

*A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold within the United States, except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. This short form prospectus does not constitute an offer to sell or solicitation to buy any of the securities offered hereby within the United States. See “Plan of Distribution”.*

*Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Aecon Group Inc., 20 Carlson Court, Suite 800, Toronto, Ontario M9W 7K6, (416) 293-7004 and are also available electronically at [www.sedar.com](http://www.sedar.com).*

**PRELIMINARY SHORT FORM PROSPECTUS**

New Issue

September 12, 2018



**AECON GROUP INC.**

**\$160,000,000**

**5.00% Convertible Unsecured Subordinated Debentures**

This short form prospectus qualifies the distribution (the “**Offering**”) of \$160,000,000 aggregate principal amount of 5.00% convertible unsecured subordinated debentures (the “**Debentures**”) of Aecon Group Inc. (“**Aecon**” or the “**Company**”) at a price of \$1,000 per Debenture (the “**Offering Price**”). See “*Plan of Distribution*”. The Debentures will bear interest at an annual rate of 5.00% payable semi-annually in arrears on May 31 and November 30 of each year, commencing May 31, 2019. The maturity date of the Debentures will be December 31, 2023 (the “**Maturity Date**”).

**Debenture Conversion Privilege**

Each Debenture will be convertible into common shares of the Company (“**Common Shares**”) at the option of the holder at any time prior to the close of business (Eastern time) on the earlier of the Maturity Date or the business day immediately preceding the date specified by the Company for redemption of the Debentures, at a conversion price of \$24.00 per Common Share (the “**Conversion Price**”), being a conversion rate of approximately 41.6667 Common Shares per \$1,000 principal amount of Debentures, subject to adjustment in certain events, as set out under the heading “*Details of the Offering – Conversion Privilege*”. Upon conversion, holders will not be entitled to receive interest accrued since the last interest payment date, or the Closing Date (as hereinafter defined) if an interest payment date has yet not occurred, unless they convert their Debentures on an interest payment date, in which case they will be entitled to receive such interest payment.

The outstanding Common Shares and the 5.50% convertible unsecured subordinated debentures due December 31, 2018 previously issued by the Company in November 2013 (the “**5.50% Debentures**”) are listed and posted for trading on the TSX under the symbols “ARE” and “ARE.DB.B”, respectively. The Company has applied to list the Debentures and the Common Shares issuable on the conversion, redemption or maturity of the Debentures on the TSX. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX. On September 5, 2018, the last full trading day prior to the announcement of the Offering, the closing price of the outstanding Common Shares was \$16.98 and the closing price of the outstanding 5.50% Debentures was \$100.30. On September 11, 2018, the last trading day prior to the filing of this short form prospectus, the closing price of the outstanding Common Shares was \$16.85 and the closing price of the outstanding 5.50% Debentures was \$100.38.

	<u>Price to the Public</u>	<u>Underwriters’ Fee</u> <sup>(1)</sup>	<u>Net Proceeds to Aecon</u> <sup>(2)(3)</sup>
Per Debenture .....	\$1,000	\$40	\$960
Total <sup>(3)</sup> .....	\$160,000,000	\$6,400,000	\$153,600,000

(1) The Underwriters’ Fee (as hereinafter defined) is equal to 4.00% of the gross proceeds of the Offering. See “*Plan of Distribution*”.

(2) Before deducting the expenses of the Offering estimated at \$800,000 which, together with the Underwriters’ Fee, will be paid from the proceeds of the Offering.

(3) The Company has granted the Underwriters (as hereinafter defined) an option (the “**Over-Allotment Option**”) to purchase up to an additional \$24,000,000 aggregate principal amount of Debentures at the Offering Price, and on the same terms and conditions as the Offering, exercisable in whole or in part at the sole discretion of the Underwriters at any time up until 30 days after the Closing Date, for the purposes of covering the Underwriters’ over-allocation position, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the price to the public, the Underwriters’ Fee and the net proceeds to Aecon (before deducting the expenses of the Offering) will be \$184,000,000, \$7,360,000 and \$176,640,000, respectively. See “*Plan of Distribution*”. This short form prospectus also qualifies for distribution the grant of the Over-Allotment Option and the issuance of the Debentures pursuant to the exercise of the Over-Allotment Option. A purchaser who acquires Debentures forming part of the Underwriters’ over-allocation position acquires such Debentures under this short form prospectus, regardless of whether the over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “*Plan of Distribution*”.

The following table sets forth the number of Debentures that may be offered by the Company pursuant to the Over-Allotment Option.

<u>Underwriters’ Position</u>	<u>Maximum Size</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	\$24,000,000 aggregate principal amount of Debentures	30 days after closing of the Offering	\$1,000 per Debenture

**There is currently no market through which the Debentures may be sold and purchasers may not be able to resell Debentures purchased under this short form prospectus. This may affect the pricing of the Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the Debentures and the extent of issuer regulation. See “*Risk Factors*”.**

**The Company may elect to satisfy its obligation to pay the principal amount of the Debentures due on redemption or maturity through the issuance of Common Shares. See “*Details of the Offering – Payment upon Redemption or Maturity*” and “*Risk Factors*”.**

Each of TD Securities Inc. (“**TD Securities**”) and CIBC World Markets Inc. (“**CIBC**” and, together with TD Securities, the “**Lead Underwriters**”), BMO Nesbitt Burns Inc. (“**BMO**”), Canaccord Genuity Corp., National Bank Financial Inc. (“**National Bank**”), Raymond James Ltd., Desjardins Securities Inc. (“**Desjardins**”), Scotia Capital Inc. (“**Scotia**”), GMP Securities L.P. and Industrial Alliance Securities Inc. (collectively, together with the Lead Underwriters, the “**Underwriters**”), as principals, conditionally offer the Debentures, subject to prior sale, if, as and when issued and delivered by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “*Plan of Distribution*”, and subject to the approval of certain legal matters on behalf of the Company by Blake, Cassels & Graydon LLP and on behalf of the Underwriters by Stikeman Elliott LLP.

Subscriptions for Debentures will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is intended that the closing of the Offering will occur on or about September 26, 2018 or such other date not later than October 17, 2018 as may be agreed upon by the Company and the Underwriters (the “**Closing Date**”).

Book-entry only certificates representing the Debentures will be issued in registered form only to CDS Clearing and Depository Services Inc. (“**CDS**”), or its nominee, and will be deposited with CDS on the Closing Date. No certificates evidencing ownership of the Debentures will be issued to purchasers, except in certain limited circumstances, and registration will be made in the depository service of CDS. Purchasers of the Debentures will receive only a customer confirmation from the Underwriters or other Participant (as hereinafter defined) and from or through whom a beneficial interest in the Debentures is purchased. See “*Details of the Offering – Book Entry System for Debentures*”.

The Company has been advised by the Underwriters that, in connection with the Offering and subject to applicable laws, the Underwriters may effect transactions which stabilize or maintain the market price for the Debentures at levels other than those which might otherwise prevail in the open market. See “*Plan of Distribution*”.

**The Underwriters propose to offer the Debentures initially at the Offering Price. After a reasonable effort has been made to sell all of the Debentures at the Offering Price, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Debentures remaining unsold. Any such reduction will not affect the proceeds received by the Company. The Underwriters will inform the Company if the offering price is reduced. See “*Plan of Distribution*”.**

Each of TD Securities, CIBC, BMO, National Bank, Desjardins and Scotia has made certain credit facilities (the “**Credit Facilities**”) available to the Company. Consequently, the Company may be considered a “**connected issuer**” of each of these

Underwriters within the meaning of applicable Canadian securities legislation. See “*Relationship Between the Company and Certain Underwriters*”.

The registered and principal office of the Company is located at 20 Carlson Court, Suite 800, Toronto, Ontario, M9W 7K6.

**Investing in the Debentures involves a high degree of risk. See “*Risk Factors*” herein and in the Company’s annual information form (the “AIF”) for the year ended December 31, 2017 dated March 27, 2018 which is incorporated by reference herein.**

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Investors should rely only on the information contained or incorporated by reference in this short form prospectus. Aecon has not authorized any person to provide investors with different information. The Debentures may be sold only in those jurisdictions where offers and sales are permitted. This short form prospectus is not an offer to sell or a solicitation of an offer to buy the Debentures in any jurisdiction where it is unlawful. The information contained in this short form prospectus is accurate only as of the date of this short form prospectus, regardless of the time of delivery of this short form prospectus or of any sale of the Debentures.

All references in this prospectus to “dollars” or “\$” are to Canadian dollars unless otherwise noted. Aecon’s consolidated financial statements incorporated herein by reference have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“GAAP”). Aecon publishes its consolidated financial statements in Canadian dollars.

Unless otherwise indicated, all information in this prospectus assumes that none of the outstanding employee stock options or any other convertible securities of the Company are exercised and that the Underwriters do not exercise the Over-Allotment Option.

Unless the context otherwise requires, all references to “Aecon” or the “Company” include Aecon Group Inc., its predecessors and subsidiaries.

## SUMMARY

*This summary is qualified by, and should be read in conjunction with, the detailed information contained elsewhere in this short form prospectus and the supplemental trust indenture, to be dated as of the Closing Date, to the trust indenture dated September 29, 2009 (collectively, the “Indenture”) between the Company and Computershare Trust Company of Canada, as trustee (the “Trustee”).*

### Aecon Group Inc.

Aecon and its predecessor entities have carried on business in Canada since 1877. Aecon is one of Canada’s largest publicly traded construction and infrastructure development companies serving private and public sector clients across Canada and, on a select basis, internationally. Aecon operates in three principal segments within the construction and infrastructure development industry: Infrastructure, Industrial and Concessions. The Infrastructure segment includes all aspects of the construction of both public and private infrastructure, primarily in Canada, and on a selected basis, internationally. The Industrial segment encompasses a full suite of service offerings, primarily to energy and mining markets, including conventional industrial construction and manufacturing activities such as in-plant construction, site construction, fabrication, module assembly and contract mining. Activities within the Concessions segment include the development, financing, construction and operation of infrastructure projects by way of build-operate-transfer, build-own-operate-transfer and other public-private partnership contract structures. As such, Aecon is one of the most diverse and multi-disciplined companies in its industry in Canada. See “*Business of the Company*”.

### The Offering

<b>Issue:</b>	\$160,000,000 aggregate principal amount of 5.00% convertible unsecured subordinated debentures.
<b>Amount of Offering:</b>	\$160,000,000.
<b>Over-Allotment Option:</b>	Aecon has granted to the Underwriters the Over-Allotment Option, to purchase up to an additional \$24,000,000 aggregate principal amount of the Debentures at the Offering Price, and on the same terms and conditions as the Offering, exercisable in whole or in part, at the sole discretion of the Underwriters at any time up until 30 days after the Closing Date, for the purposes of covering the Underwriters’ over-allocation position, if any, and for market stabilization purposes.
<b>Price:</b>	\$1,000 per Debenture.
<b>Listing:</b>	The Company has applied to list the Debentures and the Common Shares issuable on the conversion, redemption or maturity of the Debentures on the TSX. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX.
<b>Use of Proceeds:</b>	The net proceeds to the Company from the issue and sale of the Debentures after deducting both the Underwriters’ Fee and the estimated expenses of the Offering, are estimated to be approximately \$152,800,000 (or \$175,840,000 if the Over-Allotment Option is exercised in full). The net proceeds of the Offering will be used by Aecon, together with cash on hand, to fund the intended redemption of the 5.50% Debentures. If the Over-Allotment Option is exercised in full, the net proceeds will be used to fund the redemption of the 5.50% Debentures and for general corporate purposes. Following closing of this Offering, the Company intends to issue a notice to redeem the 5.50% Debentures on or about October 26, 2018. See “ <i>Use of Proceeds</i> ”.

### Debentures

<b>Maturity:</b>	December 31, 2023.
<b>Interest:</b>	5.00% per annum payable semi-annually in arrears on May 31 and November 30 of each year, commencing May 31, 2019. The first interest payment on May 31, 2019 will include interest accrued from, and including, the Closing Date to, but excluding, May 31, 2019.
<b>Conversion Privilege:</b>	The Debentures will be convertible at the holder’s option into fully paid and non-assessable Common Shares at any time prior to the close of business (Eastern time) on the earlier of the Maturity Date or the business day immediately preceding the date specified by the Company for redemption of the Debentures, at the Conversion Price, being a conversion rate of approximately 41.6667 Common Shares per \$1,000

principal amount of Debentures, subject to adjustment as provided in the Indenture. Upon conversion, holders will not be entitled to receive interest accrued since the last interest payment date, or the Closing Date if an interest payment date has not yet occurred, unless they convert their Debentures on an interest payment date, in which case they will be entitled to receive such interest payment. See “*Details of the Offering – Conversion Privilege*”.

