ANNUAL INFORMATION FORM

March 24, 2020

For the Financial Year Ended December 31, 2019

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Annual Information Form ("**AIF**") for Stuart Olson Inc. ("**Stuart Olson**" or the "**Corporation**") contains certain statements that may constitute forward-looking information within the meaning of applicable securities laws. This forward-looking information relates to, among other things:

1. the future business prospects of any of Stuart Olson's Operating Groups (as defined herein) and the industries in which they operate;
2. the Corporation's assessment of the economic environment, commodity prices and market conditions and the elements necessary for Stuart Olson and its businesses to be successful;
3. the Corporation's estimate of the value of various contracts;
4. the enhancement, predictability and sustainability of Stuart Olson's earnings or revenues through any means whatsoever including, without limitation, project and market diversity;
5. whether or not Backlog can be converted into revenue and what the expected margin on such revenue might be;
6. the financial and operational effects on Stuart Olson and its businesses as a result of compliance with environmental protection requirements;
7. management's expectations that the Buildings Group (as defined herein) will be able to convert pre-construction activities into full construction management projects;
8. management's expectations that the Commercial Systems Group (as defined herein) will be able to meet the needs of its clients, and deliver margins consistent with historical performance;
9. management's expectations and intentions regarding the Industrial Group (as defined herein), including its ability to meet the needs of its clients, its pursuit of larger projects and its capacity to lead new business origination in the industrial environment, including the amount of revenue to be generated by master services agreements; and
10. the payment of future dividends.

Often, but not always, forward-looking information can be identified by the use of such words as "may", "will", "expect", "believe", "plan", "intend", "estimate", "outlook", "forecast", "should", "anticipate" and other similar terminology, including statements concerning possible or assumed future results. Forward-looking information is based on management's reasonable assumptions, analysis and estimates in respect of its experience and perception of trends, current economic conditions and expected developments, as well as other material factors that it considers to be relevant at the time of making such statements.

The forward-looking statements contained in this AIF are based on certain assumptions, including, among other things: the expected performance of the global and Canadian economies and the effects thereof on the Corporation's businesses; the continuation of challenging market conditions in Alberta due to the "lower-for-longer" oil price environment; the global demand for oil and natural gas, its impact on commodity prices and its related effect on capital investment projects in Western Canada; the ability of counterparties with whom the Corporation enters into agreements to meet their obligations; the funding for and construction of major infrastructure projects in Canada; the stability or instability of interest rates; the statements made in the Risk Factors section of this AIF; the Corporation's estimates about the projects and the markets in which the Corporation operates remain unchanged; the stability of market conditions and currency exchange rates; the impact of competition; and government policies.

The forward looking information in this AIF does not include a full assessment or reflection of the unprecedented impacts of the COVID-19 pandemic occurring in the first quarter of 2020 and the ongoing and developing resulting indirect global and regional economic impacts. The forward-looking information in this AIF is included solely for the purpose of assisting Stuart Olson's securityholders in understanding Stuart Olson's financial position and the results of its operations as at the date hereof. By its nature, forward-looking information involves known and unknown risks and uncertainties, which give rise to the possibility that management's assumptions, analysis and estimates will be incorrect and that Stuart Olson's anticipated results will not be achieved. Although Stuart Olson believes that the statements with respect to forward-looking information are reasonable and current, such statements should not be interpreted as a guarantee of future performance or results, and will not necessarily be an accurate indication of whether or not such results will be achieved. Forward-looking information is necessarily subject to a number of factors that may cause actual results to differ materially from those results implied by the expectations suggested by such information. Those factors include, without limitation, those other risks and uncertainties described in this AIF in the section with the heading "*Risk Factors*".

When relying on the forward-looking information to make decisions with respect to Stuart Olson, securityholders and others should carefully consider the foregoing factors. Furthermore, readers are strongly cautioned that the listed risk factors are not exhaustive and other factors could adversely affect Stuart Olson's performance. Investors and other readers are encouraged to consider the disclosed risks and other factors carefully when evaluating the forward-looking information and are cautioned not to place undue reliance upon such information when making investment decisions. The forward-looking information in this AIF is current to the date hereof, and is subject to change following such date. While Stuart Olson may elect to do so, unless required by applicable law, it undertakes no obligation to update this information to reflect new information or circumstances at any particular time.

NON-IFRS MEASURES

Certain measures in this AIF do not have any standardized meaning as prescribed by International Financial Reporting Standards ("**IFRS**") and, therefore, are considered non-IFRS measures. These non-IFRS measures are commonly used in the construction industry, and by management of the Corporation, as alternative methods for assessing operating results and to provide a consistent basis of comparison between periods. These measures are not in accordance with IFRS, and do not have any standardized meaning. Therefore, the non-IFRS measures in this AIF are unlikely to be comparable to similar measures used by other entities. Non-IFRS measures include: contract income margin; work-in-hand; backlog; adjusted free cash flow; adjusted free cash flow per share; adjusted earnings before interest, taxes, depreciation and amortization ("**adjusted EBITDA**"); adjusted EBITDA margin; long-term indebtedness; indebtedness to capitalization; net long-term indebtedness to adjusted EBITDA; and additional borrowing capacity. Further information regarding these measures can be found in the "Non-IFRS Measures" section of the most recently filed MD&A and the discussion of some of these measures below.

Backlog

Backlog means the total value of work, including work-in-hand, that has not yet been completed that: (a) is assessed by the Corporation as having high certainty of being performed by either the existence of a contract or work order specifying job scope, value and timing, or (b) has been awarded, as evidenced by an executed binding or non-binding letter of intent or agreement, describing the general job scope, value and timing of such work, and with the finalization of a formal contract respecting such work currently assessed by the Corporation as being reasonably assured.

Adjusted EBITDA

The Corporation defines adjusted EBITDA as net earnings (loss) from continuing operations before finance costs, finance income, income taxes, capital asset depreciation and amortization, impairment charges, costs or recoveries relating to investing activities, costs related to shareholder's activities, restructuring costs, equity-settled share-based compensation and gains/losses on assets, liabilities and investment dispositions.

EBITDA and adjusted EBITDA are common financial measures used by investors, analysts and lenders as an indicator of operating performance, as well as a valuation metric and as a measure of a company's ability to incur and service debt. The Corporation's calculation of adjusted EBITDA excludes items that do not reflect its ongoing cash operations, and that the Corporation believes should not be reflected in a metric used for valuation and debt servicing evaluation purposes, these include restructuring charges, equity-settled share-based compensation, charges related to investing decisions, and activist shareholder activities.

While EBITDA and adjusted EBITDA are common financial measures widely used by investors to facilitate an "enterprise level" valuation of an entity, they do not have a standardized definition prescribed by IFRS and therefore, other issuers may calculate EBITDA or adjusted EBITDA differently. EBITDA and adjusted EBITDA are reconciled to net earnings/loss in the Corporation's Management's Discussion and Analysis for the year ended December 31, 2019, a copy of which can be found under the Corporation's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com.

INTRODUCTION

This AIF is dated March 24, 2020. Except where otherwise indicated, the information in this AIF is provided as of December 31, 2019 and all dollar amounts are expressed in Canadian dollars.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Corporation was incorporated as "Churchill Development Corporation Ltd." on August 31, 1981, under the *Companies Act* of Alberta and was continued under the *Business Corporations Act* (Alberta) (the "**ABCA**") on July 30, 1985. The name of the Corporation was changed to "The Churchill Corporation" by Certificate of Amendment dated July 30, 1985. On June 30, 1987, the Corporation acquired Alberta Investments Ltd. ("**AIL**"), and became a reporting issuer pursuant to an order of the Alberta Securities Commission. The Corporation amalgamated with AIL on December 31, 1987 and the Common Shares (as defined herein) were listed for trading on the Alberta Stock Exchange on December 1, 1987. On December 8, 1999, the Common Shares were listed for trading on the Toronto Stock Exchange (the "**TSX**"). On January 30, 2000, the Corporation consolidated its trading on the TSX and dropped its listing on the Alberta Stock Exchange, which was by then the Canadian Venture Exchange (now the TSX Venture Exchange). The Corporation changed its name from "The Churchill Corporation" to "Stuart Olson Inc." by Certificate of Amendment filed on May 22, 2014.

The Corporation's head office is located at 600, 4820 Richard Road SW, Calgary, Alberta. The Corporation's registered office is located at 400, 3rd Avenue SW, Suite 3700, Calgary, Alberta.

Material Amendments to the Constating Documents of the Corporation

The following material amendments have been made to the articles and other constating documents of the Corporation:

1. Certificate and Special Resolution filed June 28, 1985 to: (i) reorganize the Corporation's share capital to consolidate the class "A" common shares and the class "B" common shares; (ii) modify the Memorandum of Association of the Corporation; (iii) authorize the issuance of up to 110,000,000 class "A" common shares; and (iv) convert all issued and outstanding class "A" common shares and all issued and outstanding class "B" common shares into Class A Common Shares on a one-for-one basis.
2. Articles of Amendment filed July 30, 1985 to change the name of the Corporation from "Churchill Development Corporation Ltd." to "The Churchill Corporation".
3. Articles of Amalgamation filed December 31, 1987 to amalgamate the Corporation and AIL.
4. Amended By laws approved by the Board of Directors of the Corporation (the "**Board**" or the "**Board of Directors**") and ratified by the Corporation's shareholders at the annual and special meeting of shareholders held May 19, 1999 to reduce the quorum requirement for meetings of shareholders from 30% to 10% of the Common Shares.
5. Articles of Amendment filed June 13, 2000 to:
    (a) change the authorized share capital of the Corporation as follows: (i) change the designation of the authorized and issued "Class A Common Shares" to "Common Shares" (the "**Common Shares**"); (ii) change the maximum number of Common Shares that may be issued to an unlimited number; (iii) cancel the authorized classes and series of preferred shares; and (iv) create an unlimited number of a new class of shares designated as "Preferred Shares", issuable in series (the "**Preferred Shares**");

    (b) provide that meetings of shareholders of the Corporation may be held inside or outside of Alberta, at any place in Canada; and

(c) permit the Board to appoint one or more additional directors between annual meetings of shareholders, with the number of additional directors not to exceed one-third of the number of directors who held office at the expiration of the last annual meeting of shareholders of the Corporation.

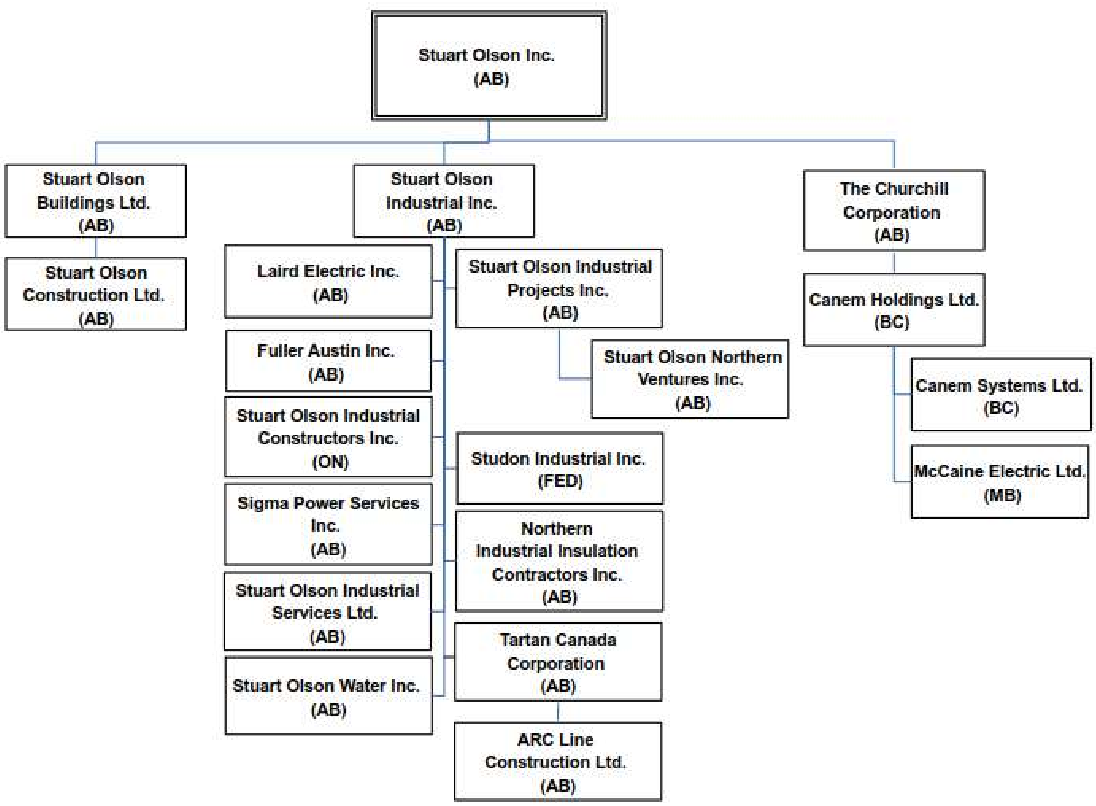
6. A new By-Law No. 2 of the Corporation was approved by the Board on March 15, 2013 and ratified by the Corporation's shareholders on May 23, 2013 to provide that advance notice must be given to the Corporation in circumstances where nominations of persons for election to the Board are made by a shareholder of the Corporation, other than pursuant to a proposal or a requisition of a shareholder made in accordance with the provisions of the ABCA.

7. Articles of Amendment filed May 22, 2014 to change the name of the Corporation from "The Churchill Corporation" to "Stuart Olson Inc."

8. Amended and Restated Bylaws of the Corporation were adopted by the Board of Directors on March 4, 2019 and ratified by the Shareholders on May 22, 2019, to, among other changes, modernize the bylaws and bring them in line with the contemporary governance practices, and set the quorum for attendance at meetings of Shareholders at 25%.

Intercorporate Relationships

The chart below shows Stuart Olson's principal operating subsidiaries as at December 31, 2019 and their respective jurisdictions of incorporation or existence, as applicable. The assets or sales and operating revenues of each of the other subsidiaries of the Corporation do not individually constitute more than 10% of the consolidated assets or the consolidated sales and operating revenues of Stuart Olson as at and for the year ended December 31, 2019, nor do they constitute more than 20%, in the aggregate, of the consolidated assets or consolidated sales and operating revenues of Stuart Olson as at and for the year ended December 31, 2019. The Corporation beneficially owns, controls and directs, directly or indirectly, 100% of the votes attaching to all voting securities of each principal operating subsidiary.



GENERAL DEVELOPMENT OF THE BUSINESS

Overview

Stuart Olson is a publicly traded construction and industrial services company in Canada. The Corporation provides general contracting and electrical building systems contracting in the institutional and commercial construction markets as well as general contracting, electrical, mechanical and specialty trades, such as insulation, cladding and asbestos abatement, in the industrial construction and services market. The Corporation provides its services to a wide array of clients in both the public and private sectors.

The Corporation has elected to group its operations into four segments for financial statement reporting purposes in accordance with International Financial Reporting Standards 8 ("**IFRS 8**"). Those reporting segments now include General Contracting, Commercial Systems, Industrial Services and Corporate and Other. Of those reporting segments, only the General Contracting, Commercial Systems and Industrial Services segments constitute the operational segments of the Corporation.

