 days of termination date; options remaining unexercised after that date are cancelled | Remain outstanding and exercisable in accordance with the original life of the option |
| Unvested Stock Options⁽³⁾ | Cancelled | Cancelled | All options immediately vest and must be exercised within 90 days of termination date; options remaining unexercised after that date are cancelled | Remain outstanding and vest in accordance with their original vesting schedule |
| Performance Share Units | | | | |

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

stantec.com

Directors' Approval

Our board of directors has approved the contents of this circular and the distribution of the circular to our shareholders.



Paul J. D. Alpern

Senior Vice President, Secretary and General Counsel

Schedule A

Overview of Stantec Long-Term Incentive Plan

SHARES AUTHORIZED FOR ISSUANCE UNDER THE PLAN

The Stantec Long-

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

- Maintaining continuing compliance with applicable laws, regulations, requirements, rules, or policies of any governmental authority or stock exchange

- Amendments of a "housekeeping" nature

- Changing the vesting provision of the Stantec LTIP or any award

- Changing the termination provisions of any award that does not entail an extension beyond the original expiry date of that award

- Adding a cashless exercise feature payable in securities if that feature provides for a full deduction of the number of underlying securities from the Stantec LTIP share reserve

- Adding a form of financial assistance and any amendment to a financial assistance provision which is adopted

- Changing the process by which an award recipient who wishes to exercise an award may do so

As described on page 49 of the Management Information Circular, the Company made a housekeeping amendment to the LTIP in 2016 to change the settlement price methodology for PSUs and RSUs granted under the plan to reflect the volume weighted average trading price of Stantec's common shares on the TSX for the five trading days immediately

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. |

Performance Objectives

Under the Stantec LTIP, the committee has the discretion to apply performance objectives to options, RSUs, and PSUs.

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 amounts payable will be paid in cash or common shares, at the discretion of the committee. If the amounts payable are deferred, the amounts payable will be paid in cash or common shares, at the discretion of the committee.

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.

Effect of Certain Transactions

Schedule B

Activities of the Audit and Risk Committee in 2016

The Audit and Risk Committee met four times in 2016 and in accordance with its charter and internal work plan, accomplished the following:

FINANCIAL REPORTING

- ✔ Reviewed and recommended for approval by the board the annual Consolidated Financial Statements, Management's Discussion and Analysis, related financial press releases, and Annual Information Form
- ✔ Reviewed and approved the quarterly Consolidated Financial Statements, Management's Discussion and Analysis, and related financial press releases
- ✔ Reviewed with management and the shareholders' auditors the appropriateness of Stantec's accounting and financial reporting, developments in accounting reporting standards, accounting treatment of significant risks and uncertainties, key estimates and judgments of management-2.4(o)-4(v)eS3 n q 8.18k0(s)-2.6(-4(f)-2.4(o)E13.901 8.14g.5.1(o)-12

RISK OVERSIGHT

- ✔ Focused on reviewing the risks Stantec faced in 2016 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 that highlight the potential and realized impact of the deterioration in economic and financial markets on Stantec's business, liquidity, and counterparty exposures
- ✔ Reviewed our significant credit and market risk exposures, the industry sector analyses, and the strategies of Stantec's major business units, including related risk methodologies in conjunction with the board strategy session
- ✔ Considered risk issues in the broad context of Stantec's enterprise-wide strategic management framework and the risk-adjusted return on capital of significant new businesses and line-of-business initiatives
- ✔ Reviewed, amended, and approved corporate policies that address risk management by means of controls, including controls on the authorities and limits delegated to the president and CEO
- ✔ Completed reviews of management's risk assessments required for all acquisitions approved by the board during the year
- ✔ Completed a detailed risk assessment for the MWH acquisition
- ✔ Reviewed Stantec's methods for identifying, evaluating, and anticipating principal risks
- ✔ Reviewed the impact of the Company's capital structure on its current and future profitability
- ✔ Reviewed the disclosure regarding risk and risk factors in Stantec's Management's Discussion and Analysis and Annual Information Form

OTHER MATTERS

- ✔ Reviewed and revised the Audit and Risk Committee Terms of Reference and work plan
- ✔ Completed the annual self-assessment of the committee's performance and reported thereon to the board
- ✔ Reviewed whistleblower procedures, which allow officers and employees to confidentially and anonymously report potential violations of Stantec's Code of Conduct and concerns relating to accounting, internal accounting controls, and auditing matters
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Schedule C

PERFORMANCE REVIEW AND SUCCESSION PLANNING

- ✔ Developed annual performance objectives for the CEO for 2016
- ✔ Reviewed the performance of the CEO on a quarterly basis against his 2016 objectives in a session conducted in camera with the CEO
- ✔ Reviewed the CEO succession planning measures and developed both an emergency plan and a strategic long-term plan for CEO succession
- ✔ Reviewed the CEO's succession plans for the executive leadership team on a quarterly basis in a session conducted in camera with the CEO

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