**Redemption:**

The Debentures will not be redeemable before December 31, 2021 (except in the event of certain circumstances described under “*Details of the Offering – Change of Control of the Company*”). On and after December 31, 2021 and prior to December 31, 2022, the Debentures may be redeemed in whole or in part from time to time at the option of the Company on not more than 60 days and not less than 30 days prior notice at a price equal to their principal amount plus accrued and unpaid interest to, but excluding the date of redemption, provided that the Current Market Price (as hereinafter defined) of the Common Shares on the date on which notice of redemption is given is at least 125% of the Conversion Price. On and after December 31, 2022 and prior to the Maturity Date, the Debentures may be redeemed in whole or in part from time to time at the option of the Company on not more than 60 days and not less than 30 days prior notice at a price equal to their principal amount plus accrued and unpaid interest. See “*Details of the Offering – Redemption*”.

**Share Payment Option upon Redemption or Maturity:**

On redemption or at maturity of the Debentures, the Company may, at its option, on not more than 60 days and not less than 40 days prior notice and subject to any required regulatory approval and provided that no Event of Default (as hereinafter defined) has occurred and is continuing, elect to satisfy its obligation to repay the principal amount of the Debentures, in whole or in part, by issuing and delivering that number of freely tradeable Common Shares obtained by dividing the principal amount of the Debentures outstanding which are to be redeemed or which have matured by 95% of the Current Market Price of the Common Shares on the date fixed for redemption or the Maturity Date, as the case may be (the “**Share Payment Option**”). Any accrued and unpaid interest thereon will be paid in cash.

**Restriction on Share Payment Option**

The Company shall not, directly or indirectly (through a subsidiary or otherwise) undertake to announce any rights offering, issuance of securities, subdivision of the Common Shares, dividend or other distribution on the Common Shares or any other securities, capital reorganization, reclassification or any similar type of transaction in which:

- a) the number of securities to be issued;
- b) the price at which securities are to be issued, converted or exchanged; or
- c) any property or cash that is to be distributed or allocated,

is in whole or in part based upon, determined reference to, related to or a function of, directly or indirectly: (i) the exercise or potential exercise of the Share Payment Option; or (ii) the Current Market Price determined in connection with the exercise of the Share Payment Option.

**Share Interest Payment Option:**

The Company may elect from time to time, subject to any required regulatory approval and provided that no Event of Default has occurred and is continuing, to satisfy all or part of its obligation to pay interest on the Debentures (the “**Interest Obligation**”), on the date it is payable under the Indenture (an “**Interest Payment Date**”), by delivering sufficient Common Shares to the Trustee to satisfy the Interest Obligation in accordance with the Indenture (the “**Share Interest Payment Election**”). See “*Details of the Offering – Share Interest Payment Option*”.

**Change of Control:**

Within 30 days following the occurrence of a Change of Control (as hereinafter defined), the Company will be required to make an offer in writing to purchase all of the Debentures then outstanding (the “**Debenture Offer**”) at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon.

“**Change of Control**” will be defined in the Indenture to mean the acquisition by any person, or group of persons acting jointly or in concert, of voting control or direction of more than 66 2/3% of the outstanding voting securities of the Company but excludes an acquisition, merger, reorganization, amalgamation, arrangement, combination or other similar transaction if the holders of voting securities of the Company

immediately prior to such transaction also hold, directly or indirectly, securities representing at least 66 2/3% of the voting control or direction in the Company or the successor entity upon completion of the transaction.

If a Change of Control occurs in which 10% or more of the consideration for the voting shares of Aecon in the transaction or transactions constituting a Change of Control consists of: (i) cash; (ii) equity securities that are not traded or intended to be traded immediately following such transactions on a stock exchange; or (iii) other property that is not traded or intended to be traded immediately following such transactions on a stock exchange, holders of Debentures will be entitled to convert their Debentures and receive, subject to and upon completion of the Change of Control, in addition to the number of Common Shares they otherwise would have been entitled to under “*Conversion Privilege*”, an additional number of Common Shares per \$1,000 principal amount of Debentures as set out in the Indenture. See “*Details of the Offering – Change of Control of the Company*” and “*Details of the Offering – Cash Change of Control*”.

**Purchase for Cancellation:**

The Company will also have the right at any time to purchase Debentures for cancellation in the market, by tender, by private contract or otherwise, subject to applicable regulatory approval.

**Subordination:**

The payment of the principal and premium, if any, of, and interest on, the Debentures will be subordinated in right of payment, as set forth in the Indenture, to the prior payment in full of all Senior Indebtedness (as hereinafter defined) and indebtedness to trade creditors of the Company and will rank *pari passu* with the 5.50% Debentures. The Debentures will also be effectively subordinated to claims of creditors of the Company’s subsidiaries except to the extent the Company is a creditor of such subsidiaries ranking at least *pari passu* with such other creditors. The Debentures will not limit the ability of the Company to incur additional indebtedness, including indebtedness that ranks senior to the Debentures, or from mortgaging, pledging or charging its properties to secure any indebtedness. See “*Details of the Offering – Subordination*”.

**Risk Factors:**

Investing in the Debentures involves a high degree of risk. See “*Risk Factors*” herein and in the AIF.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain information in this short form prospectus or incorporated herein by reference may constitute “forward-looking information” as such term is used in applicable Canadian securities legislation. Forward-looking statements include information concerning possible or assumed future results of operations or financial position of Aecon, financial outlook, as well as statements preceded by, followed by, or that include the words “believes”, “expects”, “anticipates”, “estimates”, “intends” or other similar expressions or future or conditional verbs such as “will”, “should”, “would” and “could”.

The forward-looking statements are based on currently available competitive, financial and economic data and operating plans but are subject to known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or general industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Many other factors could also cause Aecon’s actual results, performance or achievements to vary from those expressed or inferred herein, including without limitation, risks associated with an investment in Aecon’s securities, risks related to Aecon’s business including the ability to successfully manage large project risk and contractual risk (see “*Business of the Company*” and “*Risk Factors*” herein and in the AIF), credit ratings, credit, market, liquidity, competition from established competitors and new entrants in the construction industry, risks relating to the Company’s intention to redeem the 5.50% Debentures and general business and economic conditions worldwide as well as in Canada, the U.S. and other countries where Aecon has operations. The impact of any one factor or assumption on a particular forward-looking statement is not determinable with certainty as such factors and assumptions are interdependent upon other factors and assumptions, and management’s course of action would depend upon its assessment of the future considering all information then available. See “*Risk Factors*” herein and in the AIF.

Investors are cautioned that the foregoing list of factors is not exhaustive. Although the Company believes that the expectations conveyed by forward-looking statements are reasonable based on information available to it as of the date of this prospectus, no assurances can be given as to future results, levels of activity and achievements. Investors and others should carefully consider the risk factors described in this prospectus and not place undue reliance on forward-looking statements. All subsequent forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Aecon undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

## DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar regulatory authorities in Canada. Copies of these documents may be obtained on request without charge from the Corporate Secretary at the Company's head office located at 20 Carlson Court, Suite 800, Toronto, Ontario, (416) 297-2600 or on the System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

The following documents of the Company filed with the securities commissions or similar regulatory authorities in Canada are specifically incorporated by reference in, and form an integral part of, this short form prospectus:

- a) the AIF;
- b) Aecon's management information circular dated April 5, 2018 relating to its annual meeting of shareholders held on May 10, 2018;
- c) Aecon's management information circular dated November 17, 2017 relating to its special meeting of shareholders held on December 19, 2017;
- d) Aecon's audited consolidated financial statements and the notes thereto as at and for the years ended December 31, 2017 and 2016 together with the auditor's report thereon;
- e) management's discussion and analysis of operating results and financial condition as at and for the year ended December 31, 2017;
- f) Aecon's unaudited interim condensed consolidated financial statements and the notes thereto as at and for the three and six months ended June 30, 2018 and 2017;
- g) management's discussion and analysis of operating results and financial condition as at and for the six months ended June 30, 2018;
- h) Aecon's material change report dated May 30, 2018 with respect to the termination of the arrangement agreement among Aecon, CCCC International Holding Limited ("CCCCI") and its wholly-owned subsidiary, 10465127 Canada Inc., dated October 26, 2017 (the "Arrangement Agreement"); and
- j) the template version of the term sheet for the Offering dated September 6, 2018 (the "Marketing Materials").

All documents required to be incorporated by reference in this short form prospectus (excluding confidential material change reports) filed by the Company with securities commissions or similar regulatory authorities in Canada subsequent to the date of this short form prospectus and prior to the termination of the distribution of the Debentures under this short form prospectus shall be deemed to be incorporated by reference in this short form prospectus.

Documents referenced in any of the documents incorporated by reference in this short form prospectus but not expressly incorporated by reference therein or herein and not otherwise required to be incorporated by reference therein or herein are not incorporated by reference in this short form prospectus.

Any statement contained in this short form prospectus or a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this short form prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

## MARKETING MATERIALS

The Marketing Materials are not part of this short form prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this short form prospectus or any amendment thereof. Any “template version” of “marketing materials” (each as defined in National Instrument 41-101 *General Prospectus Requirements*) filed with the securities commission or similar authority in each of the provinces of Canada in connection with the Offering after the date of this short form prospectus but prior to the termination of the distribution of the Debentures under this short form prospectus (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated by reference in this short form prospectus.

## ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel for the Company, and Stikeman Elliott LLP, counsel for the Underwriters, provided that the Common Shares are listed on a “designated stock exchange” as defined in the *Income Tax Act* (Canada), which currently includes the TSX, the Debentures and the Common Shares issuable on the conversion, redemption or maturity of the Debentures, if issued on the date hereof, would be qualified investments under the *Income Tax Act* (Canada), and the regulations thereunder (the “**Tax Act**”) for a trust governed by a registered retirement savings plan (“**RRSP**”), registered retirement income fund (“**RRIF**”), deferred profit sharing plan (except, in the case of Debentures, a deferred profit sharing plan to which the Company, or an employer that does not deal at arm’s length with the Company, has made a contribution), registered education savings plan (“**RESP**”), registered disability savings plan (“**RDSP**”) or tax-free savings account (“**TFSA**,” and collectively “**Registered Plans**”).

Notwithstanding the foregoing, if the Debentures or Common Shares are a “prohibited investment” (as defined in the Tax Act) for the purposes of a particular RRSP, RRIF, RDSP, TFSA or RESP, the annuitant, holder or subscriber of the particular Registered Plan, as the case may be, that acquires such securities will be subject to penalty taxes as set out in the Tax Act. The Debentures and the Common Shares issuable upon the conversion, redemption or maturity of the Debentures will not be a “prohibited investment” for such a Registered Plan provided the annuitant of the RRSP or RRIF, or the holder of the RDSP or TFSA, or the subscriber of the RESP, as the case may be, deals at arm’s length with the Company for purposes of the Tax Act and does not have a “significant interest” (within the meaning of subsection 207.01(4) of the Tax Act) in the Company. In addition, the Common Shares will not be a prohibited investment if such securities are “excluded property” for purposes of the prohibited investment rules, for an RRSP, RRIF, RDSP, TFSA or RESP. Annuitants, holders and subscribers should consult their own tax advisors with respect to whether the Debentures being offered pursuant to this short form prospectus or the Common Shares issuable upon the conversion, redemption or maturity of the Debentures would be prohibited investments in their particular circumstances.

## THE COMPANY

Aecon and its predecessor entities have carried on business in Canada since 1877. Aecon was originally incorporated on January 14, 1957 under the name “Prefac Concrete Co. Ltd.” and was continued under the *Canada Business Corporations Act* by certificate of continuance dated May 16, 1978. On June 18, 2001, the Company’s name was changed to its current name “Aecon Group Inc.”.

Aecon’s registered and principal office is located at 20 Carlson Court, Suite 800, Toronto, Ontario, Canada, M9W 7K6, telephone: (416) 293-7004, fax: (416) 293-0271.