The General Contracting segment is comprised of Stuart Olson Buildings Ltd. and all of its subsidiaries (collectively, the "**Buildings Group**"). The Commercial Systems segment is comprised of Canem Holdings Ltd. ("**Canem**"), and its subsidiaries (collectively, the "**Commercial Systems Group**"). The Industrial Services segment is comprised of Stuart Olson Industrial Inc. ("**Stuart Olson Industrial**") and its subsidiaries (collectively, the "**Industrial Group**" and, together with the Buildings Group and the Commercial Systems Group, the "**Operating Groups**").

Each of the Buildings Group, the Commercial Systems Group and the Industrial Group operates independently, provides different products and services to different classes of customers and has revenues and earnings in excess of 10% of the consolidated revenue and earnings of the Corporation, thus justifying separate disclosure under IFRS 8. Similarly, the Corporation regularly analyzes the results of the Operating Groups independently as they generate different gross margin yields and have different risk profiles. The evaluation of results by group and by individual operating entity is consistent with the way in which management performance is assessed.

The three Operating Groups and the Corporate and Other reporting segment are briefly described in the following paragraphs.

Buildings Group

In 2010, following the Corporation's acquisition of The Dominion Company Inc. ("**Dominion**"), Stuart Olson Constructors Inc. (the "**Original Stuart Olson**") and Dominion were operationally combined to form what is now the Buildings Group. The Original Stuart Olson and Dominion had been general contractors since 1939 and 1911, respectively. The Buildings Group provides general contracting services, including integrated project delivery, construction management and design-build services in various market sectors. The group has traditionally focussed on construction management which involves tight collaboration from early design to handover among the owner, architect, engineer and builder ultimately responsible for construction of the project. The Buildings Group's work in the area has ranged from schools and hospitals to high-rise buildings and includes both new construction and renovation projects. The Buildings Group also offers clients design-build construction services, which involves both design and construction services. In addition, the Buildings Group provides other general contracting services, which include the provision of management, estimating, accounting, site management, field workers and equipment in order to complete projects. The Buildings Group operates through branch offices in Richmond, British Columbia; Calgary and Edmonton, Alberta; Winnipeg, Manitoba; and Mississauga, Ontario.

Commercial Systems Group

The Commercial Systems Group is comprised of Canem Holdings Ltd., which was acquired in July 2010, and its operating subsidiaries. Canem designs, builds, maintains and services critical building systems including electrical and life safety systems, voice, data and communications networks, security infrastructure and other related building technology systems. Canem's primary markets include commercial, institutional, light industrial and multi-use low and high rise buildings. With its head office located in Richmond, British Columbia, its services include: (i) design and installation of various building systems (electrical, voice and data-com, security, building maintenance systems, life-safety, etc.); (ii) on-call service for building systems maintenance, repair and troubleshooting; (iii) preventative and scheduled maintenance for critical component installations; (iv) budgeting and pre-construction services; and (v) management of regional and national contracts for multi-site system installations. Canem's acquisition of McCaine Electric Ltd. ("**McCaine**") in 2011 expanded Canem's footprint into Manitoba. In 2017 under the Canem brand, the Commercial Systems Group expanded operations into the Ontario market, offering its traditional services in addition to mechanical and HVAC service offerings. The Commercial Systems Group operates through branch offices in Richmond, Victoria and Nanaimo, British Columbia; Calgary, Lethbridge, Red Deer and Edmonton, Alberta, Saskatoon, Saskatchewan, Winnipeg, Manitoba and Cambridge, Ontario.

Industrial Group

In December of 2011, the Corporation realigned the Industrial Group to integrate the existing industrial businesses in order to create a central and coordinated interface through which industrial customers could access the various industrial construction and maintenance offerings. In early 2015, the Corporation acquired Studon Industrial Inc. (formerly Studon Electric & Controls Inc.) ("**Studon**"), which became part of the Industrial Group. In 2018, Stuart Olson acquired Tartan Canada Corporation and its subsidiaries (collectively, "**Tartan**"). Management of the Corporation believes that a fully integrated industrial service offering leads to new business origination by facilitating the pursuit of larger projects and bundled contracts within the industrial environment.

As at December 31, 2019, the Industrial Group was organized into two divisions. The maintenance, repair and operations division (the "**MRO Division**") is comprised of Laird Electric Inc. ("**Laird Electric**") and Studon which are electrical contractors, Fuller Austin Inc. ("**Fuller Austin**"), Northern Industrial Insulation Contractors Inc. ("**Northern**"), Sigma Power Services Inc. ("**Sigma Power**") which provide specialty services and Tartan which provides mechanical MRO services . The general contracting and construction division (the "**Construction Division**") is made up of Stuart Olson Industrial Constructors Inc. ("**Stuart Olson Industrial Constructors**"), Stuart Olson General Contracting Ltd., Stuart Olson Water Inc. ("**Stuart Olson Water**") and Arcline Construction Ltd. The companies within the Industrial Group have similar economic characteristics and are similar in terms of services provided, production processes, customers, methods of service delivery and the regulatory environment in which they operate. The businesses carried on by Stuart Olson's endorsed brands operating under each of the MRO Division and Construction Division as at December 31, 2019 can be summarized as follows:

1. Laird Electric is a full service electrical contractor headquartered in Edmonton, Alberta and provides industrial electrical and instrumentation construction and maintenance services. It serves the resource and industrial sectors, including oil sands, oil and gas, petrochemical and mining markets, primarily within the Fort McMurray and greater Edmonton regions.
2. Studon is headquartered in Red Deer, Alberta, and is an electrical and instrumentation services provider offering construction, maintenance and turnaround services to the oil and gas, pipeline and petrochemical industries in British Columbia, Alberta and Saskatchewan. Studon became a part of the Industrial Group on January 6, 2015.
3. Fuller Austin and Northern are headquartered in Edmonton, Alberta. They serve industrial clients with mechanical process insulation, scaffolding, asbestos abatement, building siding, heating, ventilation and air conditioning ("**HVAC**"), fire-stopping, heat trace tubing, fabrication of flexible removable insulated covers and plant maintenance services. Their clients are in the oil sands, oil and natural gas, petrochemical, fertilizer, forest products, power utilities and mining industries.
4. Sigma Power is headquartered in Edmonton, Alberta and provides a full range of technical services on high voltage equipment ranging from 480V to 500KV, including project planning, acceptance testing, start-up and commissioning, maintenance, maintenance testing, infrared scanning, transformer assembly and repair, cable terminations and reliability studies. Sigma Power focusses its services primarily in Northern Alberta serving a broad client base in various industries, including oil and gas, mining, refining, power generation/delivery, petrochemical and pulp and paper.
5. Tartan is headquartered in Calgary, Alberta and is a multi-trade mechanical MRO service provider with industrial clients in Western Canada offering construction and maintenance services. Its clients operate in the energy, petrochemicals and pulp and paper industries. Tartan became a part of the Industrial Group on November 6, 2018.

6. Stuart Olson Industrial Constructors is headquartered in Sudbury, Ontario and is a multi-trade general contractor providing industrial electrical, instrumentation, power line, millwrighting, structural steel, equipment installation, civil construction, mechanical and structural construction and maintenance services to resource and industrial clients, primarily in the mining and power generation industries in Ontario, Manitoba and the Northwest Territories.
7. Stuart Olson Water and Stuart Olson General Contracting are headquartered in Calgary, Alberta and are full multi-trade general contractors providing construction services in British Columbia, Alberta and Saskatchewan.

Corporate and Other

The Corporate and Other reportable group includes Stuart Olson's corporate officers and staff functions of accounting, treasury, human resources, marketing, information technology services, corporate development, legal, insurance, risk, internal audit, payroll, marketing, project controls, supply chain management, asset management and business development. The costs of some functions, such as information services and certain centralized payroll and accounting services, are allocated directly to the other business groups, and others remain in Corporate and Other. The corporate office provides strategic direction, operating oversight, legal and human resources services, financing, infrastructure services and management of public company requirements to each of the Operating Groups.

THREE YEAR HISTORY OF THE BUSINESS

2017

On January 18, 2017, Stuart Olson announced the award of $250 million in new contracts comprised of two Buildings Group contracts with Western Canadian post-secondary institutions totalling $220 million, and an Industrial Group multi-year maintenance, repair and operations type contract valued at $30 million with a long standing mining customer in Saskatchewan.

On February 1, 2017, Stuart Olson announced the removal of a large commercial project valued at $200 million from its December 31, 2016 backlog.

On March 20, 2017, Stuart Olson announced the appointment of John Krill as President and Chief Operating Officer of the Commercial Systems Group, giving him overall leadership responsibility for the Commercial Systems Group.

On June 21, 2017, Stuart Olson announced that its Commercial Systems Group had been awarded approximately $110 million in new contracts. This announcement related to a significant public infrastructure project in Alberta, which was to be performed with a joint venture partner, and a number of smaller projects in British Columbia and Alberta.

On July 20, 2017, Stuart Olson amended the terms of its credit facility. The amendment provided that the Debt to EBITDA ratio was not to exceed 3.25:1.00, and made certain other administrative changes.

2018

On February 8, 2018, Stuart Olson announced that its Buildings Group had been awarded approximately $120 million in new contracts. This award represented two construction management contracts in Southern Ontario. The first project was to construct a thirty-storey student residence for a large post-secondary institution and the second project was to construct an eight-storey seniors retirement residence.

On March 5, 2018, Stuart Olson was honoured to have been shortlisted as one of Canada's Top 100 employers, and be recognized as one of Alberta's Top 70 Employers in 2018 for the second consecutive year.

On May 1, 2018, Stuart Olson announced that it had been awarded approximately $125 million in new contracts. The new projects included a large agricultural facility in Western Canada, awarded to the Buildings Group and its joint venture partner. The Buildings Group was also awarded a highway construction project and the Industrial Group was awarded several insulation and electrical projects in the petrochemical, oil sands and power sectors.

On August 30, 2018, Stuart Olson announced the appointments of Raymond D. Crossley and David C. Filmon to its Board of Directors. Mr. Crossley and Mr. Filmon joined the Audit Committee. Mr. Crossley also joined the Corporate

Governance and Nominating Committee, while Mr. Filmon joined the Human Resources and Compensation Committee. The Corporation also announced the resignation of Mr. Rod Graham from the Board and its Committees.

On November 6, 2018, Stuart Olson announced the acquisition of all of the outstanding shares of Tartan for a purchase price of approximately $12 million. Founded in 1953, Tartan had been a privately held Western based mechanical maintenance, repairs and operations company headquartered in Calgary. At the time of the acquisition, Tartan had approximately 400 employees, with both union and non-union capabilities. The Corporation also announced its intention to fully integrate Tartan into the Industrial Group.

On November 28, 2018, Stuart Olson amended the terms of its credit facility to enable it to enter into equity hedging agreements.

On December 3, 2018, Stuart Olson announced the appointment of Mary C. Hemmingsen to its Board of Directors. Ms. Hemmingsen joined the Audit Committee and the Health, Safety and Environment Committee. The Corporation also announced the resignation of Mr. Richard Ballantyne from the Board and its Committees.

2019

On January 13, 2019, Stuart Olson issued a press release in response to a public letter and press release that had been issued on January 11, 2019 by Crescendo Partners L.P. and Jamarant Capital L.P. (collectively the "**Stuart Olson Value Committee**"). The Corporation confirmed its commitment to engage in constructive dialogue with shareholders in order to enhance value and indicated that it had declined to appoint or recommend a Board nominee suggested by the Stuart Olson Value Committee due to a conflict of interest.

On March 4, 2019, Stuart Olson announced that it was honoured, for the second consecutive year to have been shortlisted as one of Canada's Top 100 employers, and recognized as one of Alberta's Top Employers for the third consecutive year.

On March 5, 2019, in connection with the release of its financial year end for the year ended December 31, 2019, Stuart Olson announced that it had reached an agreement with its lenders to make certain amendments to its credit facility, including as required due to the impact of IFRS 16 Leases and the ability of the Corporation to repay the $80.5 million in convertible debentures that had been outstanding since 2014 (the "**2014 Convertible Debentures**") using its credit facility, should it choose to do so. Stuart Olson also announced the reduction of its quarterly dividend from $0.12 per Common Share to $0.06 per Common Share.

On March 26, 2019, Stuart Olson announced that it had secured $120 million in new contracts including a new master services agreement with an existing industrial customer to extend the provision of construction services to three new regions in Ontario and a number of new projects in its Commercial Systems Group in Ontario, Saskatchewan and Ontario.

On April 17, 2019, Stuart Olson announced that David C. Filmon would succeed Albrecht Bellstedt as Chair of the Corporation's Board upon completion of the Corporation's annual and special meeting of shareholders to be held on May 22, 2019.

On April 30, 2019 Stuart Olson announced that it had been awarded approximately $150 million in new contracts including $105 million in new projects for its Buildings Group and $45 million for its Industrial Group consisting of a large industrial project with an existing customer in Ontario and a bundled master services agreement with an Alberta customer in the petrochemical sector.

On May 22, 2019, the shareholders of Stuart Olson approved the Corporation's Amended and Restated Bylaw, the Corporation's 2019 Stock Option and Treasury Plan, the Corporation's Amended and Restated Shareholder Rights Plan and the addition to the Board of Gary M. Collins and Kerry R. Rudd.

On June 4, 2019 Stuart Olson announced that it had been awarded approximately $100 million in new contracts including the construction of a new firehall in Ontario and construction of a mine in Saskatchewan with a new customer.

On August 7, 2019 Stuart Olson announced that, subject to shareholder and TSX approval, it would enter into a convertible debenture financing in the amount of $70 million with Canso Investment Counsel Ltd. ("**Canso**") in its capacity as portfolio manager for certain of its managed accounts. The Corporation announced that the proceeds of the financing would be used to redeem the outstanding $80.5 million of 2014 Convertible Debentures, with the remainder of the redemption amount to be funded from existing resources and credit capacity.

On September 9, 2019, Stuart Olson announced the departure of Daryl Sands, its Executive Vice President and Chief Financial Officer, and his replacement, on an interim basis with Dean R. Beacon who would serve as Chief Financial Officer until a permanent replacement could be identified.

On September 11, 2019 Stuart Olson announced that it had been awarded approximately $130 million in new contracts which consisted of construction of a new student residence in Ontario and a private sector industrial facility in Western Canada.

On September 23, 2019 Stuart Olson announced that it had closed its $70 million convertible debenture financing with Canso and that it had issued a notice of redemption, for an October 23, 2019 redemption in cash, to the holders of its $80.5 million in 2014 Convertible Debentures maturing on December 31, 2019.

On October 23, 2019 Stuart Olson announced that it had completed the redemption of its 2014 Convertible Debentures.

On November 6, 2019, in connection with the release of its third quarter financial results, Stuart Olson announced that it was completing certain organizational restructuring activities to move into a leaner, more vertically integrated cost structure, including that Bob Myles had left his position as Chief Operating Officer of the Industrial Group. The Corporation also confirmed that it had entered into an amended and restated credit facility with its lenders, providing for a decrease in the overall amount of the facility, a change in the required interest coverage ratio, and greater access to liquidity based on the debt to EBITDA covenant. Stuart Olson also announced that Ian M. Reid would retire from the Board at the completion of the year, and the suspension of its quarterly dividend.

MARKET CONDITIONS

The Corporation's abilities to consistently generate revenue from projects and to manage execution and cost, despite cyclicality in geographical and customer markets, are critical to its success. Over the past year, the Corporation saw uncertainty across its markets including the industrial, public and private sectors.

