UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 40-F

☐ Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934

or

☑ Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended September 30, 2023

Commission file number 000-29716

CGI INC.

(Exact name of Registrant as specified in its charter)

(Translation of Registrant's name into English)

Quebec, Canada
(Province or other jurisdiction of incorporation or organization)

8742
(Primary Standard Industrial Classification Code Number)

98-0406227
(I.R.S. Employer Identification Number)

1350 René-Lévesque Boulevard West, 25th Floor
Montréal, Quebec
Canada H3G 1T4
(514) 841-3200
(Address and telephone number of Registrant's principal executive offices)

CGI Technologies and Solutions Inc.
11325 Random Hills
Fairfax, VA 22030
(703) 267-8679
(Name, address and telephone number of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading symbol:	Name of each exchange on which registered:
Class A subordinate voting shares	GIB	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

For annual reports, indicate by check mark the information filed with this form:

☑ Annual Information Form ☑ Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 206,714,497 Class A subordinate voting shares and 26,445,706 Class B shares.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days:

Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit such files):

Yes ☑ No ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act:
Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised accounting standards† provided pursuant to Section 13(a) of the Exchange Act: ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report: ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements: ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b): ☐

Undertaking

Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

Controls and Procedures

The Registrant has established and maintains disclosure controls and procedures designed to provide reasonable assurance that the material information relating to the Registrant is made known to the Chief Executive Officer and Chief Financial Officer by others, particularly during the period in which annual and interim filings are prepared and that information required to be disclosed by the Registrant in its annual, interim filings or other reports filed or submitted by the Registrant under Canadian and U.S. securities laws is recorded, processed, summarized and reported within the time periods specified under those laws and the related rules. The effectiveness of these disclosure controls and procedures, as defined under National Instrument 52-109 adopted by Canadian securities regulators and in Rule 13a-15(e) under the U.S. Securities Exchange Act of 1934, as amended, was evaluated under the supervision of and with the participation of the Registrant's Chief Executive Officer and Chief Financial Officer as of the end of the Registrant's most recently completed fiscal year on September 30, 2023. Based on such evaluations, management, including the Chief Executive Officer and Chief Financial Officer concluded that the Registrant's disclosure controls and procedures were effective as at September 30, 2023.

The Registrant has also established and maintains internal control over financial reporting, as defined under National Instrument 52-109 and in Rule 13a-15(f) under the U.S. Securities Exchange Act of 1934, as amended. Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Registrant. The Registrant's internal control over financial reporting is a process designed under the supervision of the Chief Executive Officer and Chief Financial Officer, and effected by management and other key personnel of the Registrant, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board. However, because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. The effectiveness of the Registrant's internal control over financial reporting as at September 30, 2023 was evaluated under the supervision of and with the participation of the Registrant's Chief Executive Officer and Chief Financial Officer as of the end of the Registrant's most recently completed fiscal year on September 30, 2023 based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013). Based on that evaluation, management, including the Chief Executive Officer and Chief Financial Officer concluded that the Registrant's internal control over financial reporting was effective as at September 30, 2023.

The effectiveness of the Registrant's internal control over financial reporting as of September 30, 2023 has been audited by PricewaterhouseCoopers LLP (PCAOB Firm ID 271), an independent registered public accounting firm, as stated in their report, filed as Exhibit 99.2 to this Annual Report.

There have been no changes in the Registrant's internal control over financial reporting during the fiscal year ended September 30, 2023 that has materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Audit Committee

The Audit and Risk Management Committee of the Board of Directors is composed entirely of unrelated directors who meet the independence and experience requirements of the New York Stock Exchange, the Toronto Stock Exchange, the Securities and Exchange Commission rules and National Instrument 52-110 adopted by Canadian securities regulators, as amended.

The Audit and Risk Management Committee is currently composed of Mr. Gilles Labbé, Chair of the Committee, Messrs. Stephen S. Poloz and Frank Witter, and Mses. Alison C. Reed and Kathy N. Waller.

The Registrant's Board of Directors has determined that the following members of the Audit and Risk Management Committee of the Board of Directors are "audit committee financial experts" within the meaning of paragraph (8) of General Instruction B to Form 40-F:

- Gilles Labbé;
- Frank Witter;
- Alison C. Reed; and
- Kathy N. Waller.

Please refer to the Registrant's Management Proxy Circular dated December 4, 2023 (and furnished to the Commission as Exhibit 99.2 to the Registrant's Form 6-K on December 15, 2023) under the heading *Nominees for Election as Directors* for a brief summary of Messrs. Labbé and Witter and Mses. Reed and Waller's relevant experience.

Principal Accountant Fees and Services

In order to satisfy itself as to the independence of the external auditors, the Audit and Risk Management Committee has adopted an auditor independence policy which covers (a) the services that may and may not be performed by the external auditors, (b) the governance procedures to be followed prior to retaining services from the external auditors, and (c) the responsibilities of the key participants. The following is a summary of the material provisions of the policy.

Performance of Services

Services are either acceptable services or prohibited services.

The acceptable services are audit and review of financial statements, prospectus work, the audit of pension plans, special audits on control procedures, tax planning services on mergers and acquisitions activities, due diligence relating to mergers and acquisitions, tax services related to transfer pricing, sales tax planning and returns, research and interpretation related to taxation, research relating to accounting issues, tax planning services, preparation of tax returns, and all other services that are not prohibited services.

The prohibited services are bookkeeping services, the design and implementation of financial information systems, appraisal or valuation services or fairness opinions, actuarial services, internal audit services, management functions, human resources functions, broker-dealer services, legal services, services based on contingency fees, and expert services.

Governance Procedures

The following control procedures are applicable when considering whether to retain the external auditors' services:

For all services falling within the permitted services category, whether they are audit or non-audit services, a request for approval must be submitted to the Audit and Risk Management Committee through the Executive Vice-President and Chief Financial Officer prior to engaging the auditors to perform the services.

In the interests of efficiency, certain permitted services are pre-approved quarterly by the Audit and Risk Management Committee and thereafter only require approval by the Executive Vice-President and Chief Financial Officer as follows:

- The Audit and Risk Management Committee can pre-approve envelopes for certain services to pre-determined dollar limits on a quarterly basis;
- Once pre-approved by the Audit and Risk Management Committee, the Executive Vice-President and Chief Financial Officer may approve the services prior to the engagement;
- For services not covered by the pre-approved envelopes and for costs in excess of the pre-approved amounts, separate requests for approval must be submitted to the Audit and Risk Management Committee; and
- At each quarterly meeting of the Audit and Risk Management Committee, a consolidated summary of all fees by service type is presented including a breakdown of fees incurred within each of the pre-approved envelopes.

Fees of the External Auditor

During the fiscal years ended September 30, 2023 and September 30, 2022, the Registrant's external auditors billed the following fees for their services:

	Fees billed and percentage			
Service retained	**2023**		**2022**	
Audit fees	$7,990,697	86.44%	$7,708,142	76.30%
Audit related fees[(a)]	$515,298	5.58%	$942,671	9.33%
Tax fees[(b)]	$714,545	7.73%	$1,394,072	13.80%
All other fees[(c)]	$23,325	0.25%	$57,158	0.57%
Total fees billed	**$9,243,865**	**100%**	**$10,102,043**	**100%**

(a) The audit related fees of the external auditor for the fiscal years ended September 30, 2023 and September 30, 2022 were primarily in relation to service organization control procedures audits and assistance.

(b) The tax fees of the external auditor for the fiscal years ended September 30, 2023 and September 30, 2022 were in relation to tax compliance and advisory services.

(c) All other fees of the external auditor for the fiscal year ended September 30, 2023 were mainly in relation to a license to access certain web-based platforms. All other fees of the external auditor for the fiscal year ended September 30, 2022 were mainly in relation to corporate social responsibility advisory services and a license to access certain web-based platforms.

Codes of Ethics

In addition to its Code of Ethics and Business Conduct, (which incorporates the Registrant's Anti-Corruption Policy and applies to all of its consultants and professionals, officers and directors), the Registrant has adopted an Executive Code of Conduct that applies specifically to the Registrant's principal executive and financial officers, including the Founder and Executive Chairman of the Board, the President and Chief Executive Officer, and the Executive Vice-President and Chief Financial Officer, the principal accounting officer or controller, or other persons performing similar functions (collectively, the "Officers"). The Executive Code of Conduct is designed to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of any actual, potential or apparent conflicts of interest;
- Full, fair, accurate, timely, and understandable disclosure in reports and documents that the Registrant files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Registrant;
- Compliance with applicable governmental laws, rules and regulations;
- The prompt internal reporting of violations of the Executive Code of Conduct to an appropriate person or persons identified in the Executive Code of Conduct; and
- Accountability for adherence to the Executive Code of Conduct.

The Registrant's Executive Code of Conduct, Code of Ethics and Business Conduct and Anti-Corruption Policy are available on the Registrant's website at www.cgi.com.