Aecon conducts its business principally through the following subsidiary companies, all of which are wholly owned by Aecon:

### **Subsidiary**

### **Jurisdiction of Incorporation**

Aecon Construction and Materials Limited	Ontario
Aecon Construction Group Inc.	Canada
Aecon Infrastructure Management Inc.	Alberta
Aecon Transportation West Ltd.	Alberta
West Carleton Sand and Gravel Inc.	Ontario
Bermuda Skyport Sand and Gravel Inc.	Bermuda

Aecon conducts a substantial portion of its business through joint ventures with other Canadian and international companies. The Company’s most significant joint venture projects include the following:

- a) Darlington Nuclear Refurbishment Project – a 50% interest in a joint venture engaged in Phase One and Execution stages of the re-tubing and feeder replacement project at Ontario Power Generation’s Darlington Nuclear Generating Station in Clarington, Ontario;
- b) York Viva Bus Rapid Transit Project – a 50% interest in a joint venture for the construction of 9-kilometres of dedicated rapidway lanes for Viva rapid transit vehicles along Yonge Street in Richmond Hill and Newmarket, Ontario;
- c) Waterloo Region LRT Project – a 10% interest in the concessionaire and a 51% interest in a joint venture for the design and build of the LRT system, including the construction of a 19-kilometre-long dual track system from Waterloo to Kitchener, Ontario;
- d) Eglinton Crosstown LRT Project – a 25% interest in the concessionaire, design and build joint venture, and maintenance and rehabilitation joint venture of the LRT system, including the construction of a 19-kilometer long dual track system with 25 stations, an integrated system of track work, rolling stock, signaling and communications infrastructure along Eglinton Avenue in Toronto, Ontario;
- e) Annacis Island WWTP Project – a 50% interest in the design and build joint venture for the civil, mechanical and electrical work, and instrumentation and demolition of the Annacis Island Wastewater Plant Stage 5 in Vancouver, British Columbia;
- f) Enbridge Line 3 (Spreads 3 and 4) Project – a 50% interest in a joint venture to construct a 261-kilometer pipeline in Saskatchewan;
- g) Finch West LRT Project – a 33.3% interest in the equity and construction and a 50% interest in the 30 year maintenance agreement for an 11-kilometre long system, including 16 surface stations, a below-grade terminal stop and an underground interchange station along Finch Avenue in Toronto, Ontario;
- h) Réseau express métropolitain Project – a 24% interest in a joint venture for the engineering, procurement and construction of the Réseau express métropolitain, a 67-kilometer long dual-track system with 26 stations, 3.5 kilometres of tunnels and park-and ride facilities with associated bus terminals in Montreal, Québec;

- i) Bruce Power Project – a 40% interest in a joint venture to execute the Unit 6 Fuel Channel and Feeder Replacement at the Bruce Nuclear Generating Station in Kincardine, Ontario;
- j) Enbridge Line 3 (Spreads 8 and 9) Project – a 50% interest in a joint venture to construct a 92.2-kilometer pipeline in Manitoba;
- k) Fort Hills Project – a 49% interest in a joint venture for overburden removal and other major civil and earthworks at the Fort Hills oil sands project operated by Suncor in Fort McMurray, Alberta;
- l) Bruce Power Steam Generator Replacement project – a 40% interest in a joint venture for the replacement of steam generators at the Bruce Power Nuclear Generating Station in Kincardine, Ontario;
- m) Kemano Second Tunnel – a 40% interest in a joint venture to construct an 8km tunnel for Rio Tinto in Kitimat, British Columbia;
- n) Peace River Bridge – a 50% interest in a joint venture to construct a bridge over the Peace River to twin Highway 2 in Peace River, Alberta; and
- o) Site C Generating Station and Spillways – a 30% interest in a joint venture to construct civil works associated with the powerhouse, penstocks, spillways and power intakes, plus related ancillary construction work for BC Hydro in British Columbia.

### **BUSINESS OF THE COMPANY**

Aecon is a leader in construction and infrastructure development, providing integrated turnkey services to private and public sector clients. Aecon operates in three principal segments within the construction and infrastructure development industry: infrastructure (“**Infrastructure**”), industrial (“**Industrial**”) and concessions (“**Concessions**”). Services range from financing, design, construction and operation to procurement, materials supply and engineering and fabrication.

The Infrastructure segment includes all aspects of the construction of both public and private infrastructure, primarily in Canada, and on a selected basis, internationally. The Infrastructure segment focuses primarily on the following sectors:

<b>INFRASTRUCTURE</b>	
<b>Sector</b>	<b>Service Focus</b>
Transportation	<ul style="list-style-type: none"> <li>• Roads and bridges</li> <li>• Rail and transit</li> <li>• Municipal road construction</li> <li>• Asphalt production and aggregates</li> <li>• Material engineering and design</li> <li>• Foundations</li> </ul>
Major Projects	<ul style="list-style-type: none"> <li>• Hydroelectric</li> <li>• Tunnels and transit stations</li> <li>• Marine</li> <li>• Major civil transportation infrastructure</li> <li>• Water treatment facilities</li> <li>• Mechanical systems</li> <li>• Airport</li> </ul>

The Industrial segment encompasses a full suite of service offerings, primarily to energy and mining markets, including conventional industrial construction and manufacturing activities such as in-plant construction, site, construction, fabrication, module assembly and contract mining. The activities of the Energy segment are concentrated predominately in Canada and focus primarily on the following sectors:

<b>INDUSTRIAL</b>	
<b>Sector</b>	<b>Service Focus</b>
Conventional Industrial	<ul style="list-style-type: none"> <li>• Steam Assisted Gravity Drainage (SAGD) operations in the oil sands</li> <li>• Turnkey well pad construction and field facilities</li> <li>• Liquefied natural gas (LNG) plants</li> <li>• Gas compression facilities</li> <li>• Thermal and hydro</li> <li>• Natural gas</li> <li>• Renewables</li> <li>• Fabrication (pipe fabrication, custom steel)</li> <li>• Modularization and field installations</li> <li>• Plant maintenance turnaround</li> <li>• Mine site development including overburden removal and piling services</li> <li>• Environmental reclamation services</li> <li>• Ore storage facilities</li> <li>• Heavy mechanical works</li> <li>• Complete process installations</li> </ul>
Nuclear	<ul style="list-style-type: none"> <li>• Full EPC project services</li> <li>• Reactor component replacement</li> <li>• Plant system overhaul, upgrades and modifications</li> <li>• Maintenance and outage support</li> <li>• Nuclear waste management sites and facilities</li> <li>• Fabrication of engineered modules, waste containers and flasks, plant equipment and components</li> <li>• Structural and pipe fabrication</li> <li>• CANDU single or multiple fuel channel replacements</li> <li>• Turbine generator maintenance/overhaul</li> <li>• Facility construction and maintenance</li> <li>• Facility decommissioning</li> </ul>
Utilities	<ul style="list-style-type: none"> <li>• Oil and gas pipeline construction and integrity programs</li> <li>• Telecom infrastructure</li> <li>• Power transmission and distribution networks</li> <li>• Water and sewer construction</li> <li>• District energy</li> <li>• Locate services</li> <li>• High voltage transmission</li> </ul>

Activities within the Concessions segment include the development, financing, construction and operation of infrastructure projects by way of build-operate-transfer, build-own-operate-transfer and other public-private partnership contract structures. The Concessions segment focuses primarily on the following activities:

<b>CONCESSIONS</b>	
<b>Activities</b>	<b>Service Focus</b>
Project Financing	<ul style="list-style-type: none"> <li>• Development of domestic and international Public-Private Partnership projects</li> <li>• Private finance solutions</li> </ul>
Development	<ul style="list-style-type: none"> <li>• Developing effective strategic partnerships</li> <li>• Leading and/or actively participating in development teams</li> </ul>
Construction and Operation	<ul style="list-style-type: none"> <li>• Seamlessly integrating the services of all project participants</li> <li>• Harnessing strengths and capabilities of Aecon</li> </ul>

### RECENT DEVELOPMENTS

Since June 30, 2018, the following important events have taken place within Aecon's business:

- In August 2018, Aecon announced that it had received approval to rejoin Bridging North America, the team selected as the preferred proponent to design, build, finance, operate and maintain the Gordie Howe International Bridge.
- In July 2018, Aecon announced that the board of directors had appointed Jean-Louis Servranckx as the Company's President and Chief Executive Officer, effective September 4, 2018.

Commencing in 2018, Aecon's Energy and Mining segments were combined into an Industrial segment to align with Aecon's new operating management structure, and to build on the "One Aecon" business strategy to capitalize on and combine the strengths and synergies of the Aecon group. Aecon currently operates in three principal segments within the construction and infrastructure development industry: Infrastructure, Industrial and Concessions. Summary financial information by segment for the year ended December 31, 2017 and as at December 31, 2017 restated to conform to the presentation adopted in the current year is as follows:

For the year ended December 31, 2017 (unaudited)					
(in \$ thousands)	Infrastructure	Industrial	Concessions	Other and eliminations	Total
<b>Consolidated Statements of Income</b>					
Total revenue	961,689	1,839,068	135,258	(130,287)	2,805,728
Operating profit (loss)	\$ 21,158	\$ 65,998	\$ 16,271	\$ (49,792)	\$ 53,635
Finance income (cost):					
Finance income					\$ 895
Finance cost					(23,704)
Profit before income taxes					\$ 30,826
Income tax expense					(2,650)
Profit for the year					\$ 28,176
<b>For the year ended December 31, 2017 (unaudited)</b>					
<b>Consolidated Balance Sheets</b>					
Segment assets	\$ 628,822	\$ 1,202,112	\$ 597,790	\$ 77,066	\$ 2,505,790
Segment liabilities	\$ 506,453	\$ 466,305	\$ 501,560	\$ 275,497	\$ 1,749,815

From time to time, the Company and its subsidiaries evaluate existing businesses and such review could result in the Company and/or its subsidiaries disposing of or acquiring businesses. In the ordinary course of their operations, the Company and its subsidiaries consider and discuss with third parties the purchase or sale of companies, businesses or business segments which may or may not be material. However, there can be no assurance that any of these considerations or discussions will result in an acquisition or disposition and, if they do, what the final terms or timing of any acquisition or disposition would be.

## USE OF PROCEEDS

The net proceeds to the Company from the issue and sale of the Debentures after deducting both the Underwriters' Fee and the estimated expenses of the Offering, are estimated to be approximately \$152,800,000 (or \$175,840,000 if the Over-Allotment Option is exercised in full). The net proceeds of the Offering will be used by Aecon, together with cash on hand, to fund the intended redemption of the 5.50% Debentures. If the Over-Allotment Option is exercised in full, the net proceeds will be used to fund the redemption of the 5.50% Debentures and for general corporate purposes. Following closing of this Offering, the Company intends to issue a notice to redeem the 5.50% Debentures on or about October 26, 2018.

## DETAILS OF THE OFFERING

This Offering consists of \$160,000,000 aggregate principal amount of Debentures issuable at a price of \$1,000 per Debenture. The following is a summary of the material attributes and characteristics of the Debentures and is subject to, and qualified by reference to, the terms of the Indenture.

### *General*

The Debentures will be issued under a supplemental trust indenture to be dated as of the Closing Date to the trust indenture dated September 29, 2009 (collectively, the "**Indenture**") between the Company and Computershare Trust Company of Canada (the "**Trustee**"). The aggregate principal amount of Debentures authorized for issue immediately will be limited to the aggregate principal amount of \$184,000,000 in the event the Over-Allotment Option is exercised in full). However, the Company may, from time to time, without the consent of holders of Debentures, issue additional debentures of a different series under the Indenture. References in this section to "debentures" is a reference to all debentures outstanding from time to time under the Indenture, as it may be further supplemented from time to time.

The Debentures will be dated as at the Closing Date and will be issuable only in denominations of \$1,000 and integral multiples thereof. The Maturity Date for the Debentures will be December 31, 2023.

The Debentures will bear interest from the date of issue at 5.00% per annum, which will be payable semi-annually in arrears on May 31 and November 30 of each year, commencing May 31, 2019. The first interest payment on May 31, 2019 will include interest accrued from, and including, the Closing Date to, but excluding, May 31, 2019.

The principal amount of the Debentures will be payable in lawful money of Canada or, at the option of the Company and subject to applicable regulatory approval, by payment of Common Shares as further described under "*Redemption*" and "*Payment upon Redemption or Maturity*". The interest on the Debentures will be payable in lawful money of Canada including, at the option of the Company and subject to applicable regulatory approval and provided that no Event of Default has occurred and is continuing, in accordance with the Share Interest Payment Election (as defined below) as described under "*– Share Interest Payment Option*".