Overall market activity within the energy industry affecting the industrial sector in Western Canada continues to be subject to macro-economic and geo-political factors. In the first quarter of 2020, the global impacts of the Coronavirus outbreak and the related changes to global oil prices, caused by supply decisions made by global players such as OPEC, Saudi Arabia and Russia began to have significant impacts on the Canadian energy industry. These impacts have further impacted producer and investor confidence. In addition to these global factors, domestic developments affecting transportation capacity for petroleum products and the perception of regulatory and political impediments to development also impact capital spending in the energy industry. In the industrial sector, the on-going downturn in conventional oil and oil sands capital investment has continued in recent years with limited progress on pipeline capacity and continued resistance to the Trans Mountain ("**TMX**") and Keystone XL pipelines. Given the continued challenges facing development of the Canadian energy industry in 2019, many oil and gas producers took the opportunity to cancel or defer capital investments in new projects. The sustaining capital, or maintenance side of the energy industry is expected to be impacted to a lesser extent as producers seek to reduce costs by engaging long-term maintenance contract procurement processes. These procurement processes for maintenance are expected to create business growth opportunities through consolidation, but may be impacted by downward pressure on margins for service providers such as the Corporation's Industrial Group. There is also a possibility of increased activity resulting from the LNG Canada project's progression from final investment decision to project execution, which should affect activity in British Columbia and Alberta in coming years, however, macro economic conditions, the actions of protesters, and the response by governments, continue to create uncertainty. Impacts on the energy industry are expected to be more sensitive to global events than the mining sector (gold and potash), power generation (nuclear, hydroelectric, thermal, solar and wind), and petrochemical sector (LNG, plastics, bio-fuels) right across Canada.

In the public infrastructure sector, which affects the Buildings Group and Commercial Systems Group, despite the federal government's historic funding program to replace aging infrastructure and stimulate the economy (announced as $186 billion over 11 years) actual funding for capital projects that has been approved and released has fallen short of expectations. Going forward, the forecast remains positive for infrastructure spending, particularly in the high growth regions of British Columbia and Ontario while project deferrals and government spending cuts in Alberta continue to slow the pace of public infrastructure investment.

Private sector investment in the commercial and high density residential sectors on which the Corporation is reliant is variable across the country. In British Columbia and Ontario, investment and competition remain strong, while in Alberta, activities remain lower than prior to 2015. Accordingly, construction resources in Alberta remain largely oversupplied, while British Columbia and Ontario experience high demand for construction personnel and resources. Customers continue to place an emphasis on sustainability and focus on innovation such as LEED construction, innovative contracting solutions and Building Information Modeling. Going forward, Ontario, in particular in the Greater Toronto Area appears on track to grow and Vancouver and the surrounding lower mainland in British Columbia are expected to continue to see strong growth in construction and construction services to address high vacancy rates and high absorption rates for office space driving new investment.

DESCRIPTION OF THE BUSINESS

General Information

Stuart Olson provides general contracting and electrical building systems contracting in the institutional and commercial construction markets as well as general contracting, electrical, mechanical and specialty services, such as insulation, cladding and asbestos abatement, in the industrial construction and services markets.

Until 2016, the majority of the Corporation’s business activities were carried out in the four Western Canadian provinces (British Columbia, Alberta, Saskatchewan and Manitoba); however, since that time growth efforts have driven diversification of all the Operating Groups into Ontario, as well as Industrial Group activity in the Territories.

The services provided by each of the Operating Groups are sold directly to clients, owners engineers or architects, commercial general contractors, industrial general contractors or engineering, procurement and construction contractors. Sales and marketing activities include maintaining relationships with clients and prospecting for new opportunities through personal contact, submitting bids and proposals and limited advertising. Relationships with clients, subcontractors and suppliers, contracts with clients and the reputation associated with trade names, demonstrated project capabilities and past relationships, all have an impact on the business. From time to time subsidiaries of the Corporation executing work will also enter either incorporated or unincorporated joint ventures or consortiums in order to meet the needs of customers.

The Corporation’s business activity is largely driven by the decisions of businesses, institutions and governments to make capital investments and incur operating expenses. Each client type has unique factors that drive these capital investment and operating expense spending decisions. The following table outlines what the Corporation’s management believes are the primary factors influencing the spending decisions of its clients:

Client Type	Primary Factors Influencing Investment Decisions
Commercial/Institutional	• Market demand for facility use • Age of existing facilities and infrastructure • Prevailing construction costs and labour availability • Population growth and demographics • Federal, provincial and municipal government spending programs • Budgetary constraints
Industrial	• Expected long-term price of commodities such as hydrocarbons, uranium, petrochemicals, potash and precious metals • Prevailing construction costs and labour availability • Pipeline and rail capacity • Public infrastructure to support labour migration and transportation • Royalty and taxation regimes • Environmental constraints • Risk and reward expectations • Efficiency initiatives

Other than as described in this AIF, the sources, pricing and availability of raw materials, component parts or finished products are generally not a significant factor in any of the Corporation's Operating Groups as such costs are usually passed through by contract to the Corporation's clients. Each region in which the Corporation and its subsidiaries operate is subject to fluctuations in the availability of tradesmen and management personnel as well as, less frequently, some shortages of construction materials. Skilled trade labour and management personnel availability is driven by market activity and competitive pressures in each market. Any future labour and construction materials shortages could result in cost escalation and lower or higher contract margins depending on whether the Corporation's client specific commercial conditions allow it to absorb the additional costs associated with these shortages.

Given the nature of the construction business, the importance, duration and effect of identifiable intangible properties, such as copyrights, circulation lists, franchises, patents and trademarks is relatively limited. The Corporation does, however, rely upon the reputation of its brand names, the skills of its employees, proprietary processes and systems, consultation with stakeholders and enterprise resource planning software to efficiently manage its business.

Contract Revenue by Operating Group

Comparative contract revenue from the three Operating Groups is set forth in the following table:

Year Ended December 31 (\$000s, except percentage amounts)	**2019**		**2018**		**Increase (Decrease) 2019 over 2018**
Buildings Group	422,641	45%	452,414	47%	(29,773)
Commercial Systems Group	238,626	26%	233,171	24%	5,455
Industrial Group	273,743	30%	297,261	31%	(23,518)
Inter Segment Adjustments	(5,858)	(1%)	(16,438)	(2%)	10,580
Total Contract Revenue	929,152	100%	966,408	100%	(37,256)

BUSINESS, SERVICES, MARKETS AND COMPETITIVE ENVIRONMENT

The following sections of this AIF contain detailed descriptions of the business, services, markets and competitive environment of each of the Operating Groups.

Buildings Group

Overview

The Original Stuart Olson was founded by Mr. Stuart Olson in 1939 in Edmonton, Alberta. Dominion (including its predecessor companies) has provided construction services since 1911. The Corporation purchased the Original Stuart Olson from the Olson family in 1989. The Corporation then purchased Dominion in July 2010 and combined the operations of the two companies to form Stuart Olson Dominion Construction Ltd., which changed its name to "Stuart Olson Construction Ltd." in 2014 and rebranded to form the Buildings Group. The Buildings Group provides general contracting services including, stipulated price delivery, integrated project delivery, construction management and design build services, to private and public sector clients in the commercial, industrial and institutional sectors. Its projects generally entail the construction, expansion or renovation of buildings. The Buildings Group operates through its offices in Richmond, British Columbia; Calgary and Edmonton, Alberta; Winnipeg, Manitoba; and Mississauga, Ontario.

Most of the revenue generated by the Buildings Group is from repeat clients or arises through pre-qualification processes and select invitational tenders. The Buildings Group's business model is to pursue larger projects, and preferably, negotiated construction management type contracts rather than lump-sum, hard bid contracts. The Buildings Group subcontracts approximately 85% of its project work to subcontractors and suppliers and manages the construction process to deliver on its commitments. The high degree of subcontracting can have the effect of reducing the amount of capital required to operate and grow the business.

The Buildings Group uses alternative methods of project delivery as part of its general contracting scope of services, including integrated project delivery, construction management and design build approaches. These methods can provide cost reductions for clients flowing from project re-engineering efficiencies via pre-construction services and increased certainty of on-time and on-budget project completion. These alternative delivery methods have assisted the Buildings Group in building long-term relationships with clients while also optimizing the Corporation's project execution risk and improving contract margins.

The Buildings Group has targeted expansion of its participation in the larger projects market during the last five years by leveraging its large project experience. These larger projects have sometimes involved the participation in consortiums or joint ventures. Larger projects also generally have a greater duration with longer mobilization periods, which can enhance the predictability and sustainability of the Corporation's revenues and earnings and spreads risk as the economy rises and falls in the medium term.

Services

The Buildings Group provides general contracting services, including construction management, lump sum and design-build services in various market sectors. It specializes in construction management which involves tight collaboration from early design to handover among the owner, architect, engineer and builder ultimately responsible for construction of the project. The Buildings Group's work in this area has ranged from schools to high-rise buildings and hospitals and includes both new construction and renovation projects. The Buildings Group also provides other general contracting services, which include the provision of management, estimating, accounting, site management, field workers and equipment in order to complete projects. The Buildings Group also provides life cycle and energy modeling services including virtual design and construction ("**VDC**").

Market Sectors

The Buildings Group has experience in a wide range of projects in the public and private sectors, including education, recreation, multi-unit residential, retail, hospitality, high technology office, biotechnology and laboratory facilities, office buildings, health and seniors care and food processing, cold storage and distribution facilities. It focusses on the predictability and sustainability of revenue through project and market diversity.

Competition

The building construction market is highly competitive, with varying degrees of barriers to entry existing in the small-to-medium size project segment of the market, whereas significantly higher barriers to entry exist in the large project segment where bonding capacity, working capital availability and internal organizational capabilities restrict competitors. Competitive factors among the various market participants include: price and approach philosophies to project execution; risk management; relevant project experience; client relationships; quality of service; record in completing similar projects on time and on budget; subcontractor relationships; strength of project team; and performance bonding capability and overall financial strength.

Competitive Strengths

People – The Buildings Group views its people as its greatest competitive advantage and, in that regard, it attempts to provide them with the systems, processes, training and development opportunities to be successful.

Experience – The Buildings Group's detailed integrated project delivery methodology is based on years of successful construction management experience. The company was one of the first general contractors in Western Canada to introduce construction management, as far back as 1983, and has used that experience to refine its current business model.

Strong relationships with subcontractors – The Buildings Group enjoys strong relationships with a variety of different subcontracting firms who have gone through Stuart Olson's selection process, which facilitates the submission of competitive bids and also allows projects to be completed competitively and on a timely basis with an appropriately skilled labour force.

Value engineering and constructability evaluation – The Buildings Group has the ability to assist design consultants with design co-ordination review. The Buildings Group's team is technically proficient and motivated to make an impact on the projects that the company undertakes. Working with the project team, the Buildings Group reviews the design with respect to "constructability" from the earliest phases of design through to completion of working drawings. The Buildings Group's review extends beyond bricks and mortar issues and considers elements such as energy modeling and end of life cost analysis, labour and materials, environmental impact, people and processes.

Insurance coverage – The Buildings Group has entered into an innovative, yet well-tested sub-contractor risk management strategy provided by a leading commercial property-casualty insurance provider serving the global corporate market. Under this strategy, a portion of sub-contractor performance risk is retained by the Buildings Group, with the balance being transferred to the insurance provider. This risk management program is intended to provide extensive control over the subcontractor pre-qualification and credit risk evaluation processes, which directly enhances our ability to manage project risk more effectively and cost efficiencies for the Buildings Group.

Safety – The Buildings Group is continuously improving its safety programs as it develops and strengthens internal safety cultures. The commitment of the Buildings Group to safety and its proven track record is seen by management as a key competitive advantage in earning the trust of customers.

Geographic sector diversity – The Buildings Group has operations in each of British Columbia, Alberta, Manitoba and Ontario. By operating in geographically diverse markets, the Buildings Group reduces its dependence upon any one client base and spreads its overall business exposure across provinces with different economic drivers.

Seasonality

The Buildings Group's business is not particularly seasonal due to the larger size of its projects, although working conditions and productivity can be impacted by cold weather conditions during the winter months and rainy weather during the balance of the year.

Commercial Systems Group

Overview

The Commercial Systems Group operates under the brand name "Canem" and is comprised of Canem Systems Ltd. and its only operating subsidiary, McCaine. Since 1960, Canem (including its predecessor companies) has provided a broad range of services including designing, building, maintaining and servicing electrical and data communications systems for institutional, commercial, light industrial and multi-use low and high rise buildings. In 2019 the group began providing mechanical construction and maintenance services through its Ontario operations. The contractual arrangements between Canem and its clients typically take the form of lump sum or construction management contracts.

Canem maintains a head office in Richmond, British Columbia and provides its services through several operating offices in Richmond, Victoria and Nanaimo, British Columbia; Calgary, Edmonton, Red Deer and Lethbridge, Alberta; Saskatoon, Saskatchewan; Winnipeg, Manitoba; and Cambridge, Ontario.

Services

New construction and major renovation projects have generally accounted for the majority of Canem's work, while service and special projects have typically accounted for a relatively smaller portion. Canem's growth strategy includes expanding its service capability in all markets, leveraging typically higher service margins in support of large projects workload growth, while maintaining a ratio of projects/service in the range of 85/15. Canem's service rollout capability is national in scope, and executed by its own forces in Western Canada and Southwestern Ontario, and through a network of pre-qualified sub-contractors in the rest of Canada.

Market Sectors

Canem services the public and private sectors, which consist of institutional, commercial, agricultural, light industrial and multi-use low and high rise projects. Canem has a diverse customer base including general contractors, property managers and property owners, developers, government agencies, municipalities, colleges and universities, agriculture companies, big-box retailers and telephone and communications carriers.

Competition

Canem has historically provided a more comprehensive range of services and broader geographical presence than most of its competitors, which has enabled it to deliver a single source solution to clients. The competitive factors affecting Canem's business include: price and approach philosophies to project execution; relationships with clients and client representatives; scope of service capabilities; quality of service; record in completing similar projects on time and on budget; safety programs and safety record; performance bonding capability and financial strength; centralized project support functions such as estimating and procurement; high volume purchase discount capability; and relevant project experience.

Competitive Strengths

Size – Canem is one of the largest critical building systems contracting companies in Western Canada with significant large project experience and a proven track record.

Project controls – Canem has integrated its finance and technology systems and proprietary processes to enhance operating controls via three key initiatives: (i) centralized estimating, (ii) process, financial and systems integration with the Corporate and Other segment, and (iii) centralized procurement. These initiatives have contributed to improved productivity and are expected to enhance Canem's ability to deliver stronger sustainable net profitability in the long-term.

Focus on higher margin services and markets – Canem is able to select services and markets where the barriers to entry and margins are both high. These markets include large projects; highly complex projects that contain integrated building system components; projects that require extensive logistical expertise; and national service rollouts for clients.

Off-site assembly – Canem uses off-site assembly and modularization (pre-fabrication) of system components in order to enhance quality and improve on-site labour installation productivity.

Expertise – Canem's management believes that the company has advantages in technical expertise that provide it with: (i) access to higher margin design-build projects that use the capabilities of its in–house experts; (ii) access to growth markets, including agri-business, wireless telecommunications, fibre optics, video, security and fire systems; and (iii) the ability to deliver quality project information services (e.g. job completion status, labour forecasts, and detailed service and material and equipment billing information) with greater reliability than many of its competitors.