The Board of Directors monitors compliance with the Executive Code of Conduct and the Code of Ethics and Business Conduct and is, under its charter, responsible for any waivers of their provisions granted to directors or Officers. No such waivers have been granted to date.

Corporate Governance Practices

The Registrant is a foreign private issuer, as defined under the U.S. Securities Exchange Act of 1934, as amended, and files disclosure documents in accordance with the multijurisdictional disclosure system (MJDS). As such, many of the corporate governance rules applicable to U.S. domestic companies are not applicable to the Registrant. However, the Registrant's corporate governance practices generally conform to those followed by U.S. domestic companies under the New York Stock Exchange listing standards, other than with respect to certain specific rules, including that the Registrant requires shareholder approval of share compensation arrangements involving the issuances of new shares, but does not require such approval if the compensation arrangement involves only shares purchased in the open market, consistent with the laws applicable to the Registrant.

Interactive Data File

The Registrant is submitting as Exhibit 101.0 to this Annual Report its Interactive Data File.

Information and Exhibits to be Filed on This Form

The following documents have been filed as part of this Annual Report on Form 40-F:

97.0	Incentive Compensation Clawback Policy
99.1	Annual Information Form for the fiscal year ended September 30, 2023
99.2	Audited Annual Consolidated Financial Statements for the fiscal years ended September 30, 2023 and September 30, 2022
99.3	Management's Discussion and Analysis of Financial Position and Results of Operations for the fiscal years ended September 30, 2023 and September 30, 2022
99.4	Certification of the Registrant's Chief Executive Officer required pursuant to Rule 13a-14(a)
99.5	Certification of the Registrant's Chief Financial Officer required pursuant to Rule 13a-14(a)
99.6	Certification of the Registrant's Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.7	Certification of the Registrant's Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.8	Consent of PricewaterhouseCoopers LLP
101.0	Interactive Data File (formatted as Inline XBRL)
104.0	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101.0)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

CGI Inc.

Date: December 15, 2023

By: /s/ Benoit Dubé

Name: Benoit Dubé

Title: Executive Vice-President,
Legal and Economic Affairs, and
Corporate Secretary

Exhibit 97.0

CGI INC.

INCENTIVE COMPENSATION CLAWBACK POLICY

1. Purpose

This incentive compensation clawback policy (the "**Policy**") has been adopted by the Board of Directors (the "**Board**") of CGI Inc. (the "**Company**") in order to allow the Board to require, in specific situations, the reimbursement of short-term or long-term incentive compensation received by a Covered Leader (as defined below).

2. Definitions

For purposes of this Policy, the following terms shall have the meanings set forth below:

"**Applicability Date**" shall have the meaning ascribed thereto in Section 7.

"**Board**" shall have the meaning ascribed thereto in Section 1.

"**Company**" shall have the meaning ascribed thereto in Section 1.

"**Covered Leaders**" means the Company's current or former Chief Executive Officer, President, Chief Financial Officer, Controller, any Vice-President of the Company in charge of a principal business unit, division or function, and any other current or former officer or person who performs a significant policy-making function for the Company, including executive officers of Company subsidiaries who perform such policy-making function, and any other individual designated from time to time by the Board as a "Covered Leader" for the purposes of this Policy;

"**Financial Reporting Measure**" means any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements (including non-GAAP financial measures), and any measure that is derived wholly or in part from such measure;

"**Incentive Compensation**" means any compensation under the Company's short-term and long-term incentive plans, including bonuses under the *Profit Participation Plan*, grants under the *Share Option Plan for Employees, Officers and Directors of CGI Inc. and its Subsidiaries*, awards under the *Performance Share Unit Plan for Designated Participants of CGI Inc*., the *Performance Share Unit Plan for Designated Leaders of CGI Inc. and its Subsidiaries*, and any other compensation that is paid, granted, received, earned or vested from time to time, based wholly or in part upon the attainment of a Financial Reporting Measure;

"**Policy**" shall have the meaning ascribed thereto in Section 1.

"Restatement" means an accounting restatement of the Company's financial statements resulting from any material non-compliance with any financial reporting requirements under applicable securities laws (other than the retrospective application of a change or amendment in accounting principles), including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period;

"**Restatement Date**" means the earlier to occur of (i) the date the Board, a committee of the Board or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare a Restatement; and

"**Rule 10D-1 Clawback Requirements**" shall have the meaning ascribed thereto in Section 4.

"**Sarbanes-Oxley Clawback Requirements**" shall have the meaning ascribed thereto in Section 8.

"**Wrongful Act**" means any gross negligence, intentional misconduct, theft, embezzlement, fraud or other serious misconduct.

3. Covered Leader; Incentive Compensation

This Policy applies to Incentive Compensation received by a Covered Leader on or after the Applicability Date (a) after beginning services as a Covered Leader; (b) if that person served as a Covered Leader at any time during the performance period for such Incentive Compensation; and (c) while the Company had a listed class of securities on a recognized securities exchange. For purposes of this Policy, Incentive Compensation is deemed "received" in the Company's fiscal period during which the financial reporting measure specified in the Incentive Compensation award is attained, even if the payment, grant, earning or vesting of the incentive-based compensation occurs after that period.

4. Recoupment of Incentive Compensation

In the event of (i) a Restatement (whether or not a Covered Leader has engaged in a Wrongful Act) or (ii) if the Covered Leader has been involved in any Wrongful Act, the Board will review all Incentive Compensation paid or granted to, received or earned by, or vested in favour of, Covered Leaders on the basis of having attained any Financial Reporting Measure during the period covered by the Restatement or Wrongful Act.

The Company shall promptly recoup any Incentive Compensation paid or granted to, received or earned by, or vested in favour of, any current or former Covered Leader, if and to the extent that the Company determines that the Covered Leader would not have been entitled, in whole or in part, to the Incentive Compensation if (i) a Restatement had not been required; or (ii) if the Covered Leader committed or was involved in a Wrongful Act that resulted, or that was a significant contributing factor to, the Covered Leader becoming entitled to all or part of such Incentive Compensation.

In the case of a Restatement, the amount of Incentive Compensation to be recouped under this Policy, as determined by the Board, is the amount of Incentive Compensation received by the Covered Leader that exceeds the amount of Incentive Compensation that would have been received by the Covered Leader had it been determined based on the restated amounts.

Any amounts recouped shall be calculated by the Board in accordance with the Rule 10D-1 Clawback Requirements (as defined below) and without regard to any taxes paid by the Covered Leader in respect of the erroneously awarded Incentive Compensation. The Company is authorized and directed pursuant to this Policy to recoup Incentive Compensation in compliance with this Policy unless an independent committee of the Board (or the independent members of the Board) has determined that recovery would be impracticable solely for the following limited reasons to the extent permitted by the New York Stock Exchange listing requirements (the "**Rule 10D-1 Clawback Requirements**"), and subject to the procedural and disclosure requirements set forth therein:

- the direct costs of enforcing recovery would exceed the recoverable amount; or
- recovery would violate laws applicable in Canada.

5. Limitation on Recoupment Period

Any recoupment under Section 4 of this Policy shall be in respect of Incentive Compensation received by any current or former Covered Leader during the three financial years immediately preceding the Restatement Date and shall be calculated in accordance with Section 4 above.

6. Sources of Recoupment

The Board shall determine, in its sole discretion, the timing and method of any recoupment under Section 4 of this Policy, which may be made from any of the following sources: (a) direct reimbursement from the Covered Leader, (b) deduction from salary, wages and/or future payments, grants or awards of Incentive Compensation to the Covered Leader, or (c) cancellation or forfeiture of vested or unvested share options, performance share units or any other share-based or option-based incentive awards held by the Covered Leader.

7. Effective Date

This Policy shall be effective as of November 7, 2023, the date on which it was approved by the Board of Directors. The terms of this Policy shall apply to any Incentive Compensation that is received by Covered Leaders on or after October 2, 2023 (the "**Applicability Date**"), even if such Incentive Compensation was approved, awarded, paid or granted to, earned by, or vested in favour of, Covered Leaders prior to the Applicability Date. This Policy and all determinations hereunder shall be interpreted and applied so as to comply with the Rule 10D-1 Clawback Requirements in addition to any other applicable laws.

8. Additional Clawback Required by Section 304 of the Sarbanes-Oxley Act of 2002

In addition to the provisions described above, if the Company is required to prepare a Restatement, as a result of misconduct, with any financial reporting requirement under the securities laws, then, in accordance with Section 304 of the Sarbanes-Oxley Act of 2002, the Chief Executive Officer and Chief Financial Officer (at the time the financial document embodying such financial reporting requirement was originally issued) shall reimburse the Company for:

- Any profit participation (or bonus) or other incentive-based or equity-based compensation received from the Company during the 12-month period following the first public issuance or filing with the Commission (whichever first occurs) of such financial document; and

- any capital gains realized from the sale of securities of the Company during that 12-month period.