The Debentures will be direct obligations of the Company and will not be secured by any mortgage, pledge, hypothec or other charge and will be subordinated to other liabilities of the Company as described under "*– Subordination*". The Indenture will not restrict the Company from incurring additional indebtedness for borrowed money or from mortgaging, pledging or charging its properties to secure any indebtedness.

### *Conversion Privilege*

The Debentures will be convertible at the holder's option into fully paid and non-assessable Common Shares at any time prior to the close of business (Eastern time) on the earlier of the Maturity Date or the business day immediately preceding the date specified by the Company for redemption of the Debentures, at the Conversion Price of \$24.00 per Common Share, being a conversion rate of approximately 41.6667 Common Shares per \$1,000 principal amount of Debentures (the "**Conversion Rate**"). No adjustment will be made for dividends or distributions on Common Shares issuable upon conversion. No adjustment will be made for interest accrued since the then most recently completed interest payment date on Debentures surrendered for conversion and upon conversion, holders will not be entitled to interest accrued since the last interest payment date, or the Closing Date if an interest payment date has not yet occurred, unless they convert their Debentures on an interest payment date, in which case they will be entitled to receive such interest payment. Holders converting their Debentures shall become holders of record of Common Shares on the business day immediately after the conversion date.

Subject to the provisions thereof, the Indenture will provide for the adjustment of the Conversion Price in certain events including without limitation: (i) the subdivision or consolidation of the outstanding Common Shares; (ii) the issue of Common Shares to holders of all or substantially all of the outstanding Common Shares by way of dividend or distribution other than the issue of Common Shares to holders of Common Shares who have elected to receive dividends in the form of Common Shares in lieu of receiving dividends paid in the ordinary course; (iii) the issuance of options, rights or warrants to all or substantially all holders of Common Shares entitling them to acquire Common Shares or securities convertible into Common Shares at less than 95% of the then Current Market Price of the Common Shares; (iv) the distribution to all holders of Common Shares of any securities or assets (other than cash dividends and equivalent dividends in securities paid in lieu of cash dividends in the ordinary course, provided such ordinary course dividends are not greater than \$0.125 per Common Share per calendar quarter); and (v) the payment to all holders of the Common Shares of cash or any other consideration in respect of an issuer bid by the Company or any of the Company's subsidiaries to the extent that the cash and fair market value of any other consideration included in the payment per Common Share exceeds the Current Market Price of the Common Shares on the date of expiry of such issuer bid.

Subject to certain exceptions, there will be no adjustment of the Conversion Price in respect of any event described in (ii), (iii), (iv) and (v) above if the holders of the Debentures are allowed to participate as though they had converted their Debentures into Common Shares prior to the applicable record date or effective date, as the case may be. The Company will not be required to make adjustments in the Conversion Price unless the cumulative effect of such adjustments would change the Conversion Price by at least 1%. In addition, if a holder elects to convert its Debentures in connection with a Change of Control (as hereinafter defined) that occurs prior to the Maturity Date, the holder will be entitled to receive additional Common Shares as a make-whole premium on conversion in certain circumstances, as set out below under “– *Cash Change of Control*”.

The term “**Current Market Price**” will be defined in the Indenture to mean the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date of the applicable event and has such meaning in this short form prospectus.

In the case of any reclassification or capital reorganization (other than a change resulting from consolidation or subdivision) of the Common Shares or in the case of any consolidation, amalgamation, arrangement, merger or acquisition of the Company with or into any other entity, or in the case of any sale or conveyance of the properties and assets of the Company as, or substantially as, an entirety to any other entity, or a liquidation, dissolution or winding-up of the Company, the terms of the conversion privilege shall be adjusted so that each holder of a Debenture shall, after such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, acquisition, sale or conveyance or liquidation, dissolution or winding up, be entitled to receive and shall accept the number of Common Shares or other securities on the exercise of the conversion privilege that such holder would be entitled to receive if on the effective date thereof, it had been the holder of the number of Common Shares into which the Debenture was convertible prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, acquisition, sale or conveyance or liquidation, dissolution or winding-up. Notwithstanding the foregoing, if prior to the date that is five years plus one day from the last date of issuance of Debentures pursuant to this prospectus, holders would otherwise be entitled to receive, upon conversion of the Debentures, any property (including cash) or securities that would not constitute “prescribed securities” for the purposes of former clause 212(1)(b)(vii)(E) of the Tax Act as it applied to the 2007 taxation year (referred to herein as “Ineligible Consideration”), such holders shall not be entitled to receive such Ineligible Consideration but the Company or the successor or acquirer, as the case may be, shall have the right (at the sole option of the Company or the successor or acquirer, as the case may be) to deliver either such Ineligible Consideration or “prescribed securities” for the purpose of former clause 212(1)(b)(vii)(E) of the Tax Act as it applied to the 2007 taxation year with a market value (as conclusively determined by the directors of the Company) equal to the market value of such Ineligible Consideration.

No fractional Common Shares will be issued on any conversion of the Debentures, but in lieu thereof the Company shall satisfy fractional interests by a cash payment equal to the Current Market Price of any fractional interest.

### ***Redemption***

The Debentures will not be redeemable before December 31, 2021 (except in the event of certain circumstances described herein under “– *Change of Control of the Company*”). On and after December 31, 2021 and prior to December 31, 2022, the Debentures may be redeemed in whole or in part from time to time at the option of the Company on not more than 60 days and not less than 30 days prior notice at a price equal to their principal amount plus accrued and unpaid interest to, but excluding, the date of redemption, provided that the Current Market Price of the Common Shares on the date on which notice of redemption is given is at least 125% of the Conversion Price. On and after December 31, 2022 and prior to the Maturity Date, the Debentures may be redeemed in whole or in part from time to time at the option of the Company on not more than 60 days and not less than 30 days prior notice at a price equal to their principal amount plus accrued and unpaid interest.

In the case of redemption of less than all of the Debentures, the Debentures to be redeemed will be selected by the Trustee on a pro rata basis or in such other manner as the Trustee deems equitable, subject to the consent of the TSX.

#### ***Share Payment Option upon Redemption or Maturity***

Upon redemption or at maturity of the Debentures, the Company will repay the indebtedness represented by the Debentures by paying to the Trustee in lawful money of Canada an amount equal to the aggregate principal amount of the outstanding Debentures which are to be redeemed or which have matured, together with accrued and unpaid interest thereon, less any tax required by law to be deducted. The Company may, at its option, on not more than 60 days and not less than 40 days prior notice and subject to any required regulatory approvals and provided that no Event of Default has occurred and is continuing, elect to satisfy its obligation to repay, in whole or in part, the principal amount of the Debentures which are to be redeemed or which have matured by issuing and delivering freely tradeable Common Shares to the holders of the Debentures. Any accrued and unpaid interest thereon will be paid in cash, less any tax required by law to be deducted. In such event, payment will be satisfied by issuing and delivering that number of freely tradeable Common Shares obtained by dividing the principal amount of the Debentures outstanding which are to be redeemed or which have matured by 95% of the Current Market Price of the Common Shares on the date fixed for redemption or the Maturity Date, as the case may be.

No fractional Common Shares will be issued on any redemption or maturity of the Debentures, but in lieu thereof the Company shall satisfy fractional interests by a cash payment equal to the Current Market Price of any fractional interest.

#### ***Restriction on Share Payment Option***

The Company shall not, directly or indirectly (through a subsidiary or otherwise) undertake to announce any rights offering, issuance of securities, subdivision of the Common Shares, dividend or other distribution on the Common Shares or any other securities, capital reorganization, reclassification or any similar type of transaction in which:

- a) the number of securities to be issued;
- b) the price at which securities are to be issued, converted or exchanged; or
- c) any property or cash that is to be distributed or allocated,

is in whole or in part based upon, determined in reference to, related to or a function of, directly or indirectly: (i) the exercise or potential exercise of the Share Payment Option; or (ii) the Current Market Price determined in connection with the exercise of the Share Payment Option.

#### ***Share Interest Payment Option***

The Company may make the Share Interest Payment Election, from time to time, subject to any required regulatory approval and provided that no Event of Default has occurred and is continuing, to satisfy all or part of its Interest Obligation on the Interest Payment Date, by delivering sufficient Common Shares to the Trustee to satisfy the Interest Obligation in accordance with the Indenture. The Indenture will provide that, upon such election, the Trustee shall (i) accept delivery from the Company of Common Shares, (ii) accept bids with respect to, and consummate sales on behalf of the Company of, such Common Shares, each as the Company shall direct in its absolute discretion, (iii) invest the proceeds of such sales in securities issued or guaranteed by the Government of Canada which mature prior to the applicable Interest Payment Date, and use the proceeds received from investment in such permitted government securities, together with any additional cash provided by the Company, to satisfy the Interest Obligation, and (iv) perform any other action necessarily incidental thereto.

The Indenture will set forth the procedures to be followed by the Company and the Trustee in order to effect the Share Interest Payment Election. If a Share Interest Payment Election is made, the sole right of a holder of Debentures in respect of interest will be to receive a cash payment equal to the interest owed on their Debentures from the Trustee out of the proceeds of the sale of Common Shares (plus any amount received by the Trustee from the Company) in full satisfaction of the Interest Obligation, and the holder of such Debentures will have no further recourse to the Company in respect of the Interest Obligation.

Neither the Company's making of the Share Interest Payment Election nor the consummation of sales of Common Shares will (a) result in the holders of the Debentures not being entitled to receive on the applicable Interest Payment Date cash in an aggregate amount equal to the interest payable on such Interest Payment Date, or (b) entitle such holders to receive any Common Shares in satisfaction of the Interest Obligation.

### ***Change of Control of the Company***

Within 30 days following the occurrence of a Change of Control, the Company will be required to make an offer in writing to purchase all of the Debentures then outstanding (the “**Debenture Offer**”), at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon (the “**Debenture Offer Price**”).

A “**Change of Control**” will be defined in the Indenture to mean the acquisition by any person, or group of persons acting jointly or in concert, of voting control or direction of more than 66 2/3% of the outstanding voting securities of the Company but excludes an acquisition, merger, reorganization, amalgamation, arrangement, combination or other similar transaction if the holders of voting securities of the Company immediately prior to such transaction also hold, directly or indirectly, securities representing at least 66 2/3% of the voting control or direction in the Company or the successor entity upon completion of the transaction.

The Indenture will contain notification and repurchase provisions requiring the Company to give written notice to the Trustee of the occurrence of a Change of Control within 30 days of such event together with the Debenture Offer. The Trustee will promptly thereafter deliver to each holder of Debentures a notice of the Change of Control together with a copy of the Debenture Offer to repurchase all the outstanding Debentures.

If Debentures representing 90% or more of the aggregate principal amount of the Debentures outstanding on the date of the delivery of the Debenture Offer are tendered for purchase pursuant to the Debenture Offer, the Company will have the right to redeem all the remaining Debentures at the Debenture Offer Price. Notice of such redemption must be given by the Company to the Trustee within ten days following the expiry of the Debenture Offer, and promptly thereafter, by the Trustee to the holders of the Debentures not tendered pursuant to the Debenture Offer.

### ***Cash Change of Control***

If a Change of Control occurs in which 10% or more of the consideration for the voting securities in the transaction or transactions constituting a Change of Control consists of: (i) cash; (ii) equity securities that are not traded or intended to be traded immediately following such transactions on a stock exchange; or (iii) other property that is not traded or intended to be traded immediately following such transactions on a stock exchange, holders of Debentures will be entitled to convert their Debentures and receive, subject to and upon completion of the Change of Control, in addition to the number of Common Shares they otherwise would have been entitled to under “– *Conversion Privilege*”, an additional number of Common Shares per \$1,000 principal amount of Debentures as set out below (the “**Make-Whole Premium**”).

The number of additional Common Shares per \$1,000 principal amount of Debentures constituting the Make-Whole Premium will be determined by reference to the table below and is based on the date on which the Change of Control becomes effective (the “**Effective Date**”) and the price (the “**Cash Offer Price**”) paid per Common Share in the transaction constituting the Change of Control. If holders of Common Shares receive (or are entitled and able in all circumstances to receive) only cash in the transaction, the Cash Offer Price will be the cash amount paid per Common Share. Otherwise, the Cash Offer Price will be equal to the Current Market Price of the Common Shares immediately preceding the Effective Date of such transaction.

