

AECON GROUP INC.

AUDIT COMMITTEE CHARTER

1. OVERVIEW AND PURPOSE

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

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

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

2. COMMITTEE MEMBERSHIP

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

The Board will appoint the members of the Committee and the Chair annually following the annual general meeting. The Independent Directors of the Board may appoint a member to fill a vacancy or remove and/or replace a member at any time.

3. ATTENDANCE AT MEETINGS

The Committee shall meet as frequently as it determines necessary but not less frequently than four times each year. Meetings may be called by the Chair or by a majority of members. At least forty-eight hours prior notice of such meetings will be given to Committee members, unless otherwise agreed to by all members of the Committee.

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

Meetings are chaired by the Chair or, in the Chair’s absence, by a member chosen by the Committee. The Chair may establish rules and procedures to be followed at meetings of the Committee. The Committee shall produce written minutes of its meetings and shall provide the Board with a report of its activities and proceedings.

A quorum for the transaction of business at any meeting of the Committee is a majority of members and the vote of a majority of the members present will be an act of the Committee. Meetings may be conducted with members physically present or by telephone or other communication facilities which permit all persons participating in the meeting to hear or communicate with each other. A written resolution signed by all Committee members is as valid as one passed at a Committee meeting.

Directors not on the Committee are encouraged by the Chair to attend meetings at their convenience.

4. RESPONSIBILITIES AND DUTIES

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

4.1 AUDITOR OVERSIGHT

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

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

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

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

The Audit Committee shall:

- 4.1.1 Determine the remuneration for the services required to support the independent auditor's opinion on the Corporation's financial statements.
- 4.1.2 Evaluate the performance of the independent auditor and, if so determined by the Audit Committee, recommend that the shareholders replace the independent auditor.
- 4.1.3 Review and approve the planning and staffing proposed for the audit in advance of its commencement.
- 4.1.4 Meet with the independent auditor to review the independent auditor's judgements about the quality and acceptability of the Corporation's accounting principles and underlying estimates in the financial statements.

- 4.1.5 Consider and review with management and other Board-level committees and the independent auditors:
- (a) the effectiveness of, or weaknesses in, the Corporation's internal controls, including the status and adequacy of information systems and security; and
 - (b) any related significant findings and recommendations of the independent auditors together with management's responses, including the timetable for implementation of recommendations to correct weaknesses in the internal controls.
- 4.1.6 Receive at least annually written reports from the independent auditor, discuss such reports with the auditor, and if so determined by the Audit Committee recommend that the Board take appropriate actions. Such reports from the independent auditor should include:
- (a) outline of all existing and contemplated relationships between the independent auditor and the Corporation;
 - (b) confirmation that, in the auditor's professional judgment, it is independent of the Corporation; and
 - (c) description of the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent auditor and the Corporation.
- 4.1.7 Review major changes to the Corporation's accounting principles and practices as suggested by the independent auditor or management.
- 4.1.8 Instruct the independent auditors to communicate directly to the Audit Committee any material difficulties or disputes with management.
- 4.1.9 Review with the independent auditor any problems or difficulties the auditor may have encountered and any managerial letters provided by the auditor and the Corporation's response to such letters. Such review should include:
- (a) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information; and
 - (b) any changes required in the planned scope of the audit.
- 4.1.10 Discuss and review with management and the independent auditors any significant financial reporting issues and judgements made in connection with the preparation of the Corporation's financial statements, including review of analyses prepared by management or the auditors regarding significant financial reporting issues and judgements, analyses of the effects of alternative GAAP methods on the financial statements, and the effect of regulatory and accounting initiatives, and off-balance sheet structures, on the financial statements.

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

4.2 INDEPENDENT CONSULTANTS

- 4.2.1 The Audit Committee shall have the authority to recommend that the Board retain special legal, accounting or other consultants to advise the Committee and to conduct or authorize investigations into any matters within the scope of its responsibilities.
- 4.2.2 The Audit Committee may request any representative of the Corporation's outside counsel or independent consultant to attend any meeting of the Audit Committee or to meet with any members of the Committee.

4.3 FINANCIAL RISK OVERSIGHT

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

4.4 COMPLIANCE OBLIGATIONS

- 4.4.1 Review, in conjunction with other Board-level committees or the full Board, if applicable, the Corporation's policies and procedures regarding compliance with applicable financial and audit related laws and regulations.
- 4.4.2 Oversee, in conjunction with other Board-level committees or the full Board, if applicable, the Whistleblower Policy of the Corporation, which outlines procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- 4.4.3 Establish procedures for (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting or audit matters, and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding accounting or auditing matters.
- 4.4.4 Review the quarterly Whistleblower and Governance Report, including summaries of anonymous reports submitted through the Aecon Ethics Hotline.

4.5 SUSTAINABILITY

- 4.5.1 Review the Corporation's ESG-related public disclosure, including any financial and compliance program disclosure contained in the annual Sustainability Report and any other reports that may accompany and/or be ancillary to the annual Sustainability Report (the "**Sustainability Documents**").
- 4.5.2 Oversee (i) management's assessment of ESG-related financial materiality and the soundness of the methodologies used in determining such materiality, and (ii) third-party assurance of financial disclosure, to the extent required by regulation(s) or in the context of the Committee's obligations under this Charter. For greater certainty, approval of the Sustainability Documents shall rest with the Board.

4.6 CONTINUOUS DISCLOSURE OBLIGATIONS

- 4.6.1 Review the annual audited and interim unaudited financial statements and accompanying Management's Discussion and Analysis ("**MD&A**") with management and the independent auditor, discuss matters arising from the audit under generally accepted accounting standards, including major issues regarding accounting and auditing principles and practices, and discuss the adequacy of internal controls, that could materially affect the Corporation's financial statements, and recommend the approval of such financial statements and MD&A to the Board before they are publicly released or filed with regulators.
- 4.6.2 Review and discuss with management disclosure of financial information, including earnings press releases, as well as financial information and earnings guidance, if any, provided to analysts and rating agencies.
- 4.6.3 Review and discuss with Management, on a quarterly basis, the Internal Controls Report of the Corporation with respect to financial reporting and evaluations thereof, and disclosure controls and procedures, including the certifications of the Chief Executive Officer and Chief Financial Officer regarding compliance with their continuous disclosure obligations in connection therewith.

4.7 PENSION PLAN OVERSIGHT

- 4.7.1 Oversee the administration, financial reporting and investment activities of the Corporation's defined benefit pension plan and the defined contribution pension plan (together, the "**Pension Plans**"), any succession plans and any related supplemental retirement arrangements.
- 4.7.2 Report to the Board with respect to the actuarial soundness of the Pension Plans, the administrative aspects of the pension plans, investment policy, performance of the investment portfolios and compliance with government legislation.
- 4.7.3 Consider amendments to the Pension Plans and make recommendations in respect thereof to the Board.

4.8 POLICY REVIEW

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

5. CHARTER REVIEW

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