To the extent that the Rule 10D-1 Clawback Requirements would provide for recovery of incentive-based compensation recoverable by the Company pursuant to Section 304 of the Sarbanes-Oxley Act, in accordance with Section 8 of this policy (the "**Sarbanes-Oxley Clawback Requirements**"), and/or any other recovery obligations (including pursuant to employment agreements, or plan awards), the amount an applicable executive officer has already reimbursed the Company shall be credited to the required recovery under the Rule 10D-1 Clawback Requirements. Recovery pursuant to the Rule 10D-1 Clawback Requirements does not preclude recovery under the Sarbanes-Oxley Clawback Requirements, to the extent any applicable amounts have not been reimbursed to the Company.

9. Board Authority

Unless expressly stated in this Policy, all determinations, decisions and interpretations to be made under this Policy shall be made by the Board. Any determination, decision or interpretation made by the Board under this Policy shall be final, binding and conclusive on all parties. This Policy may be amended or terminated at any time by the Board.

10. No Indemnification of Covered Leaders

Notwithstanding the terms of any indemnification or insurance policy or any contractual arrangement with any Covered Leader that may be interpreted to the contrary, the Company shall not indemnify any Covered Leaders against any losses resulting from the erroneous payment, grant or award of Incentive Compensation to or received or earned by, or vested in favour of, any former or current Covered Leader, including any payment or reimbursement for the cost of third-party insurance purchased by the Covered Leaders to fund potential recoupment obligations under this Policy.

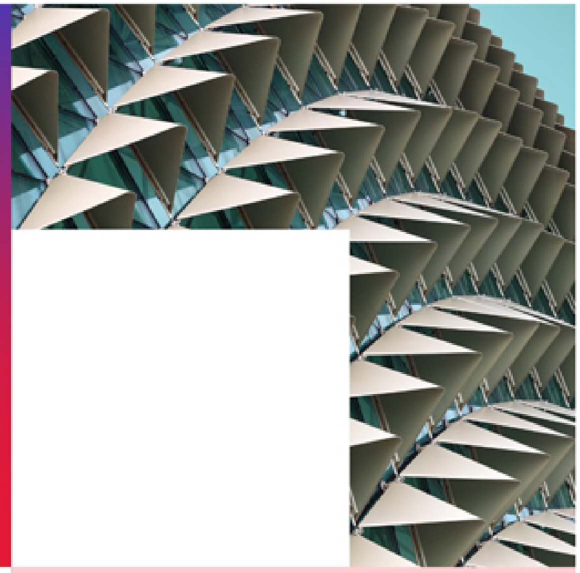
11. No Impairment of Other Remedies

This Policy does not preclude the Company from taking any other action to enforce a Covered Leader’s obligations to the Company, including termination of employment or institution of any proceedings.

12. Successors

This Policy shall be binding and enforceable against all Covered Leaders and their beneficiaries, heirs, executors, administrators, or other legal representatives.

Exhibit 99.1



Annual Information Form

For the fiscal year ended September 30, 2023

December 4, 2023

CGI

Table of Contents

This Annual Information Form is dated December 4, 2023, and, unless specifically stated otherwise, all information disclosed in this form, is provided as at September 30, 2023, the end of CGI's most recently completed fiscal year. All dollar amounts are in Canadian dollars, unless otherwise stated.

Corporate Structure

Incorporation and Registered Office

CGI Inc. (the "Company", "CGI", "we", "us" or "our") was incorporated on September 29, 1981, under Part IA of the Companies Act (Quebec), predecessor to the *Business Corporations Act* (Quebec), which came into force on February 14, 2011, and which now governs the Company. The Company continued the activities of Conseillers en gestion et informatique CGI Inc., which was originally founded in 1976. The executive and registered offices of the Company are located at 1350 René-Lévesque Boulevard West, 25th Floor, Montréal, Quebec, Canada, H3G 1T4. CGI became a public company on December 17, 1986, upon completing an initial public offering of its Class A subordinate voting shares ("Class A Shares").

Subsidiaries

The activities of the Company are conducted either directly or through subsidiaries. The table below lists the principal subsidiaries of the Company as at September 30, 2023, each of which is directly or indirectly wholly-owned by the Company. The Company has other subsidiaries that have not been included in the table since they represented, individually, 10% or less of our consolidated assets or consolidated revenue as at September 30, 2023[a], and, in the aggregate, 20% or less of our consolidated assets or consolidated revenue as at September 30, 2023. This table also omits subsidiaries whose primary role is to hold investments in other CGI subsidiaries.

Name of Subsidiary	Country of Incorporation
Conseillers en gestion et informatique CGI Inc.	Canada
CGI Information Systems and Management Consultants Inc.	Canada
CGI Payroll Services Centre Inc.	Canada
CGI Technologies and Solutions Inc.	United States
CGI Federal Inc.	United States
CGI Suomi Oy	Finland
CGI Sverige AB	Sweden
CGI Nederland B.V.	Netherlands
CGI IT UK Limited	United Kingdom
CGI France SAS	France
CGI Deutschland B.V. & Co. KG	Germany

Capital Structure

The Company's authorized share capital consists of an unlimited number of Class A Shares carrying one vote per share and an unlimited number of Class B shares (multiple voting) ("Class B Shares") carrying 10 votes per share, all without par value, of which, as of December 4, 2023, 206,144,671 Class A Shares and 26,445,706 Class B Shares, were issued and outstanding. These shares represent respectively 43.80% and 56.20% of the aggregate voting rights attached to the outstanding Class A Shares and Class B Shares. Two classes of preferred shares also form part of CGI's authorized capital: an unlimited number of First Preferred Shares, issuable in series, and an unlimited number of Second Preferred Shares, also issuable in series. As of December 4, 2023, there were no preferred shares outstanding.

The Company incorporates by reference the disclosure contained under the headings *Class A Subordinate Voting Shares and Class B Shares* on page 5, and *First Preferred Shares* and *Second Preferred Shares* on page 6 of CGI's Management Proxy Circular ("Circular") dated December 4, 2023, which was filed with Canadian securities regulators and which is available at www.sedarplus.ca and on CGI's website at www.cgi.com.

Stock Splits

As of December 4, 2023, the Company had proceeded with four subdivisions of its issued and outstanding Class A Shares as follows:

- August 12, 1997, on a two for one basis;
- December 15, 1997, on a two for one basis;
- May 21, 1998, on a two for one basis; and
- January 7, 2000, on a two for one basis.

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[a] Based on the Company's Annual Audited Consolidated Financial Statements for the fiscal years ended September 30, 2023 and 2022, filed with Canadian securities regulators and available at www.sedarplus.ca and on CGI's website at www.cgi.com.

Market for Securities, Trading Price and Volume

The Class A Shares are listed for trading on the Toronto Stock Exchange (the "TSX") under the symbol GIB.A and on the New York Stock Exchange under the symbol GIB. A total of 88,944,954 Class A Shares were traded on the TSX during the fiscal year ended September 30, 2023, as follows:

Month	High[(a)] ($)	Low[(a)] ($)	Volume
October 2022	112.00	100.74	5,951,666
November 2022	117.47	105.88	8,362,241
December 2022	120.82	115.16	6,836,410
January 2023	118.82	112.32	6,037,808
February 2023	125.96	115.05	7,965,411
March 2023	130.75	122.01	9,827,104
April 2023	138.60	128.78	6,245,310
May 2023	142.31	134.07	7,834,133
June 2023	141.69	133.10	7,010,397
July 2023	142.07	127.73	7,054,164
August 2023	141.94	130.74	9,003,813
September 2023	142.23	131.65	6,816,497

[(a)] The high and low prices reflect the highest and lowest prices at which a board lot trade was executed in a trading session during the month.

Normal Course Issuer Bid and Share Purchases for Cancellation

On January 31, 2023, CGI announced that it was renewing its normal course issuer bid ("NCIB") to purchase for cancellation up to 10% of the Company's public float of its issued and outstanding Class A Shares during the NCIB term that commenced on February 6, 2023, and will expire on February 5, 2024, at the latest. On February 27, 2023, the Company completed a private share purchase, which is considered within the annual aggregate limit that the Company is entitled to purchase under the NCIB. See *Description of CGI's Business – Significant developments of the Three Most Recent Fiscal Years – Fiscal Year ended September 30, 2023– Normal Course Issuer Bid* later in this Annual Information Form.

Credit Ratings

Credit ratings are a way to assess the quality of a company's credit and financial capacity. They are not a comment on the market price of a security or its suitability for an individual investor and are not recommendations to buy, hold or sell our securities. Credit ratings may be revised or withdrawn at any time by the assigning rating agency. Ratings are determined by the rating agencies based on criteria established from time to time by them, and they do not comment on market price or suitability for a particular investor. Each credit rating should be evaluated independently of any other credit rating.

Credit ratings are subject to change, based on a number of factors including, but not limited to, our financial strength, competitive position, liquidity and other factors that are not completely within our control. A ratings downgrade could result in adverse consequences for our funding capacity or our ability to access the capital markets.