The following table illustrates what the Make-Whole Premium would be for each hypothetical Cash Offer Price and Effective Date set out below, expressed as additional Common Shares per \$1,000 principal amount of Debentures. For greater certainty, the Company will not be obligated to pay the Make-Whole Premium other than by issuance of Common Shares upon conversion, subject to the provision relating to adjustment of the Conversion Rate in certain circumstances and following the completion of certain types of transaction described under “– *Conversion Privilege*”.

**Make Whole Premium upon a Cash Change of Control**  
(Number of Additional Common Shares per \$1,000 Debenture)

Effective Date	\$17.08	\$17.50	\$18.50	\$19.50	\$20.00	\$25.00	\$30.00	\$35.00
26-Sep-18	16.8813	15.7417	13.6476	11.8646	11.0730	5.7544	3.1790	1.8477
31-Dec-18	16.8813	15.5560	13.4459	11.6508	10.8550	5.5404	3.0107	1.7297
31-Dec-19	16.8813	15.4762	12.7897	10.9026	10.0690	4.6324	2.2473	1.1723
31-Dec-20	16.8813	15.4762	12.3874	10.0549	9.1610	3.4940	1.2910	0.5351
31-Dec-21	16.8813	15.4762	12.3874	9.6154	8.3333	2.0368	-	-
31-Dec-22	16.8813	15.4762	12.3874	9.6154	8.3333	-	-	-

The actual Cash Offer Price and Effective Date may not be set out in the table, in which case:

- a) if the actual Cash Offer Price on the Effective Date is between two Cash Offer Prices in the table or the actual Effective Date is between two Effective Dates in the table, the Make-Whole Premium will be determined by a straight-line interpolation between the Make-Whole Premiums set out for the two Cash Offer Prices and the two Effective Dates in the table based on a 365-day year, as applicable;
- b) if the Cash Offer Price on the Effective Date is equal to or exceeds \$35.00 per Common Share, subject to adjustment as described below, the Make-Whole Premium will be zero; and
- c) if the Cash Offer Price on the Effective Date is less than \$17.08 per Common Share, subject to adjustment as described below, the Make-Whole Premium will be zero.

The Cash Offer Prices set out in the table above will be adjusted as of any date on which the Conversion Rate of the Debentures is adjusted. The adjusted Cash Offer Prices will equal the Cash Offer Prices applicable immediately prior to such adjustment multiplied by a fraction, the numerator of which is the Conversion Rate immediately prior to the adjustment giving rise to the Cash Offer Price adjustment and the denominator of which is the Conversion Rate as so adjusted. The number of additional Common Shares set out in the table above will be adjusted in the same manner as the Conversion Rate as set out above under “ – *Conversion Privilege*”. For greater certainty, there will be no additional Common Shares payable or adjustment to the Conversion Rate due to an adjustment to the Conversion Rate by adding the Make-Whole Premium as described above.

***Purchase for Cancellation***

The Company will also have the right at any time to purchase Debentures for cancellation in the market, by tender, by private contract or otherwise, subject to applicable regulatory approval.

***Subordination***

The payment of the principal and premium, if any, of, and interest on, the Debentures will be subordinated in right of payment, as set forth in the Indenture, to the prior payment in full of all Senior Indebtedness and indebtedness to trade creditors of the Company. “**Senior Indebtedness**” of the Company will be defined in the Indenture as the principal of and premium, if any, and interest on and other amounts in respect of all indebtedness of the Company (whether outstanding as at the date of the Indenture or thereafter incurred), other than indebtedness evidenced by the Debentures or the outstanding 5.50% Debentures and all other existing and future debentures or other instruments of the Company which, by the terms of the instrument creating or evidencing the indebtedness, is expressed to be *pari passu* with, or subordinate in right of payment to, the Debentures. The Debentures will rank *pari passu* with the 5.50% Debentures. Subject to statutory or preferred exceptions or as may be specified by the terms of any particular securities, each debenture issued under the Indenture will rank *pari passu* with each other debenture, and with all other present and future subordinated and unsecured indebtedness of the Company except for sinking provisions (if any) applicable to different series of debentures or similar types of obligations of the Company.

The Indenture will provide that in the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings relative to the Company, or to its property or assets, or in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of the Company, whether or not involving insolvency or bankruptcy, or any

marshalling of the assets and liabilities of the Company, then those holders of Senior Indebtedness, including any indebtedness to trade creditors, will receive payment in full before the holders of Debentures will be entitled to receive any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in any such event in respect of any of the Debentures or any unpaid interest accrued thereon. The Indenture will also provide that the Company will not make any payment, and the holders of the Debentures will not be entitled to demand, institute proceedings for the collection of, or receive any payment or benefit (including without any limitation by set-off, combination of accounts or otherwise in any manner whatsoever) on account of indebtedness represented by the Debentures: (i) in a manner inconsistent with the terms (as they exist on the date of issue) of the Debentures, (ii) at any time when a default, an event of default or an acceleration has occurred under the Credit Facilities, as amended, restated or replaced from time to time, or a swap obligation of any lender party to the Credit Facilities from time to time or one of its affiliates, or (iii) at any time when a default with respect to any Senior Indebtedness permitting the holders thereof to accelerate the maturity thereof has occurred under the Senior Indebtedness and is continuing, unless such default has been cured or waived or ceased to exist.

The Debentures will also be effectively subordinate to claims of creditors of the Company's subsidiaries except to the extent the Company is a creditor of such subsidiaries ranking at least *pari passu* with such other creditors. Specifically, the Debentures will be subordinated and postponed in right of payment to the prior payment in full of all indebtedness under the Credit Facilities with its principal lenders.

### ***Events of Default***

The Indenture will provide that an event of default (“**Event of Default**”) in respect of the Debentures will occur if any one or more of the following described events has occurred and is continuing with respect to the Debentures: (i) failure for 10 days to pay interest on the Debentures when due; (ii) failure to pay principal or premium, if any, on the Debentures when due, whether at maturity, upon redemption, by declaration or otherwise; (iii) default in the observance or performance of any material covenant or condition of the Indenture and continuance of such default for a period of 30 days after notice in writing has been given by the Trustee to the Company specifying such default and requiring the Company to rectify the same; or (iv) certain events of bankruptcy, insolvency or reorganization of the Company under bankruptcy or insolvency laws. If an Event of Default has occurred and is continuing, the Trustee may, in its discretion, and shall, upon request of holders of not less than 25% in principal amount of the Debentures, declare the principal of and interest on all outstanding Debentures to be immediately due and payable. In certain cases, the holders of a majority of the principal amount of Debentures then outstanding may, on behalf of the holders of all Debentures, instruct the Trustee to waive any Event of Default and/or cancel any such declaration upon such terms as such holders shall prescribe.

### ***Offers for Debentures***

The Indenture will contain provisions to the effect that if an offer is made for all the Debentures (other than Debentures held by or on behalf of the offeror or associates or affiliates of the offeror) and such offer is accepted by the beneficial holders of at least 90% of the outstanding principal amount of the Debentures (other than Debentures held by or on behalf of the offeror or associates or affiliates of the offeror), the offeror takes up and pays for the Debentures of the debentureholders who accepted the offer and the offeror complies with certain provisions of the Indenture, the offeror will be entitled to acquire the Debentures held by the holders of Debentures who did not accept the offer on the terms offered by the offeror.

### ***Modification***

The rights of the holders of the Debentures as well as any other series of debentures that may be issued under the Indenture may be modified in accordance with the terms of the Indenture. For that purpose, among others, the Indenture will contain certain provisions which will make binding on all holders of debentures any resolutions passed at meetings of the holders of debentures by votes cast thereat by holders of not less than 66 2/3% of the principal amount of the debentures present at the meeting or represented by proxy, or rendered by instruments in writing signed by the holders of not less than 66 2/3% of the principal amount of the debentures. In certain cases, the modification will, instead or in addition, require assent by the holders of the required percentage of debentures of each particularly affected series.

### ***Book-Entry System for Debentures***

The Debentures will be issued in “book-entry only” form and must be purchased or transferred through a participant in the depository service of CDS (a “**Participant**”). On the Closing Date, the Trustee or TD Securities will cause the Debentures to be delivered to CDS and registered in the name of its nominee, “CDS & Co.”. Unless the book-entry only system is terminated as described below, or under certain other circumstances, a purchaser acquiring a beneficial interest in the Debentures (a “**Beneficial**

**Owner**”), will not be entitled to receive a certificate for Debentures, or, unless requested, for the Common Shares issuable on the conversion of the Debentures. Purchasers of Debentures will not be shown on the records maintained by CDS, except through a Participant.

Beneficial interests in Debentures will be represented solely through the book-entry only system and such interests will be evidenced by customer confirmations of purchase from the registered dealer from which the applicable Debentures are purchased in accordance with the practices and procedures of that registered dealer. In addition, with certain exceptions, registration of interests in, and transfers of, the Debentures will be made only through the depository service of CDS.

As indirect holders of Debentures, investors should be aware that they (subject to the situations described below): (i) may not have Debentures registered in their name; (ii) may not have physical certificates representing their interest in the Debentures; (iii) may not be able to sell the Debentures to institutions required by law to hold physical certificates for securities they own; and (iv) may be unable to pledge Debentures as security.

The Debentures will be issued to Beneficial Owners thereof in fully registered and certificate form (the “**Debenture Certificates**”) only if: (i) required to do so by applicable law; (ii) the book-entry only system ceases to exist; (iii) the Company or CDS advises the Trustee that CDS is no longer willing or able to properly discharge its responsibilities as depository with respect to the Debentures and the Company has not appointed a successor; (iv) the Company, at its option, decides to terminate the book-entry only system through CDS; or (v) after the occurrence of an Event of Default, Participants representing, in the aggregate, more than 25% of the aggregate principal amount of the Debentures then outstanding advise CDS in writing that the continuation of a book-entry only system through CDS is no longer in their best interest provided the Trustee has not waived the Event of Default in accordance with the terms of the Indenture.

Upon the occurrence of any of the events described in the immediately preceding paragraph, the Trustee must notify CDS, for and on behalf of Beneficial Owners of Debentures, of the availability through CDS of Debenture Certificates. Upon surrender by CDS of the certificate(s) representing the Debentures, and receipt of new registration instructions from CDS, the Trustee shall deliver the Debentures in the form of Debenture Certificates and thereafter the Company will recognize the holders of such Debenture Certificates as debentureholders under the Indenture.

Interest on the Debentures will be paid directly to CDS while the book-entry only system is in effect. If Debenture Certificates are issued, interest will be paid by cheque drawn on the Company and sent by prepaid mail to the registered holder or by such other means as may become customary for the payment of interest. Payment of principal, including payment in the form of Common Shares if applicable, and the interest due, at maturity or on a redemption date, will be paid directly to CDS while the book-entry only system is in effect. If Debenture Certificates are issued, payment of principal, including payment in the form of Common Shares if applicable, and interest due, at maturity or on a redemption date, will be paid upon surrender thereof at any office of the Trustee or as otherwise specified in the Indenture.

Neither the Company nor the Underwriters will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Debentures held by CDS or any payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Debentures; or (iii) any advice or representation made by or with respect to CDS and contained in this short form prospectus and relating to the rules governing CDS or any action to be taken by CDS or at the direction of a Participant. The rules governing CDS provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to CDS and Beneficial Owners must look solely to Participants for any payments relating to the Debentures, paid by or on behalf of the Company to CDS.

## **EARNINGS COVERAGE**

The following earnings coverages and adjusted earnings coverages are calculated on a consolidated basis for the year ended December 31, 2017 and the twelve-month period ended June 30, 2018 and are derived from audited financial information, in the case of the year ended December 31, 2017, and unaudited financial information, in the case of the twelve-month period ended June 30, 2018.

Aecon’s interest requirements amounted to \$23.7 million and \$23.1 million for the year ended December 31, 2017 and the twelve-month period ended June 30, 2018, respectively. Aecon’s earnings before interest expense and income tax expense were \$53.6 million and \$56.2 million for the year ended December 31, 2017 and the twelve-month period ended June 30, 2018, respectively, which is 2.26 times and 2.43 times, respectively, Aecon’s interest requirements for these periods.