Safety – Canem is continuously improving its safety programs as it develops and strengthens internal safety cultures. Canem was recognized for Safety Excellence by Technical Safety B.C. with a British Columbia Lieutenant Governor's award for Significant Contribution to Electrical Safety – Contractors Division. The commitment of Canem to safety and its proven track record is seen by management as a key competitive advantage in earning the trust of customers. Canem is COR certified in all established markets (British Columbia, Alberta, Manitoba) and is expected to obtain COR certification in Saskatchewan, Ontario in 2020.

Seasonality

Canem's business is not typically affected by seasonal factors as most of its work is performed indoors.

Industrial Group

Overview

Through the MRO Division and the Construction Division, the Industrial Group is a unique service provider capable of providing clients across industrial business sectors with a fully integrated service delivery model designed to enhance performance throughout the lifecycle of a project. More and more, customers and clients are looking to streamline the delivery process and maximize results through integrated management solutions. Through the MRO Division and the Construction Division, the Industrial Group's comprehensive service offerings enable it to do just that by providing clients with integrated and tailored solutions designed to address the opportunities and challenges unique to every project.

MRO Division

The MRO Division supports it clients in either a single or multi-trade bundled service offering which reduces the total cost of delivery by removing margin stacking; optimizing project indirect staff; and lowering administrative costs both within the subcontractor's structure and the client's structure. The MRO Division is described in more detail below.

Overview of the MRO Division

The MRO Division has been in business for over 50 years and was created through both organic growth and a number of acquisitions. The MRO Division is based in Edmonton, Alberta and has offices in Fort McMurray, Red Deer and Calgary, Alberta; Regina, Saskatchewan; and Thunder Bay, Ontario. The MRO Division serves the resource and industrial sectors, including oil sands, oil and gas, petrochemical power generation and mining markets. Most of the MRO Division's client engagements involve multi-year, cost plus contractual arrangements.

Services

The MRO Division provides both union and non-union contracting, maintenance and turnaround services in many industrial trades. These include electrical and instrumentation; mechanical; mechanical process insulation; industrial metal siding and cladding; scaffolding; HVAC; fire-stopping; heat trace tubing; and asbestos abatement. In addition, the MRO Division provides a full range of technical services on high voltage equipment ranging from 480V to 500KV, including project planning, acceptance testing, start-up and commissioning, maintenance, maintenance testing, infrared scanning, transformer assembly and repair, cable terminations and reliability studies.

Market Sectors

The MRO Division provides contracting services to clients in the oil sands, oil and gas, petrochemical, power generation and mining industries. In particular, the MRO Division is most active in the Fort McMurray and Edmonton area construction and maintenance markets. The MRO Division's clients include engineering firms, general contractors for new construction and maintenance contractors and industrial owners.

Competition

The competitive factors affecting the MRO Division include: price and solution driven approaches to project execution; management information systems; client relationships; scope of service capabilities; quality of service; record of completing similar projects on time and on budget; operating plant experience (brownfield); safety programs and record; performance bonding capability and financial strength; owner's preference for union versus non-union workforce; and relevant project experience.

Competitive Strengths

Brand name prevalence and experience – Management believes that Stuart Olson, including its endorsed brands is one of the more prominent MRO contractors operating in the Canadian oil sands industry. It has a significant and long performance history with multiple industrial owners, which has resulted in continued recognition and strong relationships within the market sector.

Strong project management and execution – The project management team in the MRO Division has a proven track record for delivering projects ahead of client schedules, all the while meeting or exceeding client expectations.

Ability to access labour – The strong relationship that the MRO Division has with the building trades and its union-contractor status enables it to access a reliable and qualified trade labour supply via the local union halls. In addition, the MRO Division is well connected in the market to provide access to non-union labour sources and as such, it has been able to successfully access labour in the midst of province-wide labour shortages. This can be beneficial during periods of major plant turnarounds and other unexpected events that require a large volume of craft labour to mobilize for short durations and to source labour supply for longer maintenance contract opportunities.

Management experience – The MRO Division's senior leadership team has considerable experience in the maintenance services markets with a proven track record of strong project execution. The team has been able to leverage these skills to secure projects of all sizes and has a proven track record for delivering projects ahead of client schedules.

Safety – The MRO Division is continuously improving its safety and loss prevention programs as it develops and strengthens its internal safety culture. The commitment of the MRO Division to safety and proven track record is seen by management as a key competitive advantage in earning the trust of its customers.

Construction Division

The Construction Division, within the Industrial Group, is a full service, self-performing general contractor operating from British Columbia to Ontario and in the Territories. The Construction Division is described in more detail below.

Overview of the Construction Division

The Construction Division is based in Sudbury, Ontario and commenced its operations in 2011. It provides industrial electrical, instrumentation, power line, millwrighting, structural steel, equipment installation, civil construction, mechanical and structural construction, pipeline construction and maintenance services. It serves the resource, municipal and industrial sectors, including oil and gas, petrochemical, power generation, utility infrastructure, mining and water and wastewater markets. The Construction Division's client engagements involve both lump sum and cost plus contractual arrangements.

Services

The Construction Division is a full service general contractor that self-performs a large proportion of the work it undertakes. This multi-faceted approach allows it to gain early access to new projects by providing temporary power services for initial project phases; ongoing electrical, mechanical and instrumentation installation during construction phases; full project commissioning; and value added services of continued operations and maintenance support for operating facilities.

Market Sectors

The Construction Division provides full service General Contracting services to clients in the oil and gas, petrochemical, power generation, mining and water and wastewater industries. Most of its activity is in the mining and power generation sectors. The clients and partners of the Construction Division include engineering firms, prime contractors, indigenous controlled entities, industrial owners, and municipal or provincial energy providers.

Competition

The competitive factors affecting the Construction Division include: price and solution driven approach philosophies to project execution; management information systems; client relationships; scope of service capabilities; quality of service; record of completing similar projects on time and on budget; operating plant experience; safety programs and record; performance bonding capability and financial strength; owners' preference for union versus non-union workforce; and relevant project experience.

Competitive Strengths

Brand name prevalence and experience – Management believes that the Stuart Olson brand has a positive reputation, giving it a distinct competitive advantage in terms of the depth of the experience of its management team and its ability to leverage its industrial experience.

National presence – The Construction Division is recognized as a local contractor to the mining industry in the Sudbury and Thunder Bay areas, where activity in the mining sectors is high but also has project management teams that can support projects from British Columbia to Ontario, and in the Territories.

Strong project management and execution – The project management team in the Construction Division has a proven track record for delivering projects ahead of client schedules.

Ability to access labour – The strong relationship that the Construction Division has with the building trades and its union-contractor status enables it to access a reliable and qualified trade labour supply via the local union halls. In addition, the Construction Division is well connected in the market to provide access to non-union labour sources. This dual sourcing of labour can be beneficial during periods of major construction and other unexpected events that require a large volume of craft labour to mobilize for short durations, or alternatively, to source labour supply for smaller short term competitive construction opportunities.

Powerline and substation work – The Construction Division can perform “greenfield” electrical infrastructure work on industrial construction projects providing it with early entry onto new sites. This enables it to establish good working relations with the project owner and can result in the company being invited to participate in requests for proposals as a preferred supplier during engineering and design phases, or for subsequent projects.

Safety – The Construction Division is continuously improving its safety and loss prevention programs as it develops and strengthens its internal safety culture. The commitment of the Construction Division to safety and its proven track record is seen by management as a key competitive advantage in earning trust of customers.

HEALTH, SAFETY AND ENVIRONMENT

Stuart Olson and its subsidiaries are subject to federal, provincial and municipal health, safety and environmental (“**HS&E**”) legislation and regulations. Stuart Olson recognizes that it must conduct its business in a manner that protects workers, communities, the public, client assets and in a manner that preserves the natural environment. Stuart Olson acknowledges its responsibility to be in compliance with all applicable legislation and regulations. Stuart Olson and its subsidiaries have detailed processes and procedures to assist the Corporation in meeting its legal, employee, community and ethical obligations. These procedures and processes include policies, training programs and governance oversight.

The Board of Directors has established a Health, Safety and Environment Committee to provide oversight of the Corporation’s compliance with applicable legislation and regulations, and to maintain a continuous focus on a culture of safety. The Health, Safety and Environment Committee is supported by an integrated HS&E Council consisting of senior management and safety representatives from each Operating Group in order to monitor performance and facilitate the sharing of best practices.

The financial and operational effects of environmental protection and compliance requirements on the capital expenditures, earnings and competitive position of Stuart Olson are not expected to be material in the 2020 financial year.

EMPLOYEES

Stuart Olson and its subsidiaries had 605 salaried employees on December 31, 2019. Stuart Olson’s operating subsidiaries also employ additional construction personnel on an hourly and subcontract basis, which vary within a range of 65 to 85 people depending on the number, size and stage of active projects. As at December 31, 2019, Stuart Olson and its subsidiaries employed 2,405 hourly personnel. The table below sets out the number of hourly and salaried employees of the Corporation by the reportable segments of the Corporation.

Segment	**Hourly**	**Salaried**	**Total**
Buildings Group	211	224	**435**
Commercial Systems Group	804	141	**945**
Industrial Group	1,390	127	**1,517**
Corporate and Other	-	113	**113**
Total	**2,405**	**605**	**3,010**

DIVIDENDS

On May 25, 2011, Stuart Olson announced the declaration of its first quarterly dividend of $0.12 per Common Share for the second quarter of 2011. Stuart Olson did not declare any dividends at any time prior to the second quarter of 2011. Stuart Olson also announced on June 20, 2011 the commencement of its dividend reinvestment plan (the "**DRIP**"). The DRIP allows Stuart Olson shareholders to elect to direct that any portion of any future cash dividends paid by Stuart Olson be reinvested in Common Shares, which when issued from treasury, are issued at 95% of the weighted average market price of the Common Shares on the TSX for the 10 days preceding the dividend payment date.

Stuart Olson paid a quarterly dividend of $0.12 or $0.48 per Common Share until the first quarter of 2019. On March 5, 2019, the Corporation announced that it would reduce its quarterly dividend to $0.06 per Common Share. On November 6, 2019, the Corporation announced the suspension of its quarterly dividend.

During 2019, the Corporation made dividend payments totalling approximately $6.8 million. During 2018 and 2017, the Corporation made dividend payments totalling approximately $10.8 million and $10.7 million respectively. Since the introduction of the quarterly dividend, the Corporation has returned $3.90 per Common Share or approximately $101.2 million to shareholders.

The amount of future dividends, if any, will be determined by the Board from time to time and will be subject to the Corporation's earnings, financial requirements, Credit Facility restrictions and other conditions prevailing at that time. The record date for the payment of dividends, if declared, is typically set as the last day of the applicable financial quarter and the payment date follows approximately two weeks thereafter.

CREDIT FACILITY

Stuart Olson entered into the second amended and restated credit facility (the "**Credit Facility**") on November 6, 2019 with a syndicate of lenders and an administrative agent. See the section of this AIF with the heading "*Material Contracts*" for further information about the Credit Facility and the sections with the heading "*Three Year History of the Business – 2016*", "*Three Year History of the Business – 2017*" and "*Three Year History of the Business – 2018*" for a description of historical amendments to the Credit Facility.

CAPITAL STRUCTURE

General Description of Share Capital

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares. As at December 31, 2019, there were 28,193,928 Common Shares and no Preferred Shares issued and outstanding.

Common Shares

The holders of Common Shares are entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class or series of shares of Stuart Olson, to receive any dividends declared by Stuart Olson on the Common Shares, to receive notice of, attend and vote at all meetings of the shareholders of Stuart Olson and, upon a ballot, are entitled to one vote for each Common Share held. In the event of the liquidation or winding-up of Stuart Olson or any other distribution of the assets of Stuart Olson among its shareholders for the purpose of winding-up its affairs, holders of Common Shares have the right, subject to the rights, privileges, restrictions and conditions attaching to any other class or series of shares of Stuart Olson, to share rateably in all such distributions in proportion to the number of Common Shares held by them.

Preferred Shares

Subject to the provisions of the ABCA, the provisions applicable to the Preferred Shares as a class and to the provisions of any outstanding series of Preferred Shares, the Board of Directors is authorized to fix the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Shares. The Preferred Shares are non-voting, except as provided by law or as otherwise determined by the Board of Directors before the issue thereof.

Debentures

The following is a brief summary of certain attributes and characteristics of the outstanding debentures of the Corporation and certain principal provisions of the trust indenture providing for the issuance of those debentures. The following does not purport to be complete and for full particulars, reference should be made to the 2019 Indenture (as defined herein) available under the Corporation's profile on SEDAR at www.sedar.com.

General Information

On October 23, 2019, the Corporation completed the financing of $70 million in convertible debentures (the "**2019 Debentures**") pursuant to a trust indenture between the Corporation and Computershare Trust Company of Canada, as trustee, dated September 20, 2019 (the "**2019 Indenture**"). As at December 31, 2019, there were $70.0 million aggregate principal amount of debentures issued and outstanding. All of the 2019 Debentures were purchased by Canso in its capacity as portfolio manager on behalf of certain accounts managed by it. The 2019 Debentures mature on September 20, 2024 and are not publicly traded, provided that, as described below, the trustee may require the Corporation to use reasonable commercial efforts to list the 2019 Debentures on the Toronto Stock Exchange.

Interest Rate, Repayment and Conversion

The 2019 Debentures are direct, subordinated unsecured obligations of Stuart Olson and rank equally with one another and with all of Stuart Olson's other existing and future subordinated unsecured indebtedness. The 2019 Debentures were issued in principal amount denominations of $1,000 and bear interest at a rate of 7.00% per annum, payable semi-annually in arrears on June 30 and December 31 of each year. Stuart Olson may elect, from time to time, provided that there is not a current event of default under the 2019 Indenture, and subject to applicable regulatory approval, to satisfy its obligation to pay interest on any interest payment date (including following conversion, at the time of redemption, or at the time of maturity): (i) in cash; (ii) by delivering Common Shares to the trustee, in which event the holders of the 2019 Debentures will be entitled to receive a cash payment equal to the interest payable from the proceeds of the sale of such Common Shares by the trustee; or (iii) any combination of (i) and (ii) above. The 2019 Debentures are convertible at the holder's option into Common Shares at any time, subject to prior redemption or recall for purchase pursuant to a Change of Control (as defined below), prior to the close of business on the business day immediately prior to September 20, 2024 at a conversion price of $4.87 per Common Share (subject to adjustment in certain circumstances). The 2019 Debentures are not redeemable by Stuart Olson before September 20, 2023. On and after September 20, 2023 and prior to September 20, 2024, the 2019 Debentures are redeemable in whole or in part from time to time at the option of Stuart Olson on not more than 60 days' and not less than 30 days' notice at a price equal to 100% of the principal amount plus accrued and unpaid interest.

