February 1, 2018

Dear Mr. Field and Ms. Reeves,

We thank you and acknowledge receipt of your letter dated January 26, 2018.

Letko, Brosseau & Associates Inc. ("LBA") is an independent Canadian investment management firm registered as an investment fund manager, exempt market dealer and portfolio manager in each of the provinces and territories of Canada, and with the U.S. Securities Exchange Commission (SEC) as an investment adviser.

We would like to take this opportunity to highlight LBA’s commitment to high corporate governance principles. Our investment process involves conducting extensive research on companies, industries and economies and engaging with the management of companies before we invest in them. Once a position has been taken, our portfolio managers and research analysts continuously monitor the portfolios and maintain regular dialogue with the companies in which we invest. We are generally focused on the long term potential of a company and in the case of Carillion Plc ("Carillion" or the "Company"), we had been shareholders since April 2012.

We have also established a proxy voting policy which is designed to ensure that the decisions taken represent shareholders’ long-term interests. In the event we were to identify any shortcomings in a company’s performance or disclosure, or a company were to propose a course of action which we consider is not in the long-term interests of our clients, we would either communicate with the board to raise our concerns, ensure that proxies are voted in the best interest of our clients, or we would sell our entire position from our portfolios.

In respect of Carillion, there were no steps taken to communicate with or influence the financial decisions of the board as we were not aware of the Company’s deficiencies until the July 10, 2017 announcement, at which time we immediately engaged with senior management.

In this context, the following is a summary of our engagement with Carillion following the publication of its Annual Report and Accounts for 2016:

- Between March 1, 2017, the date of publication of the Company’s 2016 results and July 9, 2017, LBA did not engage in any dialogue with Carillion or any of its representatives. A thorough analysis of the Company’s published results was conducted at such time. In our view, the results did not change our investment thesis. We continued to believe in the strategy being pursued by Management, namely to refocus the Company’s efforts in the Support Services sector.
On June 13, 2017, we attempted to schedule a regular course management call to review business conditions with the Director of Group Corporate Affairs, John Denning. In response, Mr. Denning suggested an introductory call with the newly appointed CFO, Zafar Khan, and requested that his assistant set up a time. We never received confirmation and followed-up on this request on June 20, 2017, June 27, 2017 and July 4, 2017. A call was finally scheduled for July 13, 2017.

On July 10, 2017, following the Company’s announcement of its write down of £845M in provisions, we contacted Mr. Denning and requested an urgent call with senior management, which took place the same day with Zafar Zhan (CFO), Keith Cochran (Interim CEO), John Denning (Director of Corporate Affairs) and Kellie McAvoy (Head of Investor Relations). During this call, we discussed the progress of the enhanced contracts review being conducted by KPMG and the chances of further write downs. Their plans on how they expected to recover and remain a going concern were also discussed, including their plans to divest certain assets.

Despite the Company’s announcement on July 10, 2017 and although we were fully aware that Carillion had little safety margin to effectuate a turnaround due to Carillion’s cash flow situation, we continued to hold shares of the Company because we believed that there was a fair chance for the Company to remain a going concern given the possibility of either a limited equity injection or a debt for equity swap. We were even prepared to consider a further injection of capital in the future. This view was predicated on the basis that the initial write downs and year end net debt guidance published on July 10, 2017 were substantially complete and accurate.

On July 13, 2017, an email was sent to Mr. Denning requesting clarification on the impact of the Company’s planned divestitures on profitability.

On September 29, 2017, the Company released a delayed first half of 2016 results which contained a further £200 write down related to the termination of cash consuming service contracts. Following such release, on October, 4, 2017, we had a call with Keith Cochrane (Interim CEO), Emma Mercer (newly appointment CFO) and Kellie McAvoy (Head of Internal Relations) to review the results, outlook and working capital flows in the second half of 2017. On the same day, Kellie McAvoy sent us an email to follow-up on a few points which were raised during the call.

On November 17, 2017, upon review of the Company’s update release that a breach of covenants was expected, we had a call with Kellie McAvoy regarding the anticipated covenant breach and its causes. Having determined that the probability of a recovery was unlikely, LBA decided that it would sell all of its shares in the Company and our position was completely liquidated within a few days.

We trust the above is sufficiently responsive. Please do not hesitate to contact the undersigned if you wish to discuss the present response, or if you have any further questions.

Daniel Brosseau
President