Aecon's interest requirements, after giving effect to the Offering before any exercise of the Over-Allotment Option, and the intended redemption of the 5.50% Debentures, were \$22.2 million and \$21.7 million for the year ended December 31, 2017 and the twelve-month period ended June 30, 2018, respectively. Aecon's pro forma earnings before interest expense and income tax expense were \$53.6 million and \$56.2 million for the year ended December 31, 2017 and the twelve-month period ended June 30, 2018, respectively, which is 2.41 times and 2.59 times, respectively, Aecon's interest requirements for these periods.

These coverage ratios reflect historical earnings and the net impact of interest on the Debentures, as noted. Under GAAP, a portion of the Debentures will be classified on the balance sheet as a liability and a portion allocated to equity to reflect the conversion privilege. The related interest expense and financing charges will be amortized using the effective interest method. For purposes of the pro forma calculations above, interest expense has been calculated as though the Debentures (excluding Debentures issuable upon exercise of the Over-Allotment Option) had been accounted for in their entirety as debt. Also, for purposes of the calculation, interest expense does not include related financing charges (e.g. the amortization of debt issuance costs).

The pro forma earnings coverage set forth above (i) give effect to the Offering before any exercise of the Over-Allotment Option, and adjusted for the intended redemption of the 5.50% Debentures as of the beginning of the applicable period; (ii) assume there are no additional earnings derived from the use of the net proceeds of the Offering; and (iii) do not purport to be indicative of earnings coverage ratios for any future periods.

### DESCRIPTION OF SHARE CAPITAL

The authorized capital of the Company consists of an unlimited number of Common Shares. As at September 11, 2018, there were 59,908,806 issued and outstanding Common Shares.

Holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Company, to attend such meetings and to cast one vote per Common Share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Common Shares are entitled to receive ratably such dividends, if any, as and when declared by the board of directors at its discretion from funds legally available therefor and upon the liquidation, dissolution or winding up of the Company are entitled to receive ratably the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or ratably with the holders of the Common Shares with respect to dividends or liquidation. The Common Shares do not by their terms carry any pre-emptive, subscription, redemption or conversion rights.

### CONSOLIDATED CAPITALIZATION

Since June 30, 2018, there have been no material changes in the share and loan capital of the Company. After giving effect to the Offering, the Company anticipates an increase in indebtedness related to the Debentures of \$160,000,000 (\$184,000,000 if the Over-Allotment Option is exercised in full) and a decrease in indebtedness related to the intended redemption of the 5.50% Debentures of approximately \$169,000,000.

### TRADING PRICE AND VOLUME

The outstanding Common Shares are traded on the TSX under the symbol "ARE". The following table sets forth the intraday high and low price for, and the volume of trading in, the Common Shares on the TSX for the 12-month period prior to the date of this short form prospectus as reported by TMX Marketdata.

<u>Month</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
September 2018 <sup>(1)</sup>	17.34	16.54	1,470,682
August 2018	17.58	16.44	9,045,118
July 2018	16.50	14.92	9,517,081
June 2018	15.78	14.27	11,121,841
May 2018	18.47	14.29	12,180,573
April 2018	19.10	17.80	1,447,288
March 2018	19.40	17.98	3,032,566
February 2018	19.98	18.69	4,061,526
January 2018	20.06	19.73	8,442,141

December 2017	20.04	19.57	3,391,036
November 2017	19.75	19.25	6,212,815
October 2017	19.82	15.59	23,090,394
September 2017	18.15	16.79	6,403,955

(1) September 1 – 11, 2018. On September 11, 2018, the last trading day prior to the filing of this short form prospectus, the closing price per Common Share on the TSX was \$16.85.

The outstanding 5.50% Debentures are traded on the TSX under the symbol “ARE.DB.B”. The following table sets forth the intraday high and low price for, and the volume of trading in, the 5.50% Debentures on the TSX for the 12-month period prior to the date of this short form prospectus as reported by TMX Marketdata.

<u>Month</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
September 2018 <sup>(1)</sup>	100.50	100.29	4,684,000
August 2018	100.89	100.30	755,000
July 2018	101.00	100.30	1,377,000
June 2018	101.00	100.25	1,084,000
May 2018	102.00	100.30	13,064,000
April 2018	101.70	101.00	3,026,000
March 2018	101.84	100.80	10,076,500
February 2018	102.00	100.00	1,396,000
January 2018	102.50	101.75	3,139,807
December 2017	102.75	101.75	9,351,500
November 2017	103.26	102.60	7,580,500
October 2017	103.75	102.00	15,361,400
September 2017	104.50	103.25	16,054,000

(1) September 1 – 11, 2018. On September 11, 2018, the last trading day prior to the filing of this short form prospectus, the closing price per 5.50% Debenture on the TSX was \$100.38.

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Company, and Stikeman Elliott LLP, counsel to the Underwriters, (collectively, “**Counsel**”) the following summary describes the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable to a holder who acquires Debentures, including entitlement to all payments thereunder, pursuant to this Offering and who, for the purposes of the Tax Act and at all relevant times, holds the Debentures and will hold the Common Shares issuable on the conversion, redemption or maturity of the Debentures (collectively, the “**Securities**”) as capital property and deals at arm’s length with the Company and the Underwriters and is not affiliated with the Company (a “**Holder**”). Generally, the Securities will be considered to be capital property to a holder provided the holder does not hold the Securities in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade.

This summary is not applicable to a holder (i) that is a “financial institution”, as defined in the Tax Act for the purposes of the mark-to-market rules, (ii) an interest in which would be a “tax shelter investment” as defined in the Tax Act, (iii) that is a “specified financial institution” as defined in the Tax Act or (iv) that makes or has made a functional currency reporting election pursuant to section 261 of the Tax Act. Any such holder should consult its own tax advisor with respect to an investment in the Securities. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money or otherwise incurred debt in connection with the acquisition of the Securities.

This summary is based upon the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”) and Counsel’s understanding of the current published administrative practices and assessing policies of the Canada Revenue Agency (the “**CRA**”) made publicly available prior to the date hereof. This summary assumes the Proposed Amendments will be enacted in the form proposed, however, no assurance can be given that the Proposed Amendments will be enacted in the form proposed, if at all.

This summary also assumes that all of the Debentures are issued prior to five years plus one day prior to the Maturity Date and that the Common Shares qualify as “prescribed securities” for the purposes of clause 212(i)(b)(vii)(E) of the Tax Act as it applied to the 2007 taxation year.

This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account any changes in the law or administrative policy or assessing practice, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder or prospective holder of Securities, and no representations with respect to the income tax consequences to any holder or prospective holder are made. Consequently, holders and prospective holders of Securities should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring Securities pursuant to this Offering, having regard to their particular circumstances.**

### *Holdings Resident in Canada*

The following discussion applies to a Holder who, at all relevant times, for the purposes of the Tax Act and any applicable income tax treaty or convention, is or is deemed to be resident in Canada (a “**Resident Holder**”).

Certain Resident Holders who might not otherwise be considered to hold their Debentures or Common Shares as capital property may, in certain circumstances, be entitled to have the Debentures and the Common Shares, and all other “Canadian securities” (as defined in the Tax Act) owned by such Resident Holder, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act.

This portion of the summary does not apply to a Resident Holder who has entered or will enter into a “derivative forward agreement” with respect to the Securities.

### *Taxation of Interest on Debentures*

A Resident Holder of Debentures that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on the Debentures that accrues (or is deemed to accrue) to it to the end of the particular taxation year (or if the Resident Holder disposes of the Debentures in the year, that accrues or is deemed to accrue to it until the time of disposition) or that has become receivable by or is received by the Resident Holder before the end of that taxation year, including on a conversion, redemption or repayment at maturity, except to the extent that such interest was included in computing the Resident Holder’s income for a preceding taxation year.

Any other Resident Holder, including an individual (other than a trust described in the previous paragraph), will be required to include in computing income for a taxation year all interest on the Debentures that is received or receivable by the Resident Holder in that taxation year (depending upon the method regularly followed by the Resident Holder in computing income), including on a conversion, redemption or repayment at maturity, except to the extent that the interest was included in the Resident Holder’s income for a preceding taxation year. In addition, if such Resident Holder has not otherwise included interest on a Debenture in computing the Resident Holder’s income at periodic intervals of not more than one year, such Resident Holder will be required to include in computing income for a taxation year any interest that accrues to the Resident Holder on the Debenture up to the end of any “anniversary day” (as defined in the Tax Act) in that year to the extent such interest was not otherwise included in the Resident Holder’s income for that year or a preceding year. For this purpose, an anniversary day means the day that is one year after the day immediately preceding the date of issue of a Debenture, the day that occurs at every successive one year interval from that day and the day on which the Debenture is disposed of.

If interest has accrued on a Debenture, a Resident Holder who disposes of or converts the Debenture for consideration equal to its fair market value will generally be entitled to deduct in computing income for the year of disposition an amount equal to any such interest included in income for that or any preceding year to the extent that no amount was received or became receivable by the Resident Holder in respect of the interest so accrued.

A Resident Holder that throughout the relevant taxation year is a “Canadian-controlled private corporation”, as defined in the Tax Act, may be liable to pay an additional refundable tax on its “aggregate investment income”, which, as defined in the Tax Act, includes interest income.

If the Company satisfies an Interest Obligation in the manner described under the heading “*Details of the Offering – Share Interest Payment Option*”, the Canadian federal income tax consequences to a Resident Holder will not differ from those described above.

#### *Exercise of Conversion Privilege*

Generally, a Resident Holder who converts a Debenture into Common Shares (or Common Shares and cash delivered in lieu of a fraction of a Common Share) pursuant to the conversion privilege will be deemed not to have disposed of the Debenture and, accordingly, will not be considered to realize a capital gain (or capital loss) on such conversion. Under the current administrative practice of the CRA, a Resident Holder who, upon conversion of a Debenture, receives cash not in excess of \$200 in lieu of a fraction of a Common Share may either treat this amount as proceeds of disposition of a portion of the Debenture, thereby realizing a capital gain (or capital loss), or reduce the adjusted cost base of the Common Shares that the Resident Holder receives on the conversion by the amount of the cash received.

The aggregate cost to a Resident Holder of the Common Shares acquired on the conversion of a Debenture will generally be equal to the Resident Holder’s adjusted cost base of the Debenture immediately before the conversion subject to the discussion above regarding cash in lieu of a fraction of a Common Share. The adjusted cost base to a Resident Holder of Common Shares at any time will be determined by averaging the cost of such Common Shares with the adjusted cost base of any other Common Shares owned by the Resident Holder as capital property at the time.

#### *Disposition of Debentures*

A disposition or deemed disposition of a Debenture by a Resident Holder, including a redemption, payment on maturity or purchase for cancellation, but not including the conversion of a Debenture into Common Shares pursuant to the Resident Holder’s conversion privilege as described above, will generally result in the Resident Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition (which do not include any accrued interest and other amounts included in the Resident Holder’s income on such disposition or deemed disposition as discussed below) are greater (or less) than the aggregate of the Resident Holder’s adjusted cost base thereof and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under “Taxation of Capital Gains and Capital Losses”.

If the Company pays any amount upon the redemption, purchase or maturity of a Debenture by issuing Common Shares to the Resident Holder, the Resident Holder’s proceeds of disposition of the Debenture will be equal to the fair market value, at the time of disposition of the Debenture, of the Common Shares and any other consideration so received (which proceeds do not include any accrued interest and other amounts included in the Resident Holder’s income on such disposition or deemed disposition as discussed below). The Resident Holder’s cost of the Common Shares so received will be equal to the fair market value of such Common Shares received on the date of redemption, purchase or maturity. The adjusted cost base to a Resident Holder of Common Shares at any time will be determined by averaging the cost of such Common Shares with the adjusted cost base of any other Common Shares owned by the Resident Holder as capital property at that time.

Any amount paid by the Company as a penalty or bonus because of the redemption or purchase for cancellation of a Debenture before the maturity thereof will generally be deemed to be interest received at the time of the payment by the Resident Holder to the extent that such amount can reasonably be considered to relate to, and does not exceed the value of, at the time of the payment, the interest that, but for the redemption or purchase for cancellation, would have been paid or payable by the Company on the Debenture as interest for a taxation year of the Company ending after the time of the payment. Such interest will be required to be included in computing the Resident Holder’s income in the manner described above under “*Holders Resident in Canada – Taxation of Interest on Debentures*”.