Change of Control

In the event of a Change of Control transaction, Stuart Olson shall be required to offer to purchase all of the 2019 Debentures on the date that is 30 business days after the date that notice of the offer respecting such Change of Control is delivered by Stuart Olson to the holders of 2019 Debentures. The offer to purchase the 2019 Debentures in connection with a Change of Control must be at a price equal to 101% of the principal plus accrued and unpaid interest. Additionally, if a Change of Control occurs in which 10% or more of the consideration for the Common Shares in the transaction or transactions constituting a change of control consists of: (i) cash; (ii) trust units, limited partnership units or other participating securities of a trust, limited partnership or similar entity; (iii) equity securities that are not traded or intended to be traded immediately following such transactions on a recognized stock exchange; or (iv) other property that is not traded or intended to be traded immediately following such transactions on a recognized stock exchange (a "**Cash Change of Control**"), then, subject to regulatory approvals, during the period beginning ten trading days before the anticipated date on which the Cash Change of Control becomes effective and ending 30 days after the Cash Change of Control purchase offer is delivered, holders of 2019 Debentures will be entitled to convert their 2019 Debentures and, subject to certain limitations, receive, in addition to the number of Common Shares they would otherwise be entitled to receive, an additional number of Common Shares per $1,000 principal amount of 2019 Debentures as set forth in the 2019 Indenture. A "Change of Control" in the context of the 2019 Debentures is generally defined as: (i) the direct or indirect, sale, lease, transfer or disposition of substantially all of the assets and property of the Corporation and its subsidiaries pursuant to a transaction or series of transactions to a person or persons acting jointly and in concert, other than a sale, lease, transfer or disposition amongst the Corporation and its subsidiaries; (ii) the consummation of any transaction or series of transactions, including any merger, reorganization, amalgamation or arrangement that results in a person or persons acting jointly or in concert, holding directly or indirectly over 50% of the aggregate voting power of the voting shares of the Corporation; (iii) the merger, reorganization, amalgamation or arrangement of the Corporation and its subsidiaries pursuant to a transaction or series of transactions with or into another entity unless the holders of over 50% of the voting shares immediately prior to such transaction or series of transactions hold over 50% of the aggregate voting shares of the surviving or transferee entity; (iv) the change, during any twelve (12) month period of a majority of the members of the Board of Directors (other than Directors nominated and approved by a majority of the duly elected Directors); or (v) the adoption of a plan for the liquidation or dissolution of the Corporation.

Other Covenants and Restrictions

The Corporation is also required, on the written request of the trustee, made pursuant to an extraordinary resolution of the holders of the 2019 Debentures, to use reasonable efforts to list the 2019 Debentures on the Toronto Stock Exchange. Pursuant to the terms of the 2019 Indenture, the Corporation has agreed to certain negative covenants that prohibit it from incurring any additional debt other than certain permitted debt or incurring any liens other than certain permitted liens, for the purposes of which negative covenants, the specific meanings of debt, permitted debt, liens and permitted liens are set forth in the 2019 Indenture. The terms of the 2019 Indenture also prevent the Corporation from undertaking or announcing any rights offering, issuance of securities, distribution of cash or property or other subdivision or reorganization of the Common Shares in which the number of shares to be issued, the price at which securities are to be issued, or the property or cash to be distributed, is in whole, or in part, determined with reference to, or as a function of, the exercise or potential exercise by the Corporation of its right to redeem the 2019 Debentures in Common Shares, or the market price of the Common Shares determined in connection with the exercise or potential exercise of the Corporation's right to redeem the 2019 Debentures in Common Shares.

Shareholder Rights Plan

Stuart Olson has a shareholder rights plan (the "**Rights Plan**") that was adopted to ensure, to the extent possible, that all shareholders of Stuart Olson are treated fairly in connection with any take-over bid for Stuart Olson. The Rights Plan creates a right that attaches to each present and subsequently issued Common Share. Until the separation time, which would generally occur at the time of an unsolicited take-over bid whereby a person acquires or attempts to acquire 20% or more of the Common Shares, the rights are not separable from the Common Shares, are not exercisable and no separate rights certificates are issued. When exercisable, each right will entitle the holder (other than the 20% acquirer) to purchase from Stuart Olson that number of Common Shares having an aggregate market price equal to twice the exercise price (i.e. at a 50% discount). For example, if the exercise price is $75 and the market price of the Common Shares is $25, the holder of each right would be entitled to purchase Common Shares having an aggregate market price of $150 for $75. The Rights Plan was amended in 2016 which amendments were approved at and reconfirmed at the 2016 annual meeting of shareholders of Stuart Olson. The Rights Plan together with certain additional amendments was approved by shareholders of Stuart Olson at the Corporation's annual and special meeting of shareholders held on May 22, 2019, and, unless renewed, or terminated by the Board of Directors at an earlier date, will expire at the third annual meeting of shareholders held after May 22, 2019.

DIRECTORS AND OFFICERS

The Board of Directors

The following are the names and municipalities of residence of the directors of the Corporation as at December 31, 2019 and their respective principal occupations during the last five years. Each director will hold office until the next annual meeting of shareholders or until a successor is elected or appointed.

Name and Municipality of Residence	Principal Occupation During Preceding Five Years	Service as a Director since
Gary M. Collins Vancouver, British Columbia	Non-executive corporate director and a Senior Advisor at Lazard Canada Inc., a financial advisory and asset management firm. Until it was purchased by Essilor International in 2014, Mr. Collins was the President of Coastal Contacts Inc., the world's leading online direct-to-customer retailer of replacement contact lenses and eye glasses. Former member of the British Columbia Legislative Assembly holding the portfolio of Minister of Finance. Mr. Collins currently serves as a director of Chorus Aviation Inc., Rogers Sugar Inc. and Fiera Capital Corporation.	May 22, 2019

Name and Municipality of Residence	Principal Occupation During Preceding Five Years	Service as a Director since
	Mr. Collins was previously a director of Liquor Stores of North America, D-Box Technologies Inc. and Catalyst Paper Corp.	
Raymond D. Crossley, CPA/CA Calgary, Alberta	Chief Financial Officer of the Calgary Health Trust since December 2017 and has served on the Board of Directors of Obsidian Energy Ltd. since 2015. Prior to his retirement in 2015, Mr. Crossley had a 33 year career at PricewaterhouseCoopers where he held roles as Managing Partner, Western Canada and Managing Partner of the Calgary office. In 2018 Mr. Crossley was appointed as a Member of the Alberta Securities Commission, and has served on the Board of Canada West Foundation since 2013. Mr. Crossley also served on the board of Pure Technologies Ltd. from 2015 until its sale in 2018.	August 30, 2018
Chad Danard, B.Comm. Calgary, Alberta	Senior Managing Director at TriWest Capital Partners (a Calgary-based private equity firm) since March 2005. Prior thereto, Associate of Morgan Stanley (an international investment bank).	May 22, 2014
David C. Filmon Q.C., B.Comm., LLB[(1)] Winnipeg, Manitoba	Partner at the predecessor law firm to MLT Aikins LLP ("**MLT Aikins**") since 1998. Mr. Filmon currently serves as the Chair of MLT Aikins, Western Canada's third largest law firm, and is a Member of the firm's Executive Board. Mr. Filmon also serves as Chair of the board of CentrePort Canada and on a number of private company boards.	August 30, 2018
Mary C. Hemmingsen, CPA Vancouver, British Columbia	Executive Advisor since 2019, Director of Bonavista Energy Corporation since 2019, Board Chair of Trace Water Solutions Inc. Executive Vice President and Chief Financial Officer of North West Innovation Works since 2017 and member of the Advisory Board of InstarAGFAsset Management Inc. since 2017. Ms. Hemmingsen served as a KPMG Canada Partner, Canadian Power and Utilities Lead and KPMG's Global Head Gas and LNG from 2013 until 2017.	December 3, 2018
David J. LeMay, MBA Calgary, Alberta	President and Chief Executive Officer of the Corporation since June 1, 2013 and Chief Operating Officer Buildings Group since June 28, 2018. Prior thereto, President and Chief Operating Officer of the Corporation from August 2012 to May 2013. Prior thereto, President and Chief Operating Officer, Churchill Services Group from January 2012 to August 2012; prior thereto, President and Chief Operating Officer, and Vice President Operations at Laird Electric.	June 1, 2013
Carmen R. Loberg Calgary, Alberta	Corporate Director. Mr. Loberg was a director of HNZ Group Inc. prior to its change in ownership in December 2017, he is a director of McCoy Corporation and the Vancouver Fraser Port Authority (Port Metro Vancouver).	July 1, 2009
Ian M. Reid, B.Comm.[(2)] Edmonton, Alberta	Non-executive Corporate Director and independent businessperson. Mr. Reid serves on the board of OceanaGold Corporation, for which it has been announced that he is expected to be appointed non-executive chair starting in June 2019. He also serves on the boards of Canadian Western Bank, Fountain Tire Ltd., Associated Engineering and Voice Construction OPCO ULC.	May 17, 2007
Kerry R. Rudd, B.Sc., P.Eng. Victoria, British Columbia	Non-executive Corporate Director, and, until 2019, CEO of the Associated Engineering Group of companies, where he worked for 38 years.	May 22, 2019

Notes:

(1) Mr. Filmon is the Chair of the Corporation.

(2) Mr. Reid retired from the Board of Directors on January 1, 2020.

Board Committee Members

The Board has four committees, being the Audit Committee, the Human Resources and Compensation Committee, the Corporate Governance and Nominating Committee and the Health, Safety and Environment Committee. The members of each of these committees as at March 5, 2020 were as set out in the table below. As Chair of the Corporation, Mr. Filmon is an *ex-officio* non-voting member of every Committee.

Audit Committee	Corporate Governance and Nominating Committee	Health, Safety and Environment Committee	Human Resources and Compensation Committee
Raymond D. Crossley (Chair)	Gary M. Collins	Mary C. Hemmingsen	Chad Danard (Chair)
Chad Danard	Raymond D. Crossley	Carmen R. Loberg	Gary M. Collins
Mary C. Hemmingsen	Carmen R. Loberg (Chair)	Kerry R. Rudd (Chair)	Carmen R. Loberg
			Kerry R. Rudd

Executive Officers

Other than Mr. LeMay who sits on the Board, and is referred to above, the following are the names and provinces of residence of the executive officers of Stuart Olson and its Operating Groups. The information is given for all executive officers as at December 31, 2019, and their respective principal occupations during the last five years.

Name and Municipality of Residence	Principal Occupation During Preceding Five Years
Dean R. Beacon, B.Comm.[(1)] Calgary, Alberta	Executive Vice President and Chief Financial Officer since January 24, 2020 and prior thereto, interim Chief Financial Officer of the Corporation from September 16, 2019. Retired from June 2017 to August, 2019. Prior thereto, Senior Vice President Finance, and Chief Financial Officer of Canexus Corporation, Calgary, Alberta, from May 2015 to May 2017. Prior thereto, Vice President, Strategy, Risk and Business Development of Canexus Corporation, Calgary, Alberta, from April, 2014 to April, 2015.
Anna-Maria Cuglietta, BA, MBA St. Albert, Alberta	Vice President Human Resources since March 2018. Prior thereto, Sr. Director Human Resources since April 2016. Prior thereto, Vice President Human Resources at Gateway Mechanical from 2013-2016. Prior thereto, Vice President Human Resources at SCM Insurance Services from 2011 to 2013.
Joette Decore, B.Sc., MBA[(2)] Edmonton, Alberta	Executive Vice President, Strategy and Development of the Corporation since June 1, 2015. Prior thereto, Vice President, Strategy and Development of the Corporation since December 2012. Prior thereto, Vice President, Corporate Development of the Corporation from November 2010 to December 2012. Prior thereto, Vice President of Strategic Planning and Human Resources and Vice President, Performance Improvement of the Corporation. Prior thereto, management consultant with the management consulting division of PricewaterhouseCoopers from 2000 to 2008.
Bill Pohl, B. Mgmt., CA Calgary, Alberta	Vice President Finance Operations since November 2017. Prior thereto, Vice President Finance since July 2013. Prior thereto, Director of Accounting at URS Flint, a part of URS Corporation from June 2012 until July 2013. Prior thereto, Senior Business Director at URS Canadian Operations Ltd., a part of URS Corporation from September 2009 until June 2012. Prior thereto, Senior Manager Accounting and Finance at KBR Canada Ltd., a part of KBR Inc. from November until August 2009. Prior thereto, General Accounting Manager at Weatherford Canadian Partnership, a part of Weatherford International from February 2004 until October 2007.
Richard Stone, B.Comm, LLB, Calgary, Alberta	Vice President, General Counsel and Corporate Secretary of the Corporation since November 2016. Prior thereto, Partner at Bennett Jones LLP since November, 2015. Prior thereto, Vice-President, Legal and Corporate Secretarial at the ATCO Group from January 2014 until October 2015. Prior thereto, associate lawyer, Bennett Jones LLP from May 2007 to December 2013.

Notes:

(1) Mr. Beacon started as interim Chief Financial Officer on September 16, 2019 and assumed the role of Executive Vice President and Chief Financial Officer on January 24, 2020.
(2) Ms. Decore's employment with the Corporation ended on December 31, 2019.

Name and Municipality of Residence	Principal Occupation During Preceding Five Years
Operating Group Executives	
John Krill, P.Eng., MBA Calgary, Alberta	Chief Operating Officer, Commercial Systems Group since March 20, 2017. Prior thereto, from March 2016 to April 2017, Chief Operating Officer of Ainsworth Inc., a multi-trade maintenance and service contractor across Canada. Prior thereto, from 2011 to 2016, an executive with Ainsworth Inc. During the period of 2000 - 2014, served as Chairman of the Board of Directors for Woodstock Hydro Services Inc., a privately held medium sized electrical distribution company in Ontario.

As at December 31, 2019, the directors and executive officers of the Corporation, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 435,064 Common Shares, or approximately 1.54% of the issued and outstanding Common Shares of the Corporation. The information as to the beneficial ownership of the Common Shares, not being within the knowledge of the Corporation, has been confirmed by the directors and executive officers of the Corporation individually.

CORPORATE CEASE TRADE ORDERS AND BANKRUPTCIES

To the knowledge of management, except as otherwise disclosed herein, no director or executive officer of the Corporation is, or has been, within the past 10 years before the date hereof, a director or executive officer of any issuer that: (i) while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation for a period of more than 30 consecutive days, or was subject to an event that resulted, after the person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation for a period of more than 30 consecutive days; or (ii) while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Danard was appointed to the boards of directors of Innova Global Inc. and certain of its subsidiaries on December 20, 2018. He ceased being a director of Innova Global Inc. and such subsidiaries on March 31, 2019. Innova Global Inc. and certain of its subsidiaries were placed into receivership on April 1, 2019.

CONFLICTS OF INTEREST

Certain directors and officers of the Corporation and its subsidiaries are associated with other reporting issuers or other corporations which could, at times, give rise to conflicts of interest. In 2019, and as of the date of this Annual Information Form there were no conflicts of interest. Directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Corporation are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Corporation.

MARKET FOR SECURITIES

Common Shares

The Common Shares are listed and posted for trading on the TSX under the stock market symbol “SOX”. The following is a summary of the price ranges as well as the total monthly volumes traded on the TSX from January 1, 2019 to December 31, 2019.

Period	High ($)	Low ($)	Volume
January 2019	5.84	4.85	1,339,300
February 2019	5.65	5.06	655,630
March 2019	5.62	4.12	2,048,260

April 2019	4.87	4.00	1,397,010
May 2019	4.70	3.71	1,054,050
June 2019	4.00	3.28	948,430
July 2019	3.87	3.25	782,970
August 2019	3.62	2.66	698,961
September 2019	3.28	2.75	470,945
October 2019	3.20	2.62	576,945
November 2019	2.80	1.20	2,429,800
December 2019	2.24	1.31	2,275,630

RISK FACTORS

The Corporation is subject to certain risks and uncertainties that are common in the construction industry and that may affect future performance. The risks described below are not exhaustive. The Corporation operates in a very competitive and ever-changing environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on the Corporation's business.

