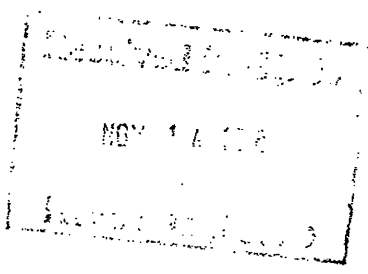


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**SNC-LAVALIN**

Privileged and Confidential

October 15, 2018

The Right Honourable Justin Trudeau, P.C., M.P.  
Prime Minister of Canada  
Office of the Prime Minister  
Langevin Block  
80 Wellington Street  
Ottawa, Ontario K1A 0A2

Dear Prime Minister,

I am writing to request a meeting at your earliest convenience to discuss a matter of some urgency. You will undoubtedly have heard about, if not been briefed on, recent developments that impacted SNC-Lavalin. Early last week, SNC-Lavalin was advised by the Director of the Public Prosecution Service of Canada (DPPSC) that at this time they will not invite SNC-Lavalin to negotiate a Remediation Agreement (RA). As a publicly traded company, we disclosed such material information the following day and experienced one of the darkest days in SNC-Lavalin's history.

The Government of Canada's decision to consider a made in Canada Deferred Prosecution Agreement or RA regime, and to embark upon in depth consultations, was important from the perspective of enhancing Canadian competitiveness and levelling the playing field against our key competitors. This was followed by exhaustive legislative activities that led to Royal Assent of the RA regime on June 20, and coming into force on September 20, 2018. It was the will of Parliament and of your Government that this tool be made available to the Public Prosecution Service of Canada. Yet, for the present, the DPPSC has used her discretion not to apply the tool in the case of SNC-Lavalin.

This was very disappointing news for a number of reasons.

First, SNC-Lavalin has not been treated very well over the past several weeks.

- The Company's adviser and counsel with the PPSC, a well-respected expert in the law whose credentials are impeccable, former Justice of the Supreme Court of Canada, was not afforded the courtesy of a meeting or even a call with the DPPSC after several requests were made, to explain SNC-Lavalin's rationale to enter into RA negotiations.
- SNC-Lavalin found out from the PPSC spokesperson, in the public domain, that somehow we "did not meet the criteria".
- The Crown has decided to charge and pursue the company and innocent employees, but not the ones who have been involved in the misconduct and who have all left the firm.



## **SNC-LAVALIN**

Second, SNC-Lavalin believes that it does meet the requirements to enter into an RA negotiation with the PPSC and so therefore strongly disagrees with the DPPSC's current position.

On this, we have been encouraged to write to the DPPSC to try to explain the rationale for re-consideration. Whatever the outcome, we remain open and committed to negotiating such an agreement in the interest of its employees, partners, clients, investors, pensioners and other stakeholders, all innocent parties that have been affected during the last six years, and now face an unnecessary extended period of uncertainty. All those who allegedly engaged in the misconduct left the company many years ago, so any negative impact on the company would only affect innocent employees.

Third, it is in the public interest to enter into RA negotiations because SNC-Lavalin is a much changed company. Since 2012, SNC-Lavalin has developed and built a world-class ethics and compliance framework. This has been embodied to the extent that 'integrity' has become one of the Company's core values. The Company has also co-operated fully with regulatory and government authorities.

The Company has tirelessly worked towards a world class ethics and compliance culture through many actions, including the following:

- Leadership at the Board and Executive Management levels has turned over 100 percent with an enhanced culture of integrity,
- Establishment of a world-class ethics and compliance framework,
- An administrative agreement concerning ethics and compliance with Public Services and Procurement Canada to continue to bid on services work with the Government of Canada,
- Recent agreements in close cooperation with the Commissioner of Canada Elections and with the Ordre des ingénieurs du Québec,
- A fair and final settlement with Quebec's voluntary reimbursement program,
- Renewal of certification to bid on work in Quebec via Autorité des marchés financiers (AMF),
- Settlement of class actions in Quebec and Ontario filed in 2012 on behalf of security holders.

Fourth, SNC-Lavalin has experienced highly material impacts on all of its stakeholders - all of whom are innocent bystanders - over the past six years. Last week, they had to experience the negative impacts again, for a second time.

For example, in addition to the two pensions plans - Caisse de Depots et de Placements du Quebec and the Canadian Pension Plan - at least \* other top institutions in Canada hold SNC-Lavalin shares for pension and mutual funds as well as for individual accounts. Given that \* percent of SNC-Lavalin's shareholders are Canadian, the erosion in stock price of last Wednesday impacted many innocent Canadians who are saving for the future. In the past quarter, which includes the status of relations with the Kingdom of Saudi Arabia, SNC-Lavalin's market capitalization has declined by about \* Surely this is not a fair or just outcome for Canadian savers, as it is not for the approximate 9,000 employees in Canada across 200 offices from coast to coast who have stock savings plans, as well as the 43,000 employees who work outside of the country.

**\*Confidential Commercial Information**



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To conclude, Prime Minister, I have to ask if it is in the public interest to prosecute SNC-Lavalin, and to try to achieve a guilty verdict.

**Confidential Commercial Information**

The answer to this question, may I respectfully and humbly suggest, was given by you some three years ago when you were Leader of Her Majesty's Loyal Opposition. In a meeting with my predecessor, Robert Card, you observed that SNC-Lavalin was a "fleuron of Quebec and of Canada."

Prime Minister, I could not agree more. As a crown jewel, SNC-Lavalin remains an important part of the fabric of Canadian society, of that of Quebec, in the heart of Montreal. The executive and senior management team, and the Board, have helped engineer a remarkable transition and rebirth of the company.

**Personal Information**

It would be great to

have the opportunity to rebuild the Canadian operations from the loss of almost 10,000 mostly high-paying, high value added jobs in the past six years.

This, so that it can continue to develop and deliver great projects to clients and contribute to Canadian society both nationally and globally. Just in Canada today, SNC-Lavalin is the lead or co-lead on several major projects that provide clean, safe and innovative energy and transportation solutions to Canadians -- Bruce Power and Ontario Power Generation nuclear refurbishments, Chalk River nuclear site development project, Eglinton LRT, Ottawa LRT, Réseau Express Métropolitain design, construction, operations and maintenance, the new Champlain Bridge construction, operations and maintenance, and the Husky White Rose offshore oil project in Newfoundland.

On behalf of all of SNC-Lavalin's employees, both inside and outside of Canada, and all of our stakeholders, I hope that we will be able to meet as soon as possible on this matter. My colleagues will contact your office to see what may be possible in the very near term.

With best regards,

  
Neil Bruce  
President and Chief Executive Officer  
SNC-Lavalin