Upon a disposition or deemed disposition of a Debenture, interest accrued thereon to the date of disposition, to the extent that such interest has not otherwise been included in computing the income of the Resident Holder, will be included in computing the income of the Resident Holder as described above under “*Holders Resident in Canada - Taxation of Interest on Debentures*”, and will be excluded in computing the Resident Holder’s proceeds of disposition of the Debenture.

#### *Receipt of Dividends on Common Shares*

Dividends received or deemed to be received on the Common Shares by a Resident Holder who is an individual (other than certain trusts) will be included in computing the individual’s income for tax purposes and will be subject to the gross-up and dividend tax credit rules normally applicable to dividends received from “taxable Canadian corporations” (as defined in the Tax Act) such as

the Company, including the enhanced gross-up and dividend tax credit for “eligible dividends” (as defined in the Tax Act) paid by “taxable Canadian corporations”. A dividend will be eligible for the enhanced gross-up and dividend tax credit if the recipient receives written notice (which may include a notice published on the Company’s website) from the Company designating the dividend as an “eligible dividend”. There may be limitations on the ability of the Company to designate dividends as eligible dividends.

Taxable dividends received by an individual (including certain trusts) may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

A Resident Holder that is a corporation will be required to include dividends received or deemed to be received on Common Shares in computing its income for a taxation year and generally will be entitled to deduct the amount of such dividends in computing its taxable income for that taxation year. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances. Certain corporations, including a “private corporation” or a “subject corporation” (as such terms are defined in the Tax Act), may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on Common Shares to the extent such dividends are deductible in computing the corporation’s taxable income for the year.

#### *Disposition of Common Shares*

A disposition or a deemed disposition of a Common Share by a Resident Holder (except to the Company) will generally result in the Resident Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Common Share are greater (or less) than the aggregate of the Resident Holder’s adjusted cost base thereof and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under “*Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*”.

#### *Taxation of Capital Gains and Capital Losses*

Generally, one-half of any capital gain (a “**taxable capital gain**”) realized by a Resident Holder in a taxation year must be included in the Resident Holder’s income for the year, and one-half of any capital loss (an “**allowable capital loss**”) realized by a Resident Holder in a taxation year must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Common Share may be reduced by the amount of dividends received or deemed to be received by it on such Common Share (or on a share for which the Common Share has been substituted) to the extent and under the circumstances described in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly, through a partnership or a trust.

A Resident Holder that is, throughout the relevant taxation year, a “Canadian-controlled private corporation”, as defined in the Tax Act, may be liable to pay an additional refundable tax on investment income, including taxable capital gains.

Capital gains realized by an individual (including certain trusts) may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

#### **Holders Not Resident in Canada**

The following discussion applies to a Holder who, at all relevant times, for the purposes of the Tax Act and any applicable income tax treaty or convention, is neither resident nor deemed to be resident in Canada and does not, and is not deemed to, use or hold the Securities, in carrying on a business in Canada (a “**Non-Resident Holder**”). In addition, this discussion does not apply to an insurer who carries on an insurance business in Canada and elsewhere or an “authorized foreign bank” (as defined in the Tax Act).

The following portion of this summary is also not applicable to a Non-Resident Holder that is at any time a “specified shareholder” (as defined in subsection 18(5) of the Tax Act) of the Company or that does not at any time deal at arm’s length for purposes of the Tax Act with a “specified shareholder” of the Company. Generally, for this purpose, a “specified shareholder” is a person that owns, has a right to acquire or is otherwise deemed to own, either alone or together with persons with whom such person

does not deal at arm's length for purposes of the Tax Act, shares of the Company's capital stock that either (i) give the holders of such shares 25% or more of the votes that could be cast at an annual meeting of the shareholders or (ii) have a fair market value of 25% or more of the fair market value of all of the issued and outstanding shares of the Company's capital stock. Such Non-Resident Holders should consult their own tax advisors.

#### *Taxation of Interest on Debentures*

A Non-Resident Holder will not be subject to Canadian withholding tax in respect of amounts paid or credited or deemed to have been paid or credited by the Company as, on account or in lieu of payment of, or in satisfaction of, interest, premium or principal on the Debentures.

#### *Exercise of Conversion Privilege*

A Non-Resident Holder will not be subject to tax under the Tax Act on a conversion of a Debenture if the Debenture does not constitute "taxable Canadian property" (as defined in the Tax Act and discussed below under the subheading "*Holdings Not Resident in Canada — Dispositions of Debentures and Common Shares*") of the Non-Resident Holder at the time of conversion.

Generally, the conversion of a Debenture into only Common Shares on the exercise of a conversion privilege by a Non-Resident Holder will be deemed not to constitute a disposition of the Debenture and, accordingly, a Non-Resident Holder will not recognize a gain or a loss on such conversion (even if the Debenture constitutes "taxable Canadian property" (as defined in the Tax Act and discussed below) of the Non-Resident Holder at the time of conversion). On the conversion of a Debenture by a Non-Resident Holder into Common Shares and cash in lieu of a fraction of such Common Shares, if such Common Shares constitute "taxable Canadian property" to the Non-Resident Holder, as discussed below, and if the value of such cash does not exceed \$200, under the current administrative practice of the CRA the Non-Resident Purchaser may choose to (i) treat this amount as proceeds of disposition and calculate and report a gain or loss and pay tax in Canada subject to relief under an applicable income tax convention, or (ii) reduce, by the amount of cash received, the adjusted cost base of such Common Shares received.

#### *Disposition of Debentures and Common Shares*

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder on a disposition of a Debenture or a Common Share, as the case may be, unless the Debenture or Common Share constitutes "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax convention.

Generally, provided the Common Shares are listed on a "designated stock exchange" for purposes of the Tax Act (which currently includes the TSX) at the time a Debenture or Common Share, as the case may be, is disposed of, the Debenture or the Common Share, as the case may be, will not constitute taxable Canadian property to a Non-Resident Holder at such time, unless at any time during the 60-month period immediately preceding the disposition, (a) (i) the Non-Resident Holder, (ii) persons with whom the Non-Resident Holder does not deal with at arm's length, (iii) partnerships in which the Non-Resident Holder or a person referred to in (ii) above holds a membership interest directly or indirectly through one or more partnerships, or (iv) any combination of the persons and partnerships described in (i) through (iii), owned 25% or more of the issued shares of any class or series of the Company's capital stock and (b) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of: (i) real or immovable property situated in Canada; (ii) "Canadian resource properties" (as defined in the Tax Act); (iii) "timber resource properties" (as defined in the Tax Act); and (iv) options in respect of, or interests in or rights in property described in (i) to (iii). Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Common Shares could be deemed to be taxable Canadian property to a Non-Resident Holder. A Non-Resident Holder whose Debentures or Common Shares are taxable Canadian property should consult their own tax advisors with respect to the consequences of disposing of a Debenture or a Common Share.

#### *Receipt of Dividends on Common Shares*

Where a Non-Resident Holder receives or is deemed to receive a dividend on the Common Shares, the amount of such dividend will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless the rate is reduced under the provisions of an applicable income tax convention. Where the Non-Resident Holder is a resident of the United States who is entitled to benefits under the *Canada-United States Tax Convention* (1980) and is the beneficial owner of the dividends, the rate of Canadian withholding tax applicable to dividends is generally reduced to 15%.

## PLAN OF DISTRIBUTION

Pursuant to an underwriting agreement dated as of September 12, 2018 (the “**Underwriting Agreement**”) among the Company and the Underwriters, the Company has agreed to issue and sell \$160,000,000 aggregate principal amount of Debentures to the Underwriters, and the Underwriters have severally agreed to purchase, as principals, such Debentures on the Closing Date. Delivery of the Debentures is conditional upon payment on closing of this Offering of \$1,000 per Debenture by the Underwriters to the Company, payable in cash to the Company against delivery. The Underwriting Agreement provides that the Company will pay from the gross proceeds of the Offering to the Underwriters the Underwriters’ Fee of \$40 per Debenture issued and sold by the Company, for an aggregate fee payable by the Company of \$6,400,000 (\$7,360,000 if the Over-Allotment Option is exercised in full), in consideration for the Underwriters’ services in connection with this Offering.

The offering price and terms of the Debentures offered hereunder was determined by negotiation between the Company and TD Securities, each on its own behalf and on behalf of the other Underwriters.

Aecon has granted to the Underwriters the Over-Allotment Option to purchase up to an additional \$24,000,000 aggregate principal amount of Debentures at the Offering Price, and on the same terms and conditions as the Offering, exercisable in whole or in part at the sole discretion of the Underwriters at any time up until 30 days after the Closing Date for the purposes of covering the Underwriters’ over-allocation position, if any, and for market stabilization purposes. Debentures issuable upon exercise of the Over-Allotment Option will be issued on the later of the Closing Date and one business day following exercise of such option. If the Over-Allotment Option is exercised in full, the price to the public, Underwriters’ Fee and net proceeds to Aecon (before deducting the expenses of the Offering) will be \$184,000,000, \$7,360,000 and \$176,640,000, respectively. This short form prospectus also qualifies for distribution the grant of the Over-Allotment Option and the issuance of the Debentures pursuant to the exercise of the Over-Allotment Option. A purchaser who acquires Debentures forming part of the Underwriters’ over-allocation position acquires such Debentures under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The Underwriters propose to offer the Debentures to the public initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Debentures at the Offering Price, the offering price to the public may be decreased, and further changed from time to time to an amount not greater than the Offering Price. The compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Debentures is less than the gross proceeds paid by the Underwriters to the Company. The Underwriters will inform the Company if the Offering Price is decreased.

The Company has been advised by the Underwriters that, in connection with this Offering, the Underwriters may effect transactions that stabilize or maintain the market price of the Debentures or the Common Shares at levels other than those that might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The obligations of the Underwriters under the Underwriting Agreement may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Debentures if any of the Debentures are purchased under the Underwriting Agreement.

The obligations of the Underwriters under the Underwriting Agreement are several, not joint. If an Underwriter fails to purchase the Debentures which it has agreed to purchase, any one or more of the other Underwriters may, but is not obligated to, purchase such Debentures, subject to certain exceptions, or those Underwriters which are not in default shall be entitled to terminate their obligations under the Underwriting Agreement without liability; provided, however, if the number of the Debentures not so purchased does not exceed 10% of the number of the Debentures to be purchased hereunder on such date, the non-defaulting Underwriters shall be obligated, each severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations bear to the underwriting obligation of all non-defaulting Underwriters.

Aecon has agreed with the Underwriters that it will not, for a period of 90 days from the Closing Date, sell or issue, or negotiate or enter into any agreement to sell or issue, any Common Shares or securities convertible into Common Shares without the prior written consent of TD Securities (such consent not to be unreasonably withheld or delayed) except in conjunction with (i) the grant or exercise of stock options and other similar issuances of securities pursuant to the share incentive plans of the Company and other share compensation arrangements; and (ii) the exercise or conversion of stock options, warrants, the 5.50% Debentures or other convertible securities of the Company outstanding on September 12, 2018.

Subscriptions for Debentures will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without prior notice. The Debentures will be issued in “book-entry only” form and must be purchased or transferred through a Participant. See “*Details of the Offering – Book-Entry System for Debentures*”.

The Company has applied to list the Debentures and the Common Shares issuable on the conversion, redemption or maturity of the Debentures on the TSX. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX.

**There is no market through which the Debentures may be sold and purchasers may not be able to resell the Debentures purchased under this short form prospectus.**

The Debentures and the Common Shares issuable upon the conversion, redemption or maturity of the Debentures (collectively, the “**Securities**”) issued or made subject to issuance under this Offering have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”) or any U.S. state securities laws, and accordingly may not be offered or sold within the United States except in transactions exempt from the registration requirements of the 1933 Act and applicable state securities laws.

The Underwriters have agreed that they will not offer, sell or deliver the Securities within the United States, except pursuant to certain transactions that are exempt from registration under the 1933 Act. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy Securities in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Securities within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the 1933 Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the 1933 Act.

Debenture Certificates representing any Debentures sold in the United States, and Common Shares issuable upon conversion, redemption or maturity thereof, will bear a legend to the effect that the securities represented thereby have not and will not be registered under the 1933 Act and may only be offered or sold pursuant to certain exemptions from the registration requirements of the 1933 Act.

## **RELATIONSHIP BETWEEN THE COMPANY AND CERTAIN UNDERWRITERS**

In connection with the Offering, the Company may be considered a “connected issuer”, as such term is defined in National Instrument 33-105 – *Underwriting Conflicts*, of each of TD Securities, CIBC, BMO, National Bank, Desjardins and Scotia. The Company is or may become indebted to Canadian chartered banks which are affiliates of TD Securities, CIBC, BMO, National Bank, Desjardins and Scotia under a fourth amended and restated credit agreement dated March 23, 2015, as amended June 16, 2015, November 2, 2016 and September 28, 2017 and as amended from time to time, among a syndicate of lenders, which credit facility includes a revolving committed operating line for \$500 million expiring September 28, 2021. As of June 30, 2018, \$409 million of Aecon’s credit facility was unutilized. Aecon is currently in compliance with all debt covenants related to its credit facility, as set out in the Company’s financial statements and management’s discussion and analysis available at [www.sedar.com](http://www.sedar.com), and no breach thereof has been waived by any of the Underwriters.

The decision of TD Securities, CIBC, BMO, National Bank, Desjardins and Scotia to participate in the Offering, including the terms of the Offering, was made independently of their affiliates and the Offering was not required, suggested or consented to by the affiliates. The decision to undertake the Offering and the determination of the terms of the distribution were made through negotiations between the Company and TD Securities, on its own behalf and on behalf of the other Underwriters. Other than as described above, none of TD Securities, CIBC, BMO, National Bank, Desjardins and Scotia or any of their affiliates will receive any benefit from the Offering, other than that portion of the Underwriters’ Fee payable to TD Securities, CIBC, BMO, National Bank, Desjardins and Scotia, respectively, in accordance with the Underwriting Agreement. See “*Plan of Distribution*”.

## **RISK FACTORS**

The following risk factors, as well as those risk factors contained in the AIF and the other information contained in this short form prospectus (and the information incorporated by reference herein), should be considered carefully. These risk factors could materially and adversely affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

### ***Inability to Satisfy Payments***

The Debentures mature on December 31, 2023. There is no guarantee that Aecon will have sufficient cash available to make interest payments or to repay the principal outstanding on the Debentures on a timely basis or at all. See "*Earnings Coverage*", which is relevant to an assessment of the risk that Aecon may be unable to pay interest or principal on the Debentures when due.

### ***Market for Debentures***

There is currently no market through which the Debentures may be sold. There can be no assurance that an active or liquid market for the Debentures will develop following the Offering, or if developed, that such market will be maintained. If an active public market does not develop or is not maintained, purchasers may not be able to resell the Debentures purchased under this short form prospectus.

### ***Volatile Market Price for the Debentures***

The market price for the Debentures and the Common Shares into which they are convertible may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond Aecon's control, including the following: (i) actual or anticipated fluctuations in Aecon's results of operations, financial performance and future prospects; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to Aecon; (iv) addition or departure of Aecon's executive officers or other key personnel; (v) sales or perceived sales of additional Common Shares or Aecon debentures; (vi) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving Aecon or its competitors; (vii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in Aecon's industry or target markets; (viii) liquidity of the Debentures; (ix) prevailing interest rates; (x) the market price of Common Shares or the 5.50% Debentures; and (xi) general economic conditions.

In particular, prevailing yields on similar securities will affect the market value of the Debentures. Assuming all other factors remain unchanged, the market value of the Debentures will decline as prevailing yields for similar securities rise, and will likely increase as prevailing yields for similar securities decline.

### ***Prior Ranking Indebtedness***

The Debentures will be unsecured and subordinate to all Senior Indebtedness of Aecon and to any indebtedness of trade creditors of Aecon. If Aecon becomes bankrupt, liquidates its assets, reorganizes or enters into certain other transactions, Aecon will be available to pay its obligations with respect to the Debentures only after it has paid Senior Indebtedness and any other secured indebtedness in full. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the Debentures then outstanding. The Debentures will also be effectively subordinate to claims of creditors of Aecon's subsidiaries except to the extent Aecon is a creditor of such subsidiaries ranking at least *pari passu* with such other creditors. As such, the likelihood that holders of Debentures will receive payments owing to them under the terms of the Debentures will depend on the financial health and creditworthiness of Aecon and its subsidiaries.

### ***Absence of Covenant Protection***

The Indenture will not restrict Aecon or its subsidiaries from incurring additional indebtedness for borrowed money or otherwise from mortgaging, pledging or charging its real or personal property or properties to secure any indebtedness or other financing. The Indenture does not contain any provisions specifically intended to protect holders of the Debentures in the event of a future leveraged transaction involving Aecon or any of its subsidiaries.

### ***Redeeming on a Change of Control***

Aecon will be required to offer to purchase all outstanding Debentures within 30 days following the occurrence of a Change of Control. However, it is possible that following a Change of Control, Aecon will not have sufficient funds at that time to make the required purchase of outstanding Debentures or that restrictions contained in other indebtedness will restrict those purchases. Aecon's failure to purchase the Debentures would constitute an Event of Default under the Indenture, which might constitute a default under the terms of Aecon's other indebtedness, if any, at that time. See "*Details of the Offering — Change of Control of the Company*".

If a holder of Debentures converts its Debentures in connection with a Cash Change of Control, Aecon may, in certain circumstances, be required to increase the Conversion Rate as described under "*Details of the Offering — Cash Change of Control*". While the increased Conversion Rate is designed to compensate a holder of Debentures for the lost option time value of its Debentures as a result of a Cash Change of Control in certain circumstances, the increased Conversion Rate amount is only an approximation of such lost value and may not adequately compensate the holder for such loss.

### ***Possible Dilutive Effects on Holders of Common Shares***

Aecon may determine to redeem outstanding Debentures for Common Shares or to repay outstanding principal amounts and interest owing thereunder at the Maturity Date of the Debentures by issuing additional Common Shares. Accordingly, holders of Common Shares may suffer dilution.

### ***Debentures Redeemed Prior to Maturity***

The Debentures may be redeemed, at the option of the Company, on and after December 31, 2021 and prior to December 31, 2022, in whole or in part from time to time, at a price equal to their principal amount plus accrued and unpaid interest, provided that the Current Market Price of the Common Shares on the date on which the notice of redemption is given is at least 125% of the Conversion Price. The Debentures may be redeemed, at the option of the Company, on and after December 31, 2022 and prior to the Maturity Date, in whole or in part from time to time, at a price equal to their principal amount plus accrued and unpaid interest. Not more than 60 days and not less than 30 days prior notice will be provided. Purchasers of Debentures should assume that this redemption option will be exercised if the Company is able to refinance at a lower interest rate or it is otherwise in the Company's interest to redeem the Debentures. See "*Details of the Offering – Redemption*" and "*Details of the Offering – Payment upon Redemption or Maturity*".

### ***Shareholder Rights***

Holders of Debentures will not be entitled to any rights with respect to the Common Shares (including, without limitation, voting rights and rights to receive any dividends or other distributions on the Common Shares, other than extraordinary dividends that the board of directors designates as payable to the holders of the Debentures), but if a holder of Debentures subsequently converts its Debentures into Common Shares, such holder will be subject to all changes affecting the Common Shares. Rights with respect to the Common Shares will arise only if and when the Company delivers Common Shares upon conversion of a Debenture and, to a limited extent, under the Conversion Rate adjustments applicable to the Debentures. For example, in the event that an amendment is proposed to the Company's constating documents requiring shareholder approval and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to delivery of Common Shares to a holder, such holder will not be entitled to vote on the amendment, although such holder will nevertheless be subject to any changes in the powers or rights of Common Shares that result from such amendment.

### ***Withholding Tax***

The Indenture will not contain a requirement for the Company to increase the amount of interest or other payments to holders (including holders that are not resident in Canada) of Debentures should the Company be required to withhold amounts in respect of income or similar taxes on payments of interest or other amounts (including on a conversion of Debentures).

### ***Book-Entry System***

Unless and until certificated Debentures are issued in exchange for book-entry interests in the Debentures, owners of the book-entry interests will not be considered owners or holders of Debentures. Instead, the depository or its nominee will be the sole holder of the Debentures. Payments of principal, interest and other amounts owing on or in respect of the Debentures in global form will be made to the paying agent, which will make payments to CDS. Thereafter, such payments will be credited to CDS participants'

accounts that hold book-entry interests in the notes in global form and credited by such participants to indirect participants. Unlike holders of the Debentures themselves, owners of book-entry interests will not have the direct right to act upon Aecon's solicitations for consents or requests for waivers or other actions from holders of the Debentures. Instead, holders of beneficial interests in the Debentures will be permitted to act only to the extent such holders have received appropriate proxies to do so from CDS or, if applicable, a participant. There is no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of beneficial interests in the Debentures to vote on any requested actions on a timely basis. See "*Details of the Offering – Book-Entry System for Debentures*".

### ***Dilution***

The Company may elect to satisfy its obligation to pay the principal amount of the Debentures due on redemption or maturity through the issuance of Common Shares. The issuance of additional Common Shares may have a dilutive effect on the Company's shareholders and an adverse impact on the price of the Common Shares.

### **ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS**

Joseph A. Carrabba and Eric Rosenfeld, each a director of the Company, reside outside of Canada and have each appointed Blakes Extra-Provincial Services Inc. located at 199 Bay Street, Suite 4000, Toronto, Ontario, M5L 1A9 as their agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the party has appointed an agent for service of process.

### **INTEREST OF EXPERTS**

Certain legal matters relating to this Offering will be passed upon on behalf of the Company by Blake, Cassels & Graydon LLP, and on behalf of the Underwriters by Stikeman Elliott LLP. As of the date of this short form prospectus, the partners and associates of Blake, Cassels & Graydon LLP and Stikeman Elliott LLP, as a group, own beneficially, directly or indirectly, less than 1.0%, respectively, of the issued and outstanding Common Shares.

The transfer agent and registrar for the Common Shares, is Computershare Investor Services Inc. at its principal office in Toronto, Ontario, and for the Debentures, is Computershare Trust Company of Canada at its principal office in Toronto, Ontario.

### **AUDITOR**

The auditor of the Company is PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants located in Toronto, Ontario.

### **STATUTORY AND CONTRACTUAL RIGHTS OF RESCISSION AND STATUTORY RIGHTS OF WITHDRAWAL**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

Original purchasers of Debentures will have a contractual right of rescission against the Company following the conversion of such Debentures in the event that this short form prospectus or any amendment thereto contains a misrepresentation. This contractual right of rescission will entitle such original purchasers to receive from the Company, upon surrender of the Common Shares issued upon conversion of such Debentures, the amount paid for such Debentures, provided that the right of rescission is exercised within 180 days from the date of the purchase of such Debentures under this short form prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers of Debentures under section 130 of the *Securities Act* (Ontario) or otherwise at law.

In an offering of convertible securities, such as the Debentures, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the convertible security is offered to the public under the prospectus offering. This means that, under securities legislation of certain

provinces, if the purchaser pays additional amounts upon conversion of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal advisor.

**CERTIFICATE OF THE COMPANY**

Dated: September 12, 2018

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

*(Signed)* JEAN-LOUIS SERVIRANCKX  
President and Chief Executive Officer

*(Signed)* DAVID SMALES  
Executive Vice-President and Chief Financial Officer

On behalf of the Board of Directors

*(Signed)* THE HONOURABLE BRIAN V. TOBIN, P.C., O.C.  
Lead Director

*(Signed)* ANTHONY P. FRANCESCHINI  
Director

## CERTIFICATE OF THE UNDERWRITERS

Dated: September 12, 2018

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

TD SECURITIES INC.

By: *(Signed)* SANJAY NAKRA

CIBC WORLD MARKETS  
INC.

By: *(Signed)* JEROME JULIER

BMO NESBITT BURNS INC.

By: *(Signed)* BRAD FRASER

CANACCORD GENUITY  
CORP.

By: *(Signed)* JASON  
ROBERTSON

NATIONAL BANK  
FINANCIAL INC.

By: *(Signed)* BRADLEY  
SPRUIN

RAYMOND JAMES LTD.

By: *(Signed)* IAN G. MACKAY

DESJARDINS SECURITIES  
INC.

By: *(Signed)* FRANÇOIS CARRIER

SCOTIA CAPITAL INC.

By: *(Signed)* ROY ARTHUR

GMP SECURITIES L.P.

By: *(Signed)* HARRIS FRICKER

INDUSTRIAL ALLIANCE  
SECURITIES INC.

By: *(Signed)* JOHN RAK