Access to Capital and Liquidity

Stuart Olson is reliant on external sources of financing to meet its ongoing operational needs. The Corporation uses available liquidity from its Credit Facility to ensure that it has sufficient working capital to fund operations and meet its financial obligations. The interest rate payable under the Credit Facility is subject to change based on the amount of indebtedness and other factors. The Corporation's ability to make interest payments on the Credit Facility, as well as the scheduled payments of principal and interest on the 2019 Convertible Debentures, could be negatively impacted by operational or other internal events or external events that affect the Corporation's liquidity. In addition, a tightening of capital markets generally, or deterioration of the Corporation's share price or operational or financial performance, may affect its ability to raise funds or the cost of raising funds, which may in turn restrict the Corporation's ability to fund future growth initiatives. There can be no assurance that, if, as and when Stuart Olson seeks equity or debt financing or re-financing, it will be able to obtain the required financing or re-financing on favourable commercial terms, or at all. Any such future financing or re-financing may also result in dilution to existing shareholders.

The Operations of the Corporation are Dependent on the Price of Oil and Natural Gas which are Highly Sensitive to External and Global Factors

Macro-economic and geo-political factors associated with oil and natural gas supply and demand are prime drivers for pricing and profitability within the oil and natural gas industry. These factors include the consequences of global price wars or supply actions of major oil-producing countries and the widespread impacts of other global events such as wars or pandemics, all of which can result in rapid and significant changes to commodity prices, interest rates and other key economic variables that impact the Canadian economy and the Corporation's customers. Because the Corporation has traditionally derived the majority of its revenues in western Canada, particularly Alberta, when oil and natural gas prices are relatively high, demand for the Corporation's services is high, while the opposite is true when oil and natural gas prices are low. Volatility of oil and natural gas prices can often impact the Corporation's service offerings negatively due to the impact that uncertainty has on the spending decisions of customers.

Some of the Corporation's accounts receivable are with customers involved in the oil and natural gas industry, whose revenues may be impacted by fluctuations in oil and natural gas prices. The collection of receivables may be adversely affected by any prolonged weakness in oil and natural gas prices.

Global Pandemics

On January 30, 2020, the World Health Organization declared the COVID-19 outbreak to be a public health emergency of international concern, and on March 11, 2020, COVID-19 was declared to be a pandemic. Since that time the sweeping impacts of the virus and the various countermeasures instituted by governments across the globe and at all levels have had significant and unparalleled effects on the global economy and society in general. The operations of the Corporation are highly sensitive to such sweeping impacts and risks. A global pandemic can result in widespread illnesses and even deaths, can impact the health of the Corporation's workforce and can prevent the Corporation from being able to carry on its operations whether due to direct impacts or indirect impacts though its customers and suppliers. These impacts can severely limit the Corporation's ability to operate and to generate revenues or cash flows, while its ability to eliminate or reduce costs during such times would be limited. In such circumstances, the Corporation could suffer significant financial losses and a deterioration in its creditworthiness and therefore have a material adverse effect on the Corporation. Even though the effects of a pandemic may only last for a short time period, the resulting impacts to the Corporation and the economy could remain for months or even years after the initial event.

Repayment of Credit Facility

The Credit Facility has a maturity date of July 16, 2021, on which date, the entire indebtedness under the Credit Facility is due and payable. Unless the Corporation completes one or more financings in order to raise new capital, or unless it is able to extend the Credit Facility or enter into a replacement credit facility, there is a risk that the Corporation will be unable to repay the amounts owing, in which case it could become the subject of creditor proceedings.

Collection of Recognized Revenue

Change orders (also commonly called variations in the context of construction) modify the nature or quantity of the work to be completed under a contract. These change orders are typically issued at the request of, or for the benefit of clients or parties responsible for design and engineering, and often occur in the middle of execution of a project. Final pricing of and payment for these change orders is often negotiated after the changes have been started or completed and may ultimately only be determined after a formal or informal claim process, while accounting rules and practices may dictate that the Corporation recognize a reasonable amount of revenue associated with the unresolved change orders or claims prior to actual collection. In such cases, the applicable revenue recognition rules require management to exercise its best judgment as to the likely outcome of a change order or claim once ultimately resolved. Management exercises this judgment pursuant to rigorous internal controls, and practices and procedures, which are designed to ensure that the ultimate outcome is estimated as accurately and reasonably as possible in the circumstances at the time of estimation. Despite these efforts there remains a possibility that a change order or claim, once ultimately resolved, may result in less revenues, and potentially significantly less revenues, than originally estimated, resulting in a requirement to make financial adjustments to current or prior periods. Disputes regarding the quantum of unpriced change orders or claims require an investment in working capital and put pressure on the Company's access to liquidity. They also could impact the Corporation's profitability on a particular project, its ability to recover costs, or in a worst case scenario, result in significant project and/or financial losses. The timing of the resolution of these events can have a material impact on income and liquidity and thus can cause fluctuations in the revenue and income of the Corporation in any prior, current or future reporting period.

Performance Bonds and Contract Security

Stuart Olson companies are often required to provide performance and labour and material payment bonds as assurance for contract completion. The surety industry can be subject to a degree of instability and uncertainty as a result of industry events or economic conditions, which may constrain the overall industry capacity. Furthermore, the issuance of bonds under the Corporation's surety program is at the sole discretion of the surety companies on a project by project basis. As such, even sizable sureties may be unwilling to guarantee bonding support on every project. Although the Corporation believes that it will be able to continue to maintain adequate surety capacity under the Surety Program to satisfy its requirements, should those requirements be materially greater than anticipated, or should sufficient surety capacity not be available to the Corporation for any reason, this may have an adverse impact on the ability of the Corporation to operate its business or take advantage of all market opportunities.

Certain of the Corporation's contractual requirements may also involve financing elements, where the Corporation is required to provide one or more letters of credit, performance bonds or financial guarantees. There can be no assurance that the Corporation will be able to obtain the necessary financing on favourable or commercially reasonable terms and conditions to satisfy such requirements, nor that its working capital and bonding facilities will be adequate in order to issue the required letters of credit and performance bonds. This may result in the Corporation not obtaining or losing certain projects and/or contracts.

Industry and Inherent Project Delivery Risks

The Corporation performs construction activities under a variety of contracts including lump-sum, guaranteed maximum price, cost reimbursable and design-build. Some forms of these construction contracts carry more risk than others.

Historically, a portion of the Corporation's revenue has been derived from lump-sum contracts pursuant to which a commitment is provided to the owner of the project to complete the project at a fixed price ("**Lump Sum**") or guaranteed maximum price ("**GMP**"). In Lump Sum and GMP projects, in addition to the risks associated with a fixed unit price contract (as described below), any errors in quantity estimates or schedule delays or productivity losses, for which contracted relief is not available, must be absorbed within the Lump Sum or GMP, thereby adding a further risk component to the contract. These contracts, given their inherent risks, may from time to time result in significant financial losses on projects. The failure to properly assess a wide variety of risks, appropriately execute these contracts or prevail with regards to contractual disputes in relation to these contracts may have a material adverse impact on the Corporation's financial results.

The Corporation is also involved in fixed unit price construction contracts under which Stuart Olson is committed to provide services and materials at a fixed unit price. While this shifts the risk of estimating the quantity of units to the contract owner, any increase in the Corporation's cost over the unit price bid, whether due to estimating error, inefficiency in project execution, inclement weather, inflation or other internal or external factors affecting the supply of materials, or equipment, can negatively affect the Corporation's profitability and may also results in financial losses.

In certain instances, the Corporation commits to a customer that it will complete a project by a scheduled date or that the facility constructed will achieve certain performance standards. If the project or facility subsequently fails to meet the schedule or performance standards, the Corporation could incur additional costs or penalties commonly referred to as liquidated damages or delay damages. Although the Corporation attempts to negotiate waivers of or limitations to, consequential or liquidated damages, on some contracts, the Corporation is required to bear the risk for failure to meet certain contractual milestones. These penalties may be significant and could materially impact the Corporation's financial position or results. Furthermore, schedule delays may also reduce profitability or result in financial losses because staff may be prevented from pursuing and working on new projects. Project delays may also reduce customer satisfaction which could impact future awards and therefore the Corporation's backlog.

Stuart Olson occasionally participates in design-build projects pursuant to which, in addition to the responsibilities and risks of a fixed unit price or Lump Sum contract, it assumes the additional risk of quality or design-related flaws or failures. This risk is managed by using external consultants for the design component as well as by the purchase of appropriate insurance protection. Design remediation work could result in additional contract costs that may not be reimbursed by the client.

Potential for Non-Payment and Credit Risk and Ongoing Financing Availability

During the term of a contract, Stuart Olson may be required to use its working capital to fund construction costs until payments are collected from clients. If a client defaults in making its payments on a project, Stuart Olson would generally have a right to register a lien against the project. If the client were ultimately unable or unwilling to pay the amounts owing to the Corporation, a lien against the property would normally provide some security that Stuart Olson could ultimately realize what is owed; however, in these situations the Corporation's ability to ultimately collect what it is owed cannot be assured. A greater incidence of payment default by clients could result in a financial loss to the Corporation that could have a material adverse effect on its operating results and financial position.

Stuart Olson's operations, particularly its industrial operations, require a significant amount of working capital due to the requirement for large workforces on many projects. The Corporation's ability to obtain additional capital is a significant factor in achieving its strategy of expansion in the industrial services industry. There can be no assurance that the current working capital of Stuart Olson will be sufficient to enable it to implement all of its objectives. As well, there can be no assurance that, if, as and when Stuart Olson seeks equity or debt financing, it will be able to obtain the required funding on favourable commercial terms, or at all. Any such future financing may also result in dilution to existing shareholders.

Regional Concentration

A large percentage of all Operating Groups' revenues originates in Alberta. This regional concentration makes the Corporation's performance sensitive to impacts of localized factors, such as, weather conditions, major disasters, provincial rules and regulations, provincial and municipal governments, available workforce and economic factors and trends that are specific to Alberta.

Regulations

The operations of Stuart Olson's clients are subject to or impacted by a wide array of regulations in the jurisdictions in which they operate, such as applicable environmental laws. As a result of changes in regulations and laws relating to these industries, client operations could be disrupted or curtailed by governmental authorities. The high cost of compliance with applicable regulations may cause clients to discontinue or limit their operations or may discourage companies from continuing further development activities. As a result, demand for the Corporation's services could be substantially affected by regulations adversely impacting these industries.

Dependence on the Public Sector

A significant portion of the Buildings Group's revenue is derived from contracts with various governments or their agencies. Consequently, any reduction in demand for the Buildings Group's services by the public sector, whether from funding constraints, changing capital spending plans or changing political priorities, would likely have an adverse effect on the Corporation if that business could not be replaced from within the private sector.

Client Concentration

The Commercial Systems Group does a significant amount of work with a small number of major general contractors. Consequently, the loss of, or a significant reduction in business with, one or more of these contractors, whether as a result of completion of a contract, early termination, or a failure or inability to pay amounts owed, could have a material adverse effect on the Commercial Systems Group's and consequently Stuart Olson's business and results of operations. Similarly, the Industrial Group has a narrow concentration of clients. The loss of, or significant reduction in business with, one or more of these clients could have a material adverse effect on the Industrial Group, and consequently on Stuart Olson's business and results of operations.

Labour Matters

Periods of high construction activity can create shortages of labour. In the past, the rapidly expanding markets in, among others, Alberta and British Columbia, have created general shortages of tradesmen and management personnel. Stuart Olson's operating companies attempt to mitigate labour shortages through positive union and employee association relationships, competitive remuneration, enhanced in-house training programs and expanded recruiting, both within Canada and internationally. If Stuart Olson is unable to recruit and retain enough employees with the appropriate skills, the Corporation may be unable to maintain its client service levels, and it may not be able to satisfy increased demand for its services. Similarly, a significant portion of Stuart Olson's labour force is unionized and accordingly Stuart Olson is exposed to the possibility of detrimental effects of a strike or other labour action, in addition to competitive cost factors. Any future labour shortage or disruption may lead to construction cost escalation which could decrease contract margins, should clients not agree to absorb these additional costs. In addition, changes to the provincial Labour Relations Codes could result in impacts to the Corporation's labour structure. If the current structure is impacted it may affect the Company's competitiveness and profitability.

Loss of Key Management; Inability to Attract and Retain Management

The success of the Corporation is highly influenced by the efforts of key members of management including its executive officers. The loss of the services of any of the Corporation's key management personnel could negatively impact the Corporation. The success of the Corporation also depends heavily on its ability to attract, retain and develop high-performing personnel in all areas of its operations. Most organizations in the construction industry face this challenge, and accordingly, competition for qualified personnel is significant. If the Corporation ceases to be seen by current and prospective employees as an attractive place to work, it could experience difficulty in hiring and retaining the right people. This could have an adverse effect on current operations of the Corporation and would limit its prospects and impair its future success.

Subcontractor Performance

The profitable completion of some contracts depends to a large degree on the satisfactory performance of subcontractors as well as design and engineering consultants who complete different elements of the work, especially within the Buildings Group. If these subcontractors or consultants do not perform to accepted standards, the Corporation may be required to hire different subcontractors to complete the tasks, which may impact schedule, add costs to a project, impact profitability on a specific job and, in certain circumstances, lead to significant losses. A major subcontractor default or failure to properly manage subcontractor performance could materially impact results.

Unanticipated Shutdowns

A portion of Stuart Olson's work is generated from the development, expansion and ongoing maintenance of oil sands mining, extraction and upgrading facilities. Shutdowns of these facilities due to events outside of the Corporation's control or the control of the Corporation's clients, such as the cancellation of projects due to a downturn in oil and gas prices, natural disasters, mechanical breakdowns, technology failures or pressure from environmental activists, could lead to the temporary shutdown or complete cessation of projects on which Stuart Olson is working. These events could materially and adversely affect the Corporation's business and results of operations.

Maintaining Safe Worksites

Stuart Olson's success as a contractor is highly dependent on its ability to keep its construction worksites safe. Failure to do so can have serious impacts beyond the threat to personal safety of its employees and others. It can expose the Corporation to fines, regulatory sanction and even criminal prosecution. The Corporation's safety record and worksite safety practices have a direct bearing on its ability to secure work.

Joint Venture Partners

Stuart Olson undertakes certain contracts with joint venture partners. The success of its joint ventures depends on the satisfactory performance of Stuart Olson's joint venture partners in their joint venture obligations. The Corporation may provide joint and several guarantees in connection with these joint ventures, and in each case, seeks to obtain reciprocal guarantees and assurances from its partners. The failure of the joint venture partners to perform their obligations or their insolvency could impose additional financial and performance obligations on Stuart Olson that could result in increased costs.

Cyber Security Risks

The Corporation uses a number of information technology systems for the management and operation of its business and is subject to a variety of information technology and system risks as part of its normal operations, including potential breakdown, invasion, virus, cyber-attack, cyber fraud, security breach and destruction or interruption of the Corporation's information technology systems by third parties or individuals within the organization. Although the Corporation has security measures and controls in place that are designed to mitigate these risks, a breach of its security measures and/or loss of information could occur and could lead to a number of adverse consequences, including but not limited to: the unavailability, disruption or loss of key functionalities within the Corporation's control systems and the unauthorized disclosure, corruption or loss of material and confidential information, breach of privacy laws and a disruption to the Corporation's business.

