

# CORPORATE GOVERNANCE, NOMINATING AND COMPENSATION COMMITTEE CHARTER

## 1. OVERVIEW AND PURPOSE

The Corporate Governance, Nominating and Compensation Committee (the “**Committee**”) is responsible for performing the duties set out in this Charter to enable the board of directors (the “**Board**”, and each director, a “**Director**”) to discharge its responsibilities and obligations with respect to:

- developing an effective corporate governance system for Aecon Group Inc. (the “**Corporation**”);
- reviewing and assessing on an ongoing basis the Corporation’s corporate governance and public disclosure;
- identifying and recommending candidates for election to the Board and all committees of the Board;
- developing and reviewing compensation plans, particularly those relating to executive officers, senior management, Board members and committee members, as well as providing guidance on the Corporation’s overall compensation structure;
- assessing, on an annual basis, the performance of the Board and its members; and
- managing compensation related risk.

## 2. COMMITTEE MEMBERSHIP

The Committee will be comprised of a minimum of three Directors, all of whom shall meet the independence requirements of applicable securities laws and the listing standards of the Toronto Stock Exchange (an “**Independent Director**”). A Chair of the Committee will be appointed.

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. 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 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.

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. Members of the Committee may invite members of management or other outside consultants to attend Committee meetings as determined necessary or desirable.

#### **4. RESPONSIBILITIES AND DUTIES**

The responsibilities and duties of the Committee with respect to its mandate are set forth below. In addition, the Committee may perform such other duties as may be necessary or appropriate under applicable law, the Toronto Stock Exchange regulations or as may be delegated to the Committee by the Board from time to time.

The Committee has the authority to delegate some or all of its responsibilities to a subcommittee from time to time, provided that the subcommittee is comprised of Independent Directors.

##### **4.1 CORPORATE GOVERNANCE**

- 4.1.1 Developing appropriate corporate governance principles and practices.
- 4.1.2 Reviewing the corporate governance principles of the Corporation and monitoring proposed changes in laws, rules, instruments and regulations, as well as in policies of applicable regulators from time to time to ensure compliance with changing requirements and best practices.
- 4.1.3 Providing continuing education of corporate governance issues, legal requirements and trends.
- 4.1.4 Reviewing the Corporation's key public disclosure documents including its Annual Information Form and Management Information Circular and, together with the Risk Committee and the Audit Committee, reviewing the the Corporation's ESG-related public disclosure, including the 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"). For greater certainty, the obligation to recommend approval of the Sustainability Documents to the Board shall rest with the Risk Committee.
- 4.1.5 Ensuring that Directors and committee members can engage special advisors, from time to time, at the expense of the Corporation.

- 4.1.6 Reviewing the size, duties and responsibilities of the Board, all Board committees and all position descriptions from time to time.
- 4.1.7 Reviewing the duties and responsibilities of the CEO from time to time and to the extent necessary recommending changes for approval of the Board.
- 4.1.8 Reviewing the Corporation's business plan and the CEO's goals and objectives for each year and making a recommendation to the Board with respect to the appropriate level of CEO compensation based on the Committee's assessment of the CEO's performance against his or her objectives.
- 4.1.9 Overseeing in conjunction with other Board-level committees or the full Board, if applicable, while retaining primary oversight responsibility, of the Corporation's approach for safeguarding corporate assets and information systems; cyber security and business continuity plans, including work stoppage and disaster recovery.
- 4.1.10 Annually reviewing, updating and approving the Corporation's governance and material corporate policies and guidelines that are not otherwise addressed in this Charter or under the mandate of the Board or another Board committee.

## **4.2 NOMINATION OF DIRECTORS AND BOARD COMPOSITION**

- 4.2.1 Reviewing the diversity of skills, experience, tenure and other relevant characteristics represented by current Board members and making recommendations to the Board regarding the size and composition of the Board.
- 4.2.2 Developing the criteria, profile and qualifications for new nominees to fill vacancies on the Board and recommending same for approval of the Board.
- 4.2.3 Establishing procedures for the identification of potential Board members and assisting in identifying, interviewing and recruiting new nominees to fill vacancies on the Board as may be required.
- 4.2.4 Recommending for the approval of the Board the nominees to stand for election as Directors at each annual meeting or otherwise to be appointed by the Board to fill any vacancy on the Board from time to time.
- 4.2.5 Reviewing and recommending to the Board for approval, the need, composition, membership and chairmanship of all committees, including this Committee.
- 4.2.6 Reviewing any material changes in a Director's circumstances (including new interlocks or overboarded status) which could adversely impact the Director's ability to carry out his or her duties on the Board and any Committees.
- 4.2.7 Establishing an orientation and onboarding program for new Directors.

## **4.3 COMPENSATION**

- 4.3.1 Reviewing the Corporation's compensation plans and making recommendations in connection therewith to the Board for approval, in respect of (i) the salary and salary structure, incentive plan awards and pension and other benefit arrangements of the CEO

and each named executive officer, as defined in the Corporation's Management Information Circular, and (ii) the salary structure and aggregate incentive pools of all other employees.

- 4.3.2 Annually reviewing the adequacy and form of compensation of the Directors and committee members to ensure it realistically reflects the responsibilities and risks involved and making appropriate recommendations to the Board for approval.
- 4.3.3 Conducting periodic reviews of the Corporation's compensation philosophy (including the retention of outside consultants as deemed appropriate), as well as developing and fostering a compensation policy that rewards the creation of shareholder value and reflects an appropriate balance between short and long-term performance.
- 4.3.4 Reviewing and recommending to the Board for approval an executive compensation report for inclusion in the Corporation's annual information circular.
- 4.3.5 Annually meeting with the Audit Committee and the Risk Committee to consider the Corporation's key business risks and how the Corporation's compensation policies and programs mitigate or promote excessive risk.
- 4.3.6 Annually reviewing the Corporation's compensation policies and programs to ensure that they motivate an appropriate level of risk-taking and implementing and/or amending the Corporation's policies and programs to ensure that they mitigate or do not promote excessive risk-taking.

#### **4.4 SUCCESSION PLANNING**

- 4.4.1 Establishing and reviewing succession planning for the CEO and other senior executives and making recommendations in connection therewith to the Board for approval.

### **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.