Credit rating agencies provide a range of services, including one-time ratings when the debt is issued, annual monitoring, and updates to ratings, among other things. In fiscal 2021, we paid Moody's Investors Service, Inc. (Moody's) and Standard & Poor's (S&P) for the issuance of a long-term issuer credit rating, credit monitoring, and rating fees for the issuance of our senior unsecured notes described under *Significant developments of the Three Most Recent Fiscal Years – Fiscal Year ended September 30, 2021 – Senior Unsecured Notes* later in this Annual Information Form. In fiscal 2023, we paid Moody's and S&P for annual credit monitoring.

Moody's rates both our corporate credit and our senior unsecured notes. Their issuer ratings are forward-looking opinions of the ability of entities to honour senior unsecured financial obligations and contracts.

Moody's long-term debt ratings are forward-looking opinions of relative credit risk of fixed income obligations with an original maturity of eleven months or more. These ratings address the possibility that a financial obligation will not be honoured as promised. Such ratings reflect both the likelihood of default and any financial loss suffered in the event of default.

S&P rates both our corporate credit and our senior unsecured notes. Their corporate credit rating is a forward-looking opinion of our overall financial capacity to pay our financial obligations. It focuses on our capacity and willingness to meet our financial commitments when they are due. It does not apply to any specific financial obligation or credit facility, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences or the legality and enforceability of the obligation.

S&P's senior unsecured note rating is a forward-looking opinion of our creditworthiness for a specific financial obligation, class of financial obligations or financial program. It considers the creditworthiness of guarantors, insurers or other forms of credit enhancement on the obligation and the currency of the obligation and may assess terms – like collateral security and subordination – that could affect ultimate payment in the event of a default. See *Significant developments of the Three Most*

Recent Fiscal Years – Fiscal Year ended September 30, 2021 – Senior Unsecured Notes later in this Annual Information Form.

The table below shows our long-term issuer credit ratings and the credit ratings assigned to our senior unsecured notes.

Rating Agency	Long-Term Issuer Credit Ratings [1,2]	Senior Unsecured Notes [1,2]	Credit Rating Description and Rank
Moody's	Baa1 (stable outlook)	Baa1	Long-term debt rating scale ranges from Aaa to C. Numerical modifiers 1, 2, and 3 rank the investment within its generic category. An outlook of positive, negative, stable or developing ranks the potential direction of the rating over the medium term. Baa is the eighth highest of 21 ratings. It means the investment is judged to be medium-grade and subject to moderate credit risk, and as such may possess certain speculative characteristics. A "1" modifier means that the investment is in the higher end of its generic category.
S&P	BBB+ (stable outlook)	BBB+	Long-term debt rating scale ranges from AAA to D. Some ratings may be modified by a plus (+) or minus (-) sign to show relative standing within the major rating categories. An outlook of positive, stable, developing, or negative ranks the potential direction of the rating in the intermediate term, generally up to two years for investment grade. BBB+ is the eighth highest of 22 ratings. It means that it exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the issuer's capacity to meet its financial commitments on the obligation.

1 As at September 30, 2023.
2 These credit ratings are not recommendations to buy, sell or hold any of the securities referred to, and they may be revised or withdrawn at any time by the assigning rating agency. Ratings are determined by the rating agencies based on criteria established from time to time by them, and they do not comment on market price or suitability for a particular investor.

Corporate Governance

Board and Standing Committee Charters and Codes of Ethics

CGI's Codes of Ethics, including its Code of Ethics and Business Conduct (which incorporates the CGI Anti-Corruption Policy) and its Executive Code of Conduct, the charter of the Board of Directors and the charters of the standing committees of the Board of Directors, including the charter of the Audit and Risk Management Committee, are annexed as Appendix A to this Annual Information Form.

Audit Committee Information

The Company incorporates by reference the disclosure contained under the heading *Expertise and Financial and Operational Literacy* on pages 43 and 44, and the disclosure contained under the heading *Report of the Audit and Risk Management Committee,* on pages 51 and following of CGI's Circular dated December 4, 2023.

Directors and Officers

Directors

The Company incorporates by reference the disclosure under the heading *Nominees for Election as Directors* relating to the Company's directors contained on pages 9 to 17, and the table on the Board of Directors committee membership on page 40 and 41 of CGI's Circular dated December 4, 2023.

Executive Committee and Executive Officers

The following table states the names of CGI's executive officers, their place of residence, their principal occupation within the Company as of December 4, 2023, and, where required, any other previously held positions in the last five years with the Company or one of its direct or indirect subsidiaries, or outside of the Company:

Name and Residence	Principal Occupation with the Company	Previously held position (last five years)
Rakesh V. Aerath Bangalore, Karnataka, India	President, Asia Pacific Global Delivery Centers of Excellence	• Senior Vice-President and Chief Operating Officer for the Asia Pacific Global Delivery Centers of Excellence • Senior Vice-President and Business Unit Lead for Asia Pacific Financial Services Delivery Center
Jean-Michel Baticle Précy-sur-Oise, Oise, France	President and Chief Operating Officer, and President, Western and Southern Europe	• President and Chief Operating Officer • President, Western and Southern Europe Operations • President, France, Luxembourg and Morocco Operations

Name and Residence	Principal Occupation with the Company	Previously held position (last five years)
François Boulanger Westmount, Quebec, Canada	President and Chief Operating Officer	• Executive Vice-President and Chief Financial Officer
Mark Boyajian Nashville, Tennessee, United States	Executive Vice-President and Chief Business Engineering Officer	• President, Canada Operations
Caroline de Grandmaison Rueil-Malmaison, France	President, France and Luxembourg	• Senior Vice-President, WSE Paris Energy and Utilities, Communication, Retail and Manufacturing • Senior Vice-President, WSE Paris Retail, Manufacturing and Strasbourg
Dirk A. de Groot Voorschoten, Netherlands	President, Northwest and Central-East Europe	• Senior Vice-President, Netherlands
Benoit Dubé Saint-Lambert, Quebec, Canada	Executive Vice-President, Legal and Economic Affairs, and Corporate Secretary	–
Julie Godin Westmount, Quebec, Canada	Co-Chair of the Board, Executive Vice-President, Strategic Planning and Corporate Development	• Vice-Chair of the Board, Executive Vice-President, and Chief Planning and Administration Officer
Serge Godin Westmount, Quebec, Canada	Founder and Executive Chairman of the Board	–
David L. Henderson Vienna, Virginia, United States	President, Intelligent Solutions and Innovation	• President, Global IP Solutions • President, United States Operations, Commercial and State Government
Timothy J. Hurlebaus Annandale, Virginia, United States	President, United States Operations, Commercial and State Government	• President, United States Operations, Federal
André Imbeau[(a)] Beloeil, Quebec, Canada	Founder and Advisor to the Executive Chairman of the Board	–
Bernard Labelle Quebec City, Quebec, Canada	Executive Vice-President and Chief Human Resources Officer	• Senior Vice-President, Global Human Resources and Leadership Institute
Leena-Mari Lähteenmaa Helsinki, Uusimaa, Finland	President, Finland, Poland and Baltics	• Senior Vice-President, Finland
Kevin M. Linder Burlington, Ontario, Canada	Senior Vice-President, Investor Relations	• Senior Vice-President, Finance and Treasury, and Head of Investor Relations • Senior Vice-President, Finance and Treasury • Senior Vice-President and Corporate Controller
Tara McGeehan Flintham Newark, Nottinghamshire, United Kingdom	President, United Kingdom and Australia	• President, United Kingdom Operations
Steve Perron Sainte-Julie, Quebec, Canada	Executive Vice-President and Chief Financial Officer	• Senior Vice-President and Corporate Controller • Senior Vice-President, Finance and Treasury
George D. Schindler Fairfax, Virginia, United States	President and Chief Executive Officer	–
Torsten Strass Wiesbaden, Hesse, Germany	President, Scandinavia and Central Europe	• President, Central and Eastern Europe Operations
Guy Vigeant Deux-Montagnes, Quebec, Canada	President, Canada Operations	• Senior Vice-President, Mergers and Acquisitions

(a) Mr. Imbeau is a director and officer of the Company, and holds an interest in the Class B Shares.

CGI's global strategy is overseen by a management committee ("Executive Committee") comprised of the Company's executive officers and certain other key functional employees. The Executive Committee meets at least six times a year and is responsible for enterprise-wide strategy as well as all enterprise policies and operations oversight.

Ownership of Securities on the Part of Directors and Officers

The Company incorporates by reference the disclosure under the heading *Principal Holders of Class A Subordinate Voting Shares and Class B Shares* on page 7 of CGI's Circular dated December 4, 2023. As of each of September 30, 2023, and December 4, 2023, the Company and its related subsidiaries are controlled by Mr. Serge Godin, the Founder and Executive Chairman of the Board.

Description of CGI's Business

Mission, Vision and Strategy

The mission of CGI is to help its clients succeed through outstanding quality, competence and objectivity, providing thought leadership and delivering the best services and solutions to fully satisfy client objectives in information technology ("IT"), business processes, and management. In all we do, we are guided by our dream and living by our values to foster trusted relationships and meet our commitments now and in the future.

CGI is unique compared to most companies, as our vision is based on a dream: "To create an environment in which we enjoy working together and, as owners, contribute to building a company we can be proud of." This dream has motivated us since our founding in 1976 and drives our vision: "To be a global, world-class end-to-end IT and business consulting services leader helping our clients succeed."

In pursuing our dream and vision, CGI has been highly disciplined throughout its history in executing a Build and Buy profitable growth strategy comprised of four pillars that combine profitable organic growth (Build) and accretive acquisitions (Buy):

- Pillar 1: Win, renew and extend contracts
- Pillar 2: New large managed IT and business process services contracts

These first two pillars relate to driving profitable organic growth through the pursuit of contracts with new and existing clients in our targeted industries. As such, CGI engages with new and existing clients on four levers in our portfolio of end-to-end services and solutions: Business and Strategic IT Consulting, Systems Integration, Managed Services and IP-based services. Successes in these pillars reflect the strength of our end-to-end portfolio of capabilities, the depth of expertise of our consultants in business and IT, client satisfaction in our delivery excellence, and the appreciation of the proximity model by our clients, both existing and potential.

- Pillar 3: Metro market acquisitions
- Pillar 4: Large, transformational acquisitions

The third and fourth pillars focus on growth through accretive acquisitions. The third pillar for metro market acquisitions complements the proximity model and helps to provide a fuller range of end-to-end services. The fourth pillar for large transformational acquisitions helps to further expand our geographic footprint and reach the critical mass required to compete for large managed IT and business process services contracts and broaden our client relationships. Both the third and fourth pillars are supported by three levers. First, is our range of end-to-end services that allow us to consider a broad range of acquisitions. A second lever is CGI's industry sector mix that helps us mirror the IT spend of each metro market over time. A final lever across pillars three and four focuses on IP-based services firms that offer consulting services and managed services that leverage their solutions.

CGI will continue to be a consolidator in the IT and business consulting services industry by being active across these four pillars.

Executing Our Strategy

CGI's strategy is executed through a business model that combines client proximity with an extensive global delivery network to deliver the following benefits:

- Local relationships and accountability: We live and work near our clients to provide a high level of responsiveness, partnership, and innovation. Our local consultants and professionals speak our clients' language, understand their business and industries, and collaborate to meet their goals and advance their business.
- Global reach: Our local presence is complemented by an expansive global delivery network that is designed to ensure our clients have 24/7 access to best-fit digital capabilities and resources to meet their end-to-end needs. In addition, clients benefit from our unique combination of industry domain and technology expertise within our global delivery model.
- Committed experts: One of our key strategic goals is to be our clients' partner and expert of choice. To achieve this, we invest in developing and recruiting professionals with extensive industry, business and in-demand technology expertise. Individually and collectively, our experts embody partnership behaviors in all they do by being consultative and building trusted relationships with each other, our clients, shareholders, and within our communities. In addition, most of our consultants and professionals are also owners under our Share Purchase Plan, which, combined with the Profit Participation Plan, provide an added level of commitment to the success of our clients.
- Everyday innovation: Our approach to client engagements is to continuously bring forward actionable insights that support clients' ROI-led digitization priorities. Through our client satisfaction program, we regularly assess the degree to which clients find that CGI introduced applicable innovation to the engagements we deliver for them, including our ideas, processes, tools and offerings. We also scale innovative solutions co-created with clients via a global governance model.
- Comprehensive quality processes: CGI's investment in quality frameworks and rigorous client satisfaction assessments has resulted in a consistent track record of on-time and within-budget project delivery. With regular

reviews of engagements and transparency at all levels, the Company seeks to ensure that client objectives and its own quality objectives are consistently followed at all times. This thorough process enables CGI to generate continuous improvements for all stakeholders by applying corrective measures as soon as they are required.

- Environmental, Social and Governance (ESG) strategy: At CGI, our ESG strategy is key to contributing to our strategic goal to be recognized by our stakeholders as an engaged, ethical and responsible corporate citizen within our communities. Our commitments align with the United Nations (UN) Global Compact's 10 principles and we are recognized by leading international indices, including EcoVadis, Carbon Disclosure Project (CDP) and Dow Jones Sustainability Indices (DJSI). We prioritize partnerships with clients, while also collaborating with educational institutions and local organizations, on three global priorities: people, communities and climate. We demonstrate our commitment to a sustainable world by way of projects delivered in collaboration with clients as well as operating practices, supply chain management, and community service activities.

Helping Clients Leverage Technology to its Fullest

Macro trends such as supply chain reconfiguration, climate change and energy transition, and demographic shifts including aging populations and talent shortages require new business models and ways of working. At the same time, technology is reshaping our future and creating new opportunities.

Accelerating digitization provides the inclusive, economically vibrant, and sustainable future our clients' customers and citizens demand. Leveraging technology to its fullest helps clients to become more competitive within their industries. Our end-to-end digital services, industry and technology expertise, and operational excellence combine to help clients advance their holistic digital transformation.

Through our proprietary Voice of Our Clients research, we analyzed the characteristics of leading digital organizations and found three common attributes:

- They have highly agile business models to address digitization and to integrate new technology, are better at operating as aligned teams between business and IT, and extend their digital strategy to their external ecosystem.
- They have been faster in modernizing the entire IT environment – including through automation – while assuring security and data privacy.
- They are addressing business transformation holistically, including culture change, ecosystem touchpoints, and the integration of sustainability objectives.

Digital leaders across industries seek new ways to evolve their strategy and operational models and use technology and information to improve how they operate, deliver products and services, and create value.

CGI helps clients adopt leading digital attributes and design, manage, protect and evolve their digital value chains to accelerate business outcomes.

Business Structure

During the fiscal year ended September 30, 2023, the Company was managed through the following nine operating segments: Western and Southern Europe (primarily France, Spain and Portugal); United States ("U.S.") Commercial and State Government; Canada; U.S. Federal; Scandinavia and Central Europe (Germany, Sweden and Norway); United Kingdom ("U.K.") and Australia; Finland, Poland and Baltics; Northwest and Central-East Europe (primarily Netherlands, Denmark and Czech Republic); and Asia Pacific Global Delivery Centers of Excellence (mainly India and Philippines) (Asia Pacific).

For additional information on our segments, please refer to sections 3.4., 3.6., 5.4. and 5.5. of CGI's Management's Discussion and Analysis ("MD&A") for the fiscal years ended September 30, 2023 and 2022, and to note 29 of our Annual Audited Consolidated Financial Statements for the fiscal years ended September 30, 2023 and 2022, which were filed with Canadian securities regulators and are available at www.sedarplus.ca and on CGI's website at www.cgi.com.

The following table provides a summary of the year-over-year changes in our revenue, in total and by segment before eliminations, for the fiscal years ended September 30, 2023 and 2022:

Reporting Segment Revenue (in thousands of CAD)	**2023**	**2022**
Western and Southern Europe	2,605,926	2,152,113
U.S. Commercial and State Government	2,277,996	2,075,321
Canada	2,064,659	1,981,380
U.S. Federal	1,935,238	1,750,902
Scandinavia and Central Europe	1,648,356	1,571,118
U.K. and Australia	1,455,529	1,291,125
Finland, Poland and Baltics	828,951	729,024
Northwest and Central-East Europe	755,901	692,859
Asia Pacific	918,056	799,661
Eliminations	(194,252)	(176,302)
Total	**14,296,360**	**12,867,201**

Services Offered by CGI

CGI delivers end-to-end services that help clients achieve the highest returns on their digital investments. We call this ROI-led digitization. Our insights-driven end-to-end services and solutions work together to help clients design, implement, run and operate the technology critical to achieving their business strategies.

Our portfolio encompasses:

- Business and strategic IT consulting, and systems integration services: CGI helps clients drive sustainable value in critical consulting areas, including strategy, organization and change management, core operations and technology. Within each of these areas, our consultants also deliver a broad range of business offerings to address client executives' priorities, including designing and advancing strategies for the responsible use of artificial intelligence (AI), sustainable supply chain management, ESG, mergers and acquisitions, and more. In the area of systems integration, we help clients accelerate the enterprise modernization of their legacy systems and adopt new technologies to drive innovation and deliver real-time and insight-driven customer and citizen services.

- Managed IT and business process services: Working as an extension of our clients' organizations, we take on full or partial responsibility for managing their IT functions, freeing them up to focus on their strategic business direction. Our services enable clients to reinvest, alongside CGI, in the successful execution of their digital transformation roadmaps. We help them increase agility, scalability and resilience; deliver operational efficiencies, innovations and reduced costs; and embed security and data privacy controls. Typical services include: application development, modernization and maintenance; holistic enterprise digitization, automation, hybrid and cloud management; and business process services.

- Intellectual property ("IP"): CGI's portfolio of IP solutions are highly configurable "business platforms as a service" that are embedded within our end-to-end service offerings and utilize integrated security, data privacy practices, provider-neutral cloud approaches, and advanced AI capabilities to provide immediate benefits to clients. We invest in, and deliver, market-leading IP to drive business outcomes within each of our target industries. We also collaborate with clients to build and evolve IP-based solutions while enabling a higher degree of flexibility and customization for their unique modernization and digitization needs. Representative IP solutions include the following[a]:

  - *Momentum* is an integrated enterprise resource planning ("ERP") suite trusted by more than 100 organizations across the three branches of the U.S. federal government, including intelligence and defense organizations. *Momentum* is used by federally funded non-profit organizations as well. *Momentum* provides comprehensive capabilities to improve federal back-office operations. Its delivery options include on-premises implementation, managed services hosted in a CGI data center or publicly available cloud, or as a "software as a service" ("SaaS") subscription-based offering. *Momentum* offers practical support for today's financial, acquisitions and budgeting operations, combined with strategic solutions to position agencies and organizations for the rapidly changing environment of the future.

  - *CGI Advantage* is a leading ERP solution that helps state and local governments improve their back-office operations enabling digital insights through embedded analytics to better serve citizens and streamlining engagement through a mobile-first design and engaging user experience. Its full suite of ERP capabilities is designed specifically for the public-sector, including financial management, vendor self-service, grants management, performance budgeting, collections, human resources management, case management and procurement. *CGI Advantage* delivery options include on-premises implementation or managed services hosted in a private or publicly available cloud.

  - *CGI CustomerAdvance* is an end-to-end outsourcing solution with the ability to deliver individual components to support the needs of clients that require one or more specialized services, particularly those that would like to improve the customer experience using an omnichannel solution. It is used in five continents, more than 70 countries and in 39 languages, and its business process services include global call center support, fee processing, cash management and complex scheduling, all supported by a cloud-based customer relationship management software.

  - *CGI Credit Studio* powered by CGI's CACS X, is the latest in market-leading credit management solutions, featuring an innovative cloud-native, event-driven architecture powered by data-driven AI and machine learning ("ML") capabilities. Delivering the entire credit lifecycle from loan originations to servicing, collections, and recovery, CGI Credit Studio provides a comprehensive end-to-end experience. Its seamless integration with CGI PulseAI augments operational efficiency and increases customer satisfaction through AI and ML insights-driven automation. This approach empowers financial institutions to achieve their operational objectives with a robust and competitive credit management platform.

  - *CGI Trade360* delivers all of the software, infrastructure and support resources necessary to power a bank's global trade business. Delivered primarily as a SaaS offering, CGI Trade360 enables banks to provide the full range of traditional trade, supply chain (payables and receivables), and cash management services to their customers – anywhere, anytime – on a single, integrated and global platform. Built uniquely for multi-bank, multi-currency and multi-time zone processing. *CGI Trade360*'s Trade API Gateway seamlessly integrates with ecosystem partners, including Intelligent Automation platforms leveraging best-in-class AI solutions for trade. *CGI Trade360* is used in 83 countries and in over 300 bank locations across the globe.

[a] *CACS, CGI Advantage, CGI Credit Studio, CGI CustomerAdvance, CGI Trade360 and Momentum are trademarks or registered trademarks of CGI or its subsidiaries.*

Markets for CGI's Services

CGI has long-standing and focused practices in all of its core industries, providing clients with a partner that is not only an expert in IT, but also an expert in their respective industries. This combination of business knowledge and digital technology expertise allows us to help our clients navigate complex challenges and focus on value creation. In the process, we evolve the services and solutions we deliver within our targeted industries and provide thought leadership, blueprints, frameworks and technical accelerators that help clients evolve their ecosystems.

Our targeted industries include financial services (including banking and insurance), government (including space), manufacturing, retail and distribution (including consumer services, transportation and logistics), communications and utilities (including energy and media), and health (including life sciences). To help orchestrate our global posture across these industries, our leaders regularly participate in cabinet meetings and councils to advance the strategies, services and solutions we deliver to our clients.

Intangible Properties

We own and use various proprietary intangible assets that include, without limitation, brand names, trademarks, patents and patent applications, copyrights and copyrighted material, trade secrets, domain names, customer lists, know-how, tools, techniques, software, processes and methodologies. We derive value through the use of these assets in our business activities and they are central to our operations.

Our success depends, in part, on our ability to protect our proprietary intangible assets that we use to provide our services. We rely on a combination of contractual and licensing agreements and trademark, copyright, trade secret and patent laws to protect these assets against infringement.

Our general practice is to pursue trademark, patent, copyright or other appropriate IP protection that is timely and necessary to protect and leverage our IP assets for the longest possible period. We will continue to seek appropriate IP protection for our technology, software, methodologies, processes, know-how, tools, techniques and other proprietary intangible assets throughout the various countries within which CGI operates.

Human Resources

As of September 30, 2023, CGI employed approximately 91,500 consultants and professionals worldwide – whom we now call CGI Partners as 85% are shareholders. To encourage the high degree of commitment necessary to provide quality and continuity of client service, CGI Partners are offered a wide range of benefits, including the right to invest a percentage of their salary in the purchase of Class A Shares, which the Company will then match dollar for dollar up to a set maximum, the whole pursuant to our Share Purchase Plan. The Company also has a Profit Participation Plan, a short-term incentive plan that pays an annual cash bonus based on achievement of performance objectives and designed to provide CGI's management and CGI Partners with an incentive to increase the profitability and growth of the Company, as well as a full range of other benefits. In addition, the Company also has long-term incentive plans, including a Share Option Plan and Performance Share Unit Plans, designed to ensure that its leaders' interests are closely aligned with those of all shareholders.

Specialized Skills and Knowledge

The skills, expertise and competencies required by clients in the IT industry are constantly evolving. CGI strives to be one step ahead and adopts a proactive approach, not only by recruiting engaged and skilled professionals but, more importantly, by developing and retaining them to meet our clients' needs. In addition to training and development activities and participation in professional associations, our talent management strategy includes stretch project assignments (local and abroad), job shadowing, coaching, mentoring and access to leadership and core competencies development programs through CGI's Leadership Institute. Over the years, we have put in place multiple initiatives to meet our clients' needs, fulfill our business plans, and maintain and develop professionals of very high calibre for the benefits of our clients, our CGI Partners, and our shareholders.

CGI Offices and Proximity and Global Delivery Models

CGI serves its clients from offices and through a network of global delivery locations across six continents: North America, South America, Europe, Africa, Asia and Australia. Through our proximity-based business model, CGI is deeply rooted in our clients' businesses and communities. We are organized by metro markets in which clients have concentrated footprints, which empowers our local teams to build strong, trusted relationships, providing accountability for delivering client success.

CGI's metro market teams augment their local expertise through skilled resources and experience from across our global operations to provide clients flexible delivery options that balance cost, quality and risk. Our delivery centers enable us to provide our clients with access to the right skills from the right locations at the right time and for the best price. This assures cultural alignment, while providing multilingual services across multiple time zones.

CGI's main offices and delivery centers are listed below:

Canada			
Burnaby, BC	Halifax, NS‡	Ottawa, ON	Sherbrooke, QC‡
Calgary, AB	Markham, ON	Quebec City, QC‡	Stratford, PEI‡
Drummondville, QC‡	Mississauga, ON‡	Regina, SK	Toronto, ON
Edmonton, AB	Moncton, NB‡	Saguenay, QC‡	Victoria, BC
Fredericton, NB‡	Montréal, QC‡	Shawinigan, QC‡	
United States			
Albany, NY	Columbus, OH	Lebanon, VA‡	Sacramento, CA
Arlington, VA	Dallas, TX	Los Angeles, CA	San Antonio, TX
Atlanta, GA	Denver, CO	Mobile, AL‡	Sterling, VA
Baltimore, MD	Fairfax, VA	Montgomery, AL	Tampa, FL
Beavercreek, OH	Hartford, CT	New Brunswick, NJ	Troy, AL‡
Belton, TX‡	Hot Springs, AK	New York, NY	Tucson, AZ
Birmingham, AL	Houston, TX	North Charleston, SC	Walnut Creek, CA
Burlington, MA	Huntsville, AL	Oakland, CA	Waterville, ME‡
Charlotte, NC	Knoxville, TN‡	Phoenix, AZ‡	Wausau, WI‡
Cleveland, OH	Lafayette, LA‡	Pittsburgh, PA	Westerville, OH
Columbia, SC	Lansing, MI	Plymouth Meeting, PA	
South America			
Bogotá, Colombia‡			
Europe			
Aarhus, Denmark	Clermont-Ferrand, France	Leatherhead, U.K.	Oulu, Finland
Aix-en-Provence, France	Cologne (Köln), Germany	Leinfelden-Echterdingen, Germany	Paris, France
Amiens, France‡	Darmstadt, Germany	Lille, France	Pau, France
Amstelveen, Netherlands	Diegem, Belgium	Lisbon, Portugal‡	Porto, Portugal‡
Amsterdam, Netherlands‡	Düsseldorf, Germany	Liverpool, U.K.	Prague, Czech Republic‡
Arnhem, Netherlands	Edinburgh, U.K.	London, U.K.	Reading, U.K.
Ballerup, Denmark	Erfurt, Germany	Lyon, France‡	Rennes, France‡
Berlin, Germany	Espoo, Finland	Maastricht, Netherlands	Riga, Latvia‡
Bertrange, Luxembourg	Glasgow, U.K.	Madrid, Spain	Rotterdam, Netherlands
Bochum, Germany	Gloucester, U.K.	Málaga, Spain‡	Saint Avertin, France
Bordeaux, France‡	Göteborg, Sweden	Malmö, Sweden	Sintra, Portugal
Borlänge, Sweden	Grenoble, France‡	Manchester, U.K.	Solihull, U.K.
Bratislava, Slovakia	Groningen, Netherlands	Milton Keynes, U.K.	Stockholm, Sweden
Braunschweig, Germany	Hamburg, Germany	Montpellier, France‡	Strasbourg, France
Bremen, Germany‡	Helsinki, Finland‡	Munich, Germany	Sulzbach (Taunus), Germany
Brest, France	Ivögatan, Sweden‡	Nice, France	Sundsvall, Sweden
Bridgend, U.K.‡	Karlstad, Sweden	Niort, France	Tallinn, Estonia
Bristol, U.K.	Kaunas, Lithuania‡	Odivelas, Portugal	Tampere, Finland
Brno, Czech Republic‡	Krakow, Poland‡	Orléans, France	Toulouse, France‡
Bucharest, Romania‡	Lahti, Finland	Oslo, Norway‡	Turku, Finland
Bromölla, Sweden‡	Larmor-Plage, France	Östersund, Sweden‡	Vilnius, Lithuania‡
Chippenham, U.K.	Le Mans, France	Ostrava-Pustkovec, Czech Republic	Warsaw, Poland‡
Africa			
Casablanca, Morocco‡	Fes, Morocco	Rabat, Morocco‡	
Asia			
Bangalore, India‡	Hyderabad, India‡	Manila, Philippines‡	Pune, India
Chennai, India‡	Kuala Lumpur, Malaysia‡	Mumbai, India‡	
Australia			
Melbourne, Australia			

‡ Indicates locations where CGI operates delivery centers.

Commercial Alliances

CGI currently has commercial alliance agreements with various technology and business partners. These non-exclusive commercial agreements with technology platform providers allow the Company to provide its clients with high quality technology and related CGI professional services, often on advantageous commercial terms for our clients. CGI's business partners include prominent hardware, software, cloud and AI service providers.

Quality Processes

CGI holds ISO quality certification for the management of its partnerships with each of its three major stakeholder groups: clients, CGI Partners, and shareholders.

CGI's ISO 9001 certified operations that are reflected in its *Client Partnership Management Framework,* its *Member Partnership Management Framework* and its *Shareholder Partnership Management Framework* greatly contribute to clearly defining clients' objectives, properly scoping projects and identifying and allocating necessary resources to meet objectives. Together, these frameworks allow CGI to more efficiently build clients' requirements into its solutions: clients are constantly kept informed, their degree of satisfaction is regularly measured and assessed, and our CGI Partners' interests are kept aligned with those of CGI's clients and shareholders by providing incentive compensation to managers linked to CGI's results and creating value through share ownership.

The Company began working towards obtaining ISO 9001 certification for the portion of its operations covered by its *Project Management Framework* (which now forms part of its *Client Partnership Management Framework*) in 1993 and CGI's Quebec City office was granted ISO 9001 certification in June 1994, which allowed CGI to become North America's first organization in the IT consulting field to receive ISO 9001 certification for the way in which it managed projects. Beginning in 1995, CGI expanded its ISO 9001 certification throughout its Canadian, U.S. and international offices as well as its corporate headquarters. In the context of CGI's continued high growth rate, its ISO certified quality system has been a key ingredient in spreading its culture, in part because it helps to integrate our new CGI Partners successfully, and in maintaining a high degree of quality of services by applying the same processes into each business unit.

As clients grow and IT projects become increasingly complex, CGI strives to further refine its quality processes while allowing them to branch out across all its activities. CGI's enhanced quality system is simpler and provides the Company's business units with greater autonomy in a context of decentralized activities. Over the years, CGI has also obtained additional ISO certifications and other appraisals, including ISO 27001 certification, which supports its strong information security management system, in more than 90 locations, and CMMI Level 5 certification, which supports its application management and infrastructure management services in its India global delivery centers. Some of CGI's strategic business units maintain additional ISO certifications in accordance with local requirements, including: ISO 20000 – *Information technology – Service management;* ISO 14001 – *Environmental management system*; ISO 27701 – *Privacy information management*; and ISO 22301 – *Business continuity management system*.

The IT Services Industry

Trends and Outlook

CGI will continue executing on our "Build and Buy" growth strategy, expanding through both profitable organic growth (Build) and accretive acquisitions (Buy).

No matter the industry and its associated trends, technology no longer is an enabler, it is a business driver—and, increasingly, it is becoming the business. Any new service, program or efficiency improvement brings the need for additional IT services.

As part of our annual strategic planning activities during the fiscal year ended September 30, 2023, we held 1,764 strategic conversations with business and technology executives in the industries and regions we serve.

In these Voice of Our Clients interviews, executives ranked cybersecurity as the highest impact trend across industries, with the need to be digital to meet customer and citizen expectations for digital services ranking second and, for the first time, sustainability ranking third. Customer experience and IT modernization also are among the top IT and business priorities, reflecting strong themes among executives globally.

In line with these trends and priorities is a continued focus on digital transformation. Of the executives we interviewed, 92% have a digitization strategy in place, with 30% citing that they reported they are producing expected results from such strategies, up from 25% last year.

Helping clients achieve the business results they need from digitization requires significant investments in scale, reach and capabilities. We believe that the potential remains strong to help organizations accelerate their performance with our end-to-end services and solutions – including business and strategic IT consulting, systems integration, managed IT and business process services, and intellectual property (IP).

As our clients develop and implement their strategies, we have good visibility into clients' areas of focus based on our Voice of Our Clients interviews.

Clients are now heavily relying on managed services and IP to generate cost savings while implementing, optimizing, and managing their transformation programs to achieve the expected return on investment. In our research, two in five executives cited legacy systems among the key barriers to successful digitization. This demonstrates the need to ensure that solution strategies address the complexity of modernizing current systems and integrating with new systems and processing. Furthermore, 80% of our clients indicated they are having difficulty hiring IT talent—leading to more of our clients who plan to externalize their IT services work.

Many executives cite the challenging economic environment as a key driver for sharpening their focus. It is requiring them to prioritize cost savings while simultaneously advancing their digitization to improve competitiveness, resilience, and customer experience. This dual-digital agenda continues to generate demand for our end-to-end services and solutions.

Competitive Environment

As the market dynamics and industry trends continue to increase client demand for ROI-led digitization, CGI is well-positioned to serve as a digital partner and expert of choice. We work with clients across the globe to implement digital strategies, roadmaps and solutions that help clients transform the customer/citizen experience, drive the launch of new products and services, and deliver efficiencies and cost savings.

CGI's competition is comprised of a variety of firms, from local companies providing specialized services and software, government pure-plays to global business consulting and IT services providers. All of these players are competing to deliver some or all of the services we provide.

Many factors distinguish the industry leaders, including the following:

- Depth and breadth of industry and technology expertise;
- Local presence and strength of client relationships;
- Extensive and flexible global delivery network, including onshore, nearshore and offshore options;
- Breadth of digital IP solutions;
- Total cost of services and value delivered;
- Ability to deliver practical innovation for measurable results; and
- Consistent, on-time, within-budget delivery everywhere the client operates.

CGI is one of the leaders in the industry with respect to the combination of these factors. CGI is one of few firms with the scale, reach, insights and capabilities to meet clients' enterprise business and technology needs.

Significant Developments of the Three Most Recent Fiscal Years

Key Performance Measures

The Company reports its financial results in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. However, we use a combination of GAAP, non-GAAP and supplementary financial measures and ratios to assess the Company's performance. The non-GAAP measures used to report our financial results do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. These measures should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with IFRS.

The table below summarizes our most relevant key performance measures used in this Annual Information Form:

Growth

Revenue prior to foreign currency impact (non-GAAP) – is a measure of revenue before foreign currency translation impacts. This is calculated by translating current period results in local currency using the conversion rates in the equivalent period from the prior year. Given that we have a strong presence globally and are affected by most major international currencies, management believes that it is helpful to adjust revenue to exclude the impact of currency fluctuations to facilitate period-to-period comparisons of business performance and that this measure is useful for investors for the same reason. A reconciliation of the revenue prior to foreign currency impact to its closest IFRS measure can be found in sections 3.4. and 5.4. of CGI's MD&A for the fiscal years ended September 30, 2023 and 2022.

Constant currency revenue growth (non-GAAP) – is a measure of revenue growth before foreign currency translation impacts. This is calculated by translating current period results in local currency using the conversion rates in the equivalent period from the prior year. Management believes its use of this measure is helpful for investors to facilitate period-to-period comparisons of our business growth.

Bookings – are new binding contractual agreements including wins, extensions and renewals. In addition, our bookings are comprised of committed spend and estimates from management that are subject to change, including demand-driven usage, such as volume based and time and material contracts, as well as price indexation and options years and services. Management evaluates factors such as prices and past history to support its estimates. Management believes that it is a key indicator of the volume of our business over time and potential future revenue and that it is useful trend information to investors for the same reason. Information regarding our bookings is not comparable to, nor should it be substituted for, an analysis of our revenue. Additional information on bookings can be found in sections 3.1. and 5.1. of CGI's MD&A for the fiscal years ended September 30, 2023 and 2022.

Backlog – includes bookings, backlog acquired through business acquisitions, backlog consumed during the period as a result of client work performed as well as the impact of foreign currencies to our existing contracts. Backlog incorporates estimates from management that are subject to change and are mainly driven from bookings. Backlog is reduced when a client decision decreases contractual commitment such as through contract cancellation. Management tracks this measure as it is a key indicator of our best estimate of contracted revenue to be realized in the future and believes that this measure is useful trend information to investors for the same reason.

Book-to-bill ratio – is a measure of the proportion of the value of our bookings to our revenue in the quarter. This metric allows management to monitor the Company's business development efforts during the quarter to grow our backlog and our business over time and management believes that this measure is useful for investors for the same reason.

Book-to-bill ratio trailing twelve months – is a measure of the proportion of the value of our bookings to our revenue over the last trailing twelve-month period as management believes that monitoring the Company's bookings over a longer period is a more representative measure as the services and contract type, size and timing of bookings could cause this measurement to fluctuate significantly if taken for only a three-month period and as such is useful for investors for the same reason. Management's objective is to maintain a target ratio greater than 100% over a trailing twelve-month period.

Profitability

Specific items – include cost optimization program and acquisition-related and integration costs. Cost optimization program mainly includes cost related to vacated leased premises and termination of employment. Acquisition-related costs mainly include third-party professional fees incurred to close acquisitions. Integration costs are mainly comprised of expenses due to redundancy of employment and contractual agreements, cancellation of acquired leased premises and costs related to the integration towards the CGI operating model such as training activities.

Earnings before income taxes – is a measure of earnings generated for shareholders before income taxes.

Earnings before income taxes margin – is obtained by dividing our earnings before income taxes by our revenues. Management believes a percentage of revenue measure is meaningful for better comparability from period-to-period.

Adjusted EBIT (non-GAAP) – is a measure of earnings excluding specific items, net finance costs and income tax expense. Management believes its use of this measure, which excludes items that are non-related to day-to-day operations, such as the impact of specific items, capital structure and income taxes, is helpful to investors to better evaluate the Company's core operating performance. This measure also allows for better comparability from period-to-period and trend analysis. A reconciliation of the adjusted EBIT to its closest IFRS measure can be found in sections 3.7. and 5.6. of CGI's MD&A for the fiscal years ended September 30, 2023 and 2022.

Adjusted EBIT margin (non-GAAP) – is obtained by dividing our adjusted EBIT by our revenues. Management believes its use of this measure, which evaluates our core operating performance before specific items, capital structure and income taxes when compared to the growth of our revenues, is relevant to investors for better comparability from period-to-period. This measure demonstrates the Company's ability to grow in a cost-effective manner, executing on our Build and Buy strategy. A reconciliation of the adjusted EBIT to its closest IFRS measure can be found in sections 3.7. and 5.6. of CGI's MD&A for the fiscal years ended September 30, 2023 and 2022.

Net earnings – is a measure of earnings generated for shareholders.

Net earnings margin – is obtained by dividing our net earnings by our revenues. Management *believes* a percentage of revenue measure is meaningful for better comparability from period-to-period.

Diluted earnings per share (diluted EPS) – is a measure of net earnings generated for shareholders on a per share basis, assuming all dilutive elements are exercised. Please refer to note 21 of CGI's Annual Audited Consolidated Financial Statements for the fiscal years ended September 30, 2023 and 2022, for additional information on earnings per share.

Net earnings excluding specific items (non-GAAP) – is a measure of net earnings excluding the cost optimization program and acquisition-related and integration costs. Management believes its use of this measure best demonstrates to investors the net earnings generated from our day-to-day operations by excluding specific items, for better comparability from period-to-period. A reconciliation of the net earnings excluding specific items to its closest IFRS measure can be found in sections 3.8.3. and 5.6.1. of CGI's MD&A for the fiscal years ended September 30, 2023 and 2022.

Net earnings margin excluding specific items (non-GAAP) – is obtained by dividing our net earnings excluding specific items by our revenues. Management believes its use of this measure, which evaluates our core operating performance when compared to the growth of our revenues, is relevant to investors to assess their returns and for better comparability from period-to-period. This measure demonstrates the Company's ability to grow in a cost-effective manner, executing on our Build and Buy strategy. A reconciliation of the net earnings excluding specific items to its closest

IFRS measure can be found in sections 3.8.3. and 5.6.1. of CGI's MD&A for the fiscal years ended September 30, 2023 and 2022.

Diluted earnings per share excluding specific items (non-GAAP) – is defined as the net earnings excluding specific items on a per share basis. Management believes its use of this measure is useful for investors as excluding specific items best reflects the Company's ongoing operating performance on a per share basis and allows for better comparability from period-to-period. The diluted earnings per share reported in accordance with IFRS can be found in sections 3.8. and 5.6. of CGI's MD&A for the fiscal years ended September 30, 2023 and 2022, while the basic and diluted earnings per share excluding specific items can be found in sections 3.8.3. and 5.6.1. of CGI's MD&A for the fiscal years ended September 30, 2023 and 2022.

Effective tax rate excluding specific items (non-GAAP) – is obtained by dividing our income tax expense by earnings before income taxes, before specific items. Management uses this measure to analyze the impact of changes in income tax rate and profitability mix from day-to-day operations on its effective tax rate and is useful for investors for the same reason. A reconciliation of the effective tax rate excluding specific items to its closest IFRS measure can be found in sections 3.8.3. and 5.6.1. of CGI's MD&A for the fiscal years ended September 30, 2023 and 2022.

Liquidity

Cash provided by operating activities – is a measure of cash generated from managing our day-to-day business operations. Management believes strong operating cash flow is indicative of financial flexibility, allowing us to execute the Company's strategy.

Cash provided by operating activities as a percentage of revenue – is obtained by dividing our cash provided by operating activities by our revenues. Management believes strong operating cash flow compared to our revenues is a key indicator of our financial flexibility to execute the Company's growth strategy.

Days sales outstanding (DSO) – is the average number of days needed to convert our trade receivables and work in progress into cash. DSO is obtained by subtracting deferred revenue from trade accounts receivable and work in progress; the result is divided by our most recent quarter's revenue over 90 days. Management tracks this metric closely to ensure timely collection and healthy liquidity. Management believes that this measure is useful for investors as it demonstrates the Company's ability to timely convert its trade receivables and work in progress into cash.

Capital Structure

Net debt (non-GAAP) – is obtained by subtracting from our debt and lease liabilities, our cash and cash equivalents, short-term investments, long-term investments and adjusting for fair value of foreign currency derivative financial instruments related to debt. Management believes its use of the net debt metric to monitor the Company's financial leverage is useful for investors as it provides insight into its financial strength. A reconciliation of net debt to its closest IFRS measure can be found in section 4.5. of CGI's MD&A for the fiscal years ended September 30, 2023 and 2022.

Net debt to capitalization ratio (non-GAAP) – is a measure of our level of financial leverage and is obtained by dividing the net debt by the sum of shareholders' equity and net debt. Management believes its use of the net debt to capitalization ratio is useful for investors as it monitors the proportion of debt versus capital used to finance the Company's operations.

Return on invested capital (ROIC) (non-GAAP) – is a measure of the Company's efficiency at allocating the capital under its control to profitable investments and is calculated as the proportion of the net earnings excluding net finance costs after-tax for the last twelve months, over the last four quarters' average invested capital, which is defined as the sum of shareholders' equity and net debt. Management believes its use of this ratio is useful for investors as it assesses how well it is using its capital to generate returns.

Fiscal Year ended September 30, 2023

Subsequent Event

On October 10, 2023, the Company acquired Momentum Consulting Corp., an IT and business consulting firm specializing in digital transformation, data and analytics and managed services, based in the U.S. and headquartered in Miami, Florida. The acquisition added approximately 175 professionals to the Company