The Corporation attempts to prevent such breaches through, among other things, implementing various technology security measures, providing cyber security training to all personnel, segregating control systems from its general business network, engaging skilled consultants and employees to manage the Corporation's technology applications, conducting periodic audits and adopting policies and procedures as appropriate. There is no guarantee that the measures the Corporation takes to protect its information technology systems will be effective in protecting against a breach in the future.

Competition and Reputation

There is strong competition in the construction industry. The Corporation competes with a broad range of companies in each market, some of which are substantially larger than the Corporation. In addition, an increase in the number of international companies entering the Canadian marketplace has also made the market more competitive. Each competitor has its own advantages and disadvantages relative to Stuart Olson. New contract awards and contract margin are dependent upon the level of competition and the general state of the markets in which Stuart Olson operates. Fluctuations in demand in the segments in which Stuart Olson operates may impact the degree of competition for new work. Competitors that have greater financial and other resources can better bear the risk of under-pricing projects, whereas smaller competitors may have lower overhead cost structures and therefore may be able to provide their services at lower rates. The Corporation's business may be adversely impacted to the extent that it is unable to successfully compete with these companies. The loss of existing clients to competitors or the failure to win new projects could materially and adversely affect the Corporation's business and results of operations.

Reputation in the construction industry is a significant factor in the long-term success of the Corporation. Adverse perceptions may impact long-term financial results and can arise from a number of factors including errors or losses on specific projects, employee sentiment, questions concerning business ethics and integrity, corporate governance, the accuracy and quality of financial reporting and public disclosure as well as the quality and timing of the delivery of key products and services. Stuart Olson has put in place various controls and procedures to mitigate this risk; however, these controls and policies cannot guarantee that future breaches of such controls and procedures will not occur, which may or may not impact the financial results of the Corporation.

Limitations of Insurance

Any catastrophic occurrence in excess of insurance limits at projects where Stuart Olson's structures are installed or services are performed could result in significant professional liability, product liability, warranty or other claims against the Corporation. Such liabilities could potentially exceed Stuart Olson's current insurance coverage and the fees derived from those services. A partially or completely uninsured claim, if successful and of a significant magnitude, could result in substantial losses.

Litigation Risk

In the normal course of the Corporation's operations, whether directly or indirectly, the Corporation has been, and in the future it may become, involved in, named as a party to, or the subject of, various legal proceedings and legal actions relating to, among other things, construction disputes for which insurance is not available, human resources matters, personal injuries, property damage and general commercial and contractual matters arising from its business activities. Litigation is inherently uncertain. Accordingly, adverse outcomes to current litigation or pending litigation are possible. These potentially adverse outcomes could include financial loss, damage to the Corporation's reputation or reduction of prospects for future contract awards.

Corporate Guarantees and Letters of Credit

In the course of business, the Corporation may be required to guarantee the performance of contracts for one or more of its Operating Groups by providing guarantees or letters of credit. Letters of credit are issued mainly to provide security to third parties in the case of non-performance under a contract. If Stuart Olson's capacity to issue letters of credit under its Credit Facility and its cash on hand are insufficient to satisfy clients and surety providers, its business and results of operations could be adversely affected. Significant claims under letters of credit and/or corporate guarantees could materially and adversely affect the Corporation's business, financial stability and operating capacity.

Volatility of Market Trading

The market price of the Corporation's securities may be volatile and could be subject to fluctuations in response to quarterly variations in operating results, changes in financial estimates by securities analysts, or other events or factors. In addition, the financial markets have experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of many companies providing services to the commodity industry. Often these fluctuations have been unrelated to the operating performance of such companies or have resulted from the failure of the operating results of such companies to meet market expectations in a particular quarter. Broad market fluctuations, or any failure of the Corporation's operating results in a particular quarter to meet market expectations, may adversely affect the market price of the Corporation's securities.

Failure of Clients to Obtain Required Permits and Licenses

The development of construction projects requires Stuart Olson's clients to obtain regulatory and other permits and licenses from various governmental licensing bodies. Stuart Olson's clients may not be able to obtain all necessary permits and licenses required for the development of their projects, in a timely manner or at all. These delays are generally outside the Corporation's control. The major cost associated with these delays is personnel and associated overhead that is designated for the project which cannot be reallocated effectively to other work. If the client's project is unable to proceed, it may adversely impact the demand for the Corporation's services.

Dividends

The payment of dividends on the Common Shares is at the discretion of the Board of Directors of the Corporation. In establishing the amount of any dividend, the Board of Directors will take into consideration, among other things, the needs: (i) to meet future requirements for increases in working capital; (ii) to maintain cash on hand to meet contract security requirements; (iii) to provide the financial capacity to withstand any downturn in the construction industry should it occur; (iv) to expand the business; and (v) and the desirability of maintaining the dividend rate. There can be no assurances that dividends will be paid.

Compliance with Environmental Laws

The Corporation is subject to numerous federal, provincial and municipal environmental laws and judicial, legislative and regulatory developments relating to environmental protection on an ongoing basis. While the Corporation strives to keep informed of and to comply with all applicable environmental laws, circumstances may arise and incidents may occur that are beyond the Corporation's control that could adversely affect it. During its history, Stuart Olson has experienced incidents, emissions and spills of a non-material nature. None of these incidents has resulted in any liability to the Corporation to date, although there can be no guarantee that any future incidents will be of a non-material nature. Management is not aware of any pending environmental legislation that would be likely to have a material adverse impact on any of the Corporation's operations, capital expenditure requirements or competitive position, although there can be no assurance that future legislation will not be proposed, and if implemented, may have a material adverse impact on the Corporation's operations.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

From time to time, the Corporation or its subsidiaries, are involved in various legal proceedings in the ordinary course of their businesses. In the opinion of the Corporation, all such legal proceedings known at this time are properly reflected in its financial statements in accordance with the applicable accounting standards or adequately covered by insurance or internal reserves, or if not so covered, the ultimate resolution of such legal proceedings is not expected to have a material adverse effect on the Corporation as a whole. To the knowledge of the Corporation, neither it nor its subsidiaries are party to any regulatory investigation or proceeding or subject to any potential liability, individually or in the aggregate, which is likely to have a material adverse effect on the Corporation as a whole.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of directors or executive officers of the Corporation, or of any shareholder that is a direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of the Corporation's voting securities, or any "associate" or "affiliate" (as those terms are defined in the *Securities Act* (Alberta)) of any of the foregoing persons, in any transaction in the Corporation's three most recently completed financial years or during the current financial year that materially affected or will materially affect the Corporation.

INTEREST OF EXPERTS

The Corporation's independent auditors are Deloitte LLP. Deloitte LLP has advised management of the Corporation that they are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta.

TRANSFER AGENTS AND REGISTRARS

AST Trust Company (Canada), at is offices in Calgary and Toronto, is the transfer agent and registrar of the Common Shares.

Computershare Trust Company of Canada, at is offices in Calgary and Toronto, is the transfer agent and registrar of 2019 Debentures.

MATERIAL CONTRACTS

Stuart Olson entered into the Credit Facility with a syndicate of lenders and an administrative agent on November 6, 2019. The Credit Facility provides Stuart Olson with a committed $125 million revolving credit facility, including a $10 million operating facility maturing on July 16, 2021. The Credit Facility has no required principal payments prior to maturity and revolves through the application of funds received by Stuart Olson and the additional advance of available loan amounts as requested from time to time by Stuart Olson. The Credit Facility is collateralized by a general security agreement covering all of the current and future assets of Stuart Olson. The credit facility contains customary representations, warranties and covenants typical of a credit facility of its size and nature, including that the Corporation must maintain specified financial ratios to remain compliant with the requirements of the lenders, and that the Corporation is prevented from declaring dividends in excess of $400,000 in any fiscal quarter.

Stuart Olson entered into the 2019 Indenture with Computershare Trust Company of Canada on September 20, 2019. The 2019 Indenture sets out the terms and conditions of the 2019 Debentures. See "*Capital Structure – Debentures*".

Stuart Olson established the Surety Program with Travelers and Continental in October of 2011 and later amended that program in June of 2012. The Surety Program was again amended in 2013, at which time Travelers and Continental were replaced by Chubb Insurance Company of Canada and Liberty Mutual Insurance with respect to the issuance of future performance and labour and material bonds as assurance against contract completion. See "*Risk Factors – Performance Bonds*".

The Corporation's material contracts are available under the Corporation's profile on SEDAR at www.sedar.com.

AUDIT COMMITTEE INFORMATION

Pursuant to National Instrument 52-110 Audit Committees ("**NI 52-110**"), the Corporation is required to disclose its audit committee practices, as summarized below.

Audit Committee Charter

The responsibilities and duties of the Committee are set out in the Audit Committee's Terms of Reference, the text of which is attached as Schedule "A" to this AIF.

Composition of the Audit Committee

As at the date hereof, the Audit Committee of the Corporation was composed of Raymond D. Crossley (Chair), Chad Danard and Mary C. Hemmingsen.

The Board of Directors believes that the composition of the Audit Committee reflects a high level of financial literacy and expertise. Each member of the Audit Committee has been determined by the Board to be "financially literate" as defined under NI 52-110. The Board has made this determination based on the education, breadth and depth of experience of each member of the Committee. Each member of the Audit Committee has been determined by the Board to be "independent" as defined under NI 52-110.

Relevant Education and Experience of Audit Committee Members

The following is a description of each member of the Audit Committee's education and experience that is relevant to the performance of his responsibilities in that role:

Mr. Raymond D. Crossley (Chair), is a member of the Chartered Professional Accountants of Alberta and holds the ICD.D designation from the Institute of Corporate Directors. He graduated from the University of Western Ontario with a degree in Economics and Political Science. He is the Chief Financial Officer of the Calgary Health Trust and a corporate director. Mr. Crossley retired in 2015 from an over 33 year career at the professional accounting firm of PricewaterhouseCoopers during which time he provided and oversaw the provision of audit services to public and private entities. He also held the roles of Managing Partner, Western Canada and Managing Partner of the Calgary office and was an elected member of the firm's Partnership Board. Mr. Crossley is a Member of the Alberta Securities Commission and has previously served as a Member of the ASC's Financial Review and Financial Advisory Committees. Mr. Crossley is also a member of the board of directors of Obsidian Energy (Chair of the Audit Committee) and the Canada West Foundation.

Mr. Chad Danard has developed significant financial-related skills through his role at TriWest Capital, where he was previously directly responsible for the financial function of the firm and is actively involved in analyzing new investment opportunities, including the completion of financial due diligence prior to investment and the ongoing monitoring of portfolio companies once an investment has been made. As a board member of a number of private companies, Mr. Danard works closely with Chief Financial Officers and the auditors of those businesses to ensure appropriate reporting of financial results. Prior to joining TriWest, Mr. Danard worked for Morgan Stanley in the investment banking practice, where financial analytics were a critical part of his role. Mr. Danard also completed a Bachelor of Commerce degree from Queen's University, with a significant focus on finance and accounting related course work. Mr. Danard graduated as the top ranked student in the program.

Ms. Mary C. Hemmingsen began her career working as an accountant at KPMG Canada where she obtained her Chartered Accountant (now Chartered Professional Accountant (CPA) designation). Ms. Hemmingsen returned to KPMG Canada in 2013 as a partner, Canadian Power and Utilities Lead and KPMG's Global Head Gas and LNG, after spending over 20 years in a series of finance, investment, operating, development and strategic roles. These roles required Ms. Hemmingsen to review financial statements, manage financial information and reporting including financial results and risk reporting and mitigation. Her role as the Executive Vice President and Chief Financial Officer for North West Innovation Works since 2017, requires her to work with organizational and development structures/arrangements, de-risking activities, joint venture partnerships, contracting, funding and financing and fiscal management. Ms. Hemmingsen also serves on the advisory board for InstarAGFAsset Management where she provides oversight and governance services of investment strategy, investment prospects and investment returns.

Pre Approval Policies and Procedures

The Audit Committee has adopted a policy for the engagement of non-audit services of Deloitte LLP. The text of the policy is attached as Schedule "B" to this AIF.

External Auditor Service Fees

Aggregate fees ($ thousands, but excluding GST) billed by Deloitte LLP during the fiscal years ended December 31, 2019 and 2018 were as follows:

Fee (000's)	2019	2018
Audit Fees[(1)]	$1,010	$836
Audit-Related Fees[(2)]	50	53
Tax Fees	0	0
All Other Fees	0	0
Total	$1,060	$889

Notes:
(1) Audit fees for the year ended December 31, 2019 and 2018 include reviews for the first, second and third quarters.
(2) Relates to the Canadian Public Accountability Board fee and pension plan audits.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be obtained by accessing the Corporation's profile on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Stuart Olson's securities and securities authorized for issuance under equity compensation plans is contained in Stuart Olson's Management Information Circular for its most recent annual meeting of shareholders.

Additional financial information is provided in Stuart Olson's Consolidated Financial Statements and Management's Discussion and Analysis for the financial year ended December 31, 2019.

Copies of any of the foregoing documents and this AIF may be obtained by accessing SEDAR at www.sedar.com, or are available upon request from the Investor Relations department of the Corporation (inquiries@stuartolson.com or 403-685-7777).

SCHEDULE "A" – Audit Committee Terms of Reference
To the Annual Information Form of
Stuart Olson

Purpose

The Audit Committee (the "**Committee**") is a standing committee of the Board of Directors of Stuart Olson Inc. (the "**Corporation**"). Its purpose is to assist the Board of Directors in fulfilling its oversight responsibilities in respect of (i) the integrity of the Corporation's financial statements and other public financial disclosure documents (ii) the effectiveness of the Corporation's accounting and financial reporting processes and systems of internal controls (iii) the identification and monitoring of financial risks (iv) the Corporation's compliance with legal and regulatory requirements (v) the qualifications, performance and independence of the external auditors of the Corporation (vi) the performance of the Corporation's internal audit function and (vii) the disclosure policies and procedures of the Corporation;

Composition and Operations

1. The Committee shall be composed and operate in accordance with the Standing Committees of the Board General Terms of Reference. Pursuant to section 3.1(1), (2) and (3) of National Instrument 52-110 - *Audit Committees* and section 171 (2) of the *Business Corporations Act* (Alberta), the Committee must be composed of a minimum of three independent Directors.

2. The Corporate Governance & Nominating Committee will recommend to the Board of Directors members for appointment to the Committee and the Chair of the Committee.

3. The Committee shall be comprised exclusively of independent Directors. All members must be financially literate. The terms "independent" and "financially literate" will be interpreted as outlined in National Instrument 52-110 - *Audit Committees*.

4. The Committee shall be provided with appropriate and timely access to information on new regulatory requirements, accounting and audit standards as outlined by the Chartered Professional Accountants of Canada or other relevant international standard setting authorities, best practices in Corporate Governance as outlined by the Institute of Corporate Directors and any other training, both in the form of an induction program for new members and on an ongoing basis, as required to support the Audit Committee in fulfilling their responsibilities.

5. The Committee shall meet at least once each quarter before interim and annual financial reports are filed with the regulators, with authority to convene additional meetings as circumstances require.

6. The Committee shall meet periodically, and at least annually, with the external auditor without management being present. In addition, the Committee shall meet with the external auditor, as it deems appropriate to consider any matters of concern that the external auditor determines should be brought to the attention of the Board or shareholders.

7. A majority of the Committee will constitute a quorum. Minutes of each meeting will be prepared by a person designated by the Committee to act as secretary.

8. The President and Chief Executive Officer ("**CEO**") and the Chief Financial Officer ("**CFO**") would be expected to be available to attend meetings or portions thereof.

9. The Committee provides open avenues of communication amongst management (particularly the CFO), employees, external and internal auditors and the Board. In particular any person may provide to the Committee his/her concerns or complaints regarding accounting, internal accounting controls and auditing matters.

10. Following a Committee meeting, the Committee Chair shall report on the Committee's activities to the Board of Directors at the next Board of Directors meeting.

Duties and Responsibilities

Subject to the powers and duties of the Board, the Committee will perform the following duties:

1. Financial Statements and Other Financial Information

The Committee will review and recommend for approval to the Board, financial information that will be made publicly available. This includes:

a) The Corporation's annual financial statements and annual MD&A;

b) The Corporation's quarterly financial statements, quarterly MD&A and earnings press releases;

c) The financial content of the Annual Report and any reports required by government or regulatory authorities;

d) The Annual Information Form and any prospectus/private placement memoranda;

e) Any management report that accompanies published financial statements (to the extent such a report discusses the financial position or operating results) for consistency of disclosure with the financial statements themselves; and

f) Ensure that adequate procedures are in place for reviewing the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of these procedures.

2. Financial Reporting

The Committee shall review:

a) The appropriateness of accounting policies and financial reporting practices used by the Corporation;

b) Any significant proposed changes in financial reporting and accounting policies and practices to be adopted by the Corporation;

c) Any new or pending developments in accounting and reporting standards that may affect the Corporation;

d) Significant accounting and reporting issues impacting the financial statements, including complex or unusual transactions, highly judgmental areas and key estimates determined by management;

e) Procedures for the receipt, retention and treatment of any complaints or concerns received by the Corporation (either directly or anonymously) regarding accounting, internal accounting controls, auditing or any other matters; and

f) On a quarterly basis, the Audit Committee will review, assess and confirm, as appropriate, its compliance with the annual Audit Committee Work Plan.

3. Financial Risk Management

The Committee will review and obtain reasonable assurance that financial risk management practices are operating effectively to produce accurate, appropriate and timely management and financial information. These include:

a) Review the Corporation's financial risk management controls and policies;

b) Obtain reasonable assurance that the information systems of the Corporation are reliable;

c) Reviewing the adequacy of security of information, information systems and recovery plans;

d) Monitoring compliance with statutory and regulatory obligations; and

e) Reviewing the adequacy of accounting and finance resources.

4. Internal Control

The Committee shall require management to implement and maintain appropriate systems of internal controls, including internal controls over financial reporting and for the prevention and detection of fraud and error. The Committee shall:

a) Meet with the internal auditor and with management to assess the adequacy and effectiveness of the systems of internal control and to obtain on a regular basis reasonable assurance that the organization is in control;

b) Receive reports from the CEO and the CFO as to the existence of any significant deficiency or material weakness in the design or operation of the internal controls over financial reporting which are reasonably likely to adversely affect the corporation's ability to record, process, summarize and report financial information;

c) Receive reports from the CEO and the CFO as to the existence of fraud, whether or not material, that involves management or other employees;

d) Review the procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, auditing matters and ethical breaches that may be submitted by any party internal or external to the organization;

e) Review complaints that might have been received, current status, and resolution if one has been reached;

f) Review procedures for the confidential, anonymous submission by employees of the organization of concerns regarding questionable accounting or auditing matters; and

g) Review external auditors' management letters and management's response to such letters.

5. Disclosure

The Committee will review the Disclosure Policy and procedures of the Corporation and obtain reasonable assurance that they are effective in meeting the requirements of applicable legislation and regulatory agencies. This includes:

a) Reviewing the Corporation's Disclosure Policy;

b) Monitoring compliance with the Disclosure Policy, particularly as it relates to the disclosure of financial related matters; and

c) Receive and review reports from the Disclosure Committee related to financial matters.

6. Internal Audit

The Committee shall:

a) Review the appointment, replacement, reassignment or dismissal of the head of the Corporation's internal audit function;

b) Review the independence of the head of the Stuart Olson internal audit function;

c) Review with management, the external auditors and internal audit the charter, plans, activities, staffing and organizational structure of the internal audit function;

d) Approve the annual internal audit plan;

e) Approve the internal audit charter periodically, at least once every three years;

f) Review with the internal auditor the results of their audit examinations, including but not limited to any restrictions imposed by management during the audit, any significant findings on internal audits and management's responses thereto, the auditor's evaluation of the Corporation's system of internal accounting controls, procedures, documentation and any changes required in the scope of their internal audit; and

g) On a regular basis meet separately with the head of the Corporation's internal audit function to discuss any matters that the Committee or the head of internal audit believes should be discussed privately.

7. External Audit

The external auditor shall report directly to the Committee, shall meet at least twice annually with the Committee and will be expected to be available to attend meetings or portions thereof as requested by the Committee and to be heard at those meetings on matters relating to the external auditor's duties.

The Committee will review the planning and results of external audit activities and oversee the work of the external auditor, including:

a) Review and recommend to the Board, for shareholder approval, the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;

b) Recommend to the Board the appropriate compensation of the external auditor;

c) Review and approve the annual audit plan, including but not limited to:

   i. Engagement letter

   ii. Objectives and scope of the audit work

   iii. Procedures for quarterly review of financial statements

   iv. Materiality limit

   v. Areas of audit risk

   vi. Staffing

   vii. Timetable

   viii. Coordination of audit efforts between the internal auditors and external auditors to assure completeness of coverage, reduction of redundant efforts and the effective use of audit resources.

d) Meet with the external auditor to discuss the Corporation's quarterly and annual financial statements and the auditor's report including the appropriateness of material accounting policies and underlying estimates;

e) Review any significant disagreement between management and the external auditor regarding financial reporting;

f) Review and advise the Board with respect to the planning, conduct and reporting of the annual audit, including but not limited to:

   i. Any difficulties encountered, or restrictions imposed by management, during the annual audit;

   ii. Any significant changes required in the external auditors audit plan;

   iii. Any significant accounting or financial reporting issues;

   iv. The external auditor's evaluation of the Corporation's system of internal controls, procedures and documentation;

   v. The post audit or management letter containing any findings or recommendations of the external auditor and schedule of unadjusted differences, including management's response thereto and the subsequent follow-up of any identified internal control weaknesses; and

   vi. Any other matters the external auditor brings to the Committee's attention;

g) Review the external auditor's report on all material subsidiaries;

h) Review and receive assurances on the independence of the external auditor;

i) Review and pre-approve the non-audit services to be provided by the external auditor firm or its affiliates in accordance with the Audit Committee Pre-Approval Policy;

j) Review and approve the Corporation's policy restricting the hiring of certain employees or former employees of the external auditors;

k) Review and evaluate the performance of the independent auditors on an annual basis, with a more comprehensive evaluation when deemed required;

l) Review with the full Board of Directors any proposed discharge of the independent auditors;

m) Ascertain that the lead audit partner is performing audit services in accordance with applicable Canadian securities regulations and Canadian professional standards on independence with respect to length of service; and

n) Consider, with management, the rationale for engaging audit firms other than the principal independent auditors.

8. Pension Plans

a) Receive and review information in respect of the financial aspects of the Canem Systems Ltd. ("**Canem**") and Stuart Olson Construction Ltd. ("**SOCL**") pension plans (the "**Pension Plans**"), including:

   i. Review and consider financial and investment reports and the funded status relating to the Pension Plans. Provide recommendations to the Canem and SOCL Board of Directors on pension contributions;

   ii. Receive, review and report to the Stuart Olson Board of Directors on the actuarial valuation and funding requirements for the Pension Plans;

   iii. Review annually the Statement of Investment Policies and Procedures ("**SIP&P**");

   iv. Report to the Human Resources and Compensation Committee with regard to the financial impact of any proposed changes in the Corporation's pension plans;

   v. Approve the appointment and termination of auditors; and

   vi. Review the decisions of the Canem Board of Directors and SOCL Pension Committee in regard to the appointment and termination of investment managers.

9. Other

a) Review insurance coverage of significant business risks and uncertainties;

b) Review material litigation and its impact on financial reporting;

c) Review policies and procedures for the review and approval of executive expenses and perquisites;

d) Review correspondence with the regulators;

e) Periodically review the Corporation's Code of Conduct Policy to ensure that it is adequate and up to date;

f) Review the Terms of Reference for the Committee annually and make recommendations to the Board as required;

g) Review all related party transactions between the Corporation and any officers or directors;

h) Review policies and practices with respect to trading and hedging activities; and

i) Engage independent outside counsel and other advisors as it determines necessary to carry out its duties.

Independent Advisors

The Committee shall have the authority to retain and terminate independent legal counsel, consultants or other advisors in order to assist it in fulfilling its responsibilities.

SCHEDULE "B" – Audit Committee Pre-Approval Policy
To the Annual Information Form of

Stuart Olson Inc.

Background

Both the Canadian Securities Administrators and the CPA Canada have implemented rules or standards to support the independence of the external auditor. Under these, the Audit Committee is required to pre-approve all non-audit services performed by the external auditor in order to assure that the provision of such services does not impair the auditor's independence. Unless a type of service to be provided by the external auditor has received general pre-approval, it will require specific pre-approval by the Audit Committee of Stuart Olson Inc. (the "Corporation"). Any proposed services exceeding pre-approved cost levels will require specific pre-approval by the Audit Committee.

The appendices to this Policy describe the Audit, Audit-related, Tax and All Other services that have the pre-approval of the Audit Committee. The term of any pre-approval is valid for 120 days from the date of pre-approval, unless the Audit Committee specifically provides for a different period. The Audit Committee will periodically review & revise, when appropriate, the list of pre-approved services, based on subsequent determinations.

Delegation

The Audit Committee may delegate pre-approval authority to one or more of its independent members. The member or members to whom such authority is delegated shall report any pre-approval decisions to the Audit Committee at its next scheduled meeting. The Audit Committee will not delegate its responsibilities to pre-approve services performed by the external auditor to management.

Audit Services

The annual Audit services engagement terms and fees will be subject to the specific pre-approval of the Audit Committee. The Audit Committee will approve, if necessary, any changes in terms, conditions and fees resulting from changes in audit scope, company structure or other matters.

In addition to the annual Audit services engagement approved by the Audit Committee, the Audit Committee may grant pre-approval for other Audit services, which are those services that only the external auditor reasonably can provide. The Audit Committee has pre-approved the Audit services listed in Appendix A. All other Audit Services not listed in Appendix A must be separately pre-approved by the Audit Committee.

Audit-Related Services

Audit-related services are assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and that are traditionally performed by the external auditor. The Audit Committee believes that the provision of Audit-related services does not impair the independence of the auditor, and has pre-approved the Audit-related services listed in Appendix B. All other Audit-related services not listed in Appendix B must be separately pre-approved by the Audit Committee.

Non-Audit Services - General

The Audit Committee must be informed of each non-audit service. In the event that the Corporation did not recognize the services as non-audit services at the time of the engagement, the services must be promptly brought to the attention of the Audit Committee and approved, prior to the completion of the audit, by the Audit Committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Tax Services

The Audit Committee believes that the external auditor can provide Tax services to the Corporation such as tax compliance, tax planning and tax advice without impairing the auditor's independence. However, the Audit Committee will not permit the retention of the external auditor in connection with a transaction initially recommended by the external auditor, the purpose of which may be tax avoidance and the tax treatment of which may not be supported in the Income Tax Act and related regulations. The Audit Committee has pre-approved the Tax services listed in Appendix C. All Tax services involving large and complex transactions not listed in Appendix C must be separately pre-approved by the Audit Committee.

All Other Services

A list of the CPA Canada prohibited non-audit services is attached to this policy as Exhibit 1. The rules and relevant guidance of the CPA Canada should be consulted to determine the precise definitions of these services and the applicability of exceptions to certain of the prohibitions.

Pre-Approval Fee Levels

Pre-approval fee levels for a particular service to be provided by the external auditor will be established periodically by the Audit Committee. Any proposed services exceeding these levels will require specific pre-approval by the Audit Committee.

Supporting Documentation

With respect to each proposed pre-approved service, the external auditor will provide detailed back-up documentation, which will be provided to the Audit Committee, regarding the specific services to be provided.

Procedures

Requests or applications to provide services that require separate approval by the Audit Committee will be submitted to the Audit Committee by both the external auditor and the Chief Financial Officer, and must include a joint statement as to whether, in their view, the request or application is consistent with CPA Canada's standard on auditor independence.

Appendix A
Pre-Approved Audit Services for Fiscal Year

Service	Threshold
Statutory audits or financial audits for the Corporation and for subsidiaries or affiliates of the Corporation	Up to $ 10,000
Services associated with securities commissions registration statements, periodic reports and other documents filed with the securities commissions or other documents issued in connection with securities offerings (e.g., comfort letters, consents), and assistance in responding to securities commissions comment letters	Up to $ 10,000
Consultations by the Corporation's management as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by the CPA Canada, the ASC, or other regulatory or standard setting bodies	Up to $ 10,000
Consultations and services provided in the review of conversion activities related to acquired entities to provide a level of reliance for the annual audit.	Up to $ 10,000
Services associated with the review of the Corporation's quarterly financial statements and reporting to the audit committee.	Up to $ 10,000

Appendix B
Pre-Approved Audit-Related Services for Fiscal Year

Service	Threshold
Due diligence services pertaining to potential business acquisitions/dispositions.	Up to $ 10,000
Agreed-upon or expanded audit procedures related to accounting and/or billing records required to respond to or comply with financial, accounting or regulatory reporting matters.	Up to $ 10,000
Internal control reviews and assistance with internal control reporting requirements.	Up to $ 10,000
Consultations by the Corporation's management as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by the CPA Canada, the ASC, or other regulatory or standard-setting bodies.	Up to $ 10,000
Attest services not required by statute regulation.	Up to $ 10,000

Appendix C
Pre-Approved Tax Services for Fiscal Year

Service	Threshold
Canadian and US federal, state, provincial and local tax planning and advice, including guidance on entering into new jurisdictions (states or provinces); and on withdrawal procedures, if required.	Up to $ 10,000
Canadian and US federal, state, provincial and local tax compliance including dealing with notices and/or assessments from these jurisdictions; assistance with specific correspondence or requests from state or city/county; and application for refunds when required.	Up to $ 10,000
International tax planning and advice	Up to $ 10,000
International tax compliance	Up to $ 10,000
Review of federal, state, local and international income, franchise, and other tax returns	Up to $ 10,000
Licensing or purchase of income tax preparation software[1] from the independent auditor, provided the functionality is limited to preparation of tax returns or calculation of supporting amounts necessary to prepare tax returns or tax elections.	Up to $ 10,000
Due diligence services pertaining to review of tax returns of potential business acquisitions and tax planning for acquisition deal structures.	Up to $ 10,000

[1] Licensing or purchasing income tax preparation software is permitted, so long as the functionality is limited to preparation of tax returns. If the software performs additional functions, each function must be evaluated *separately* for its potential effect on the auditor's independence.

Exhibit 1
Prohibited Non-Audit Services

- Performance of management functions
- Preparation of journal entries and source documents
- Preparation of accounting records and financial statements
- Provision of valuation services
- Provision of internal audit services
- Provision of information technology system services
- Provision of litigation support services
- Provision of legal services
- Human resource services
- Provision of corporate finance and similar services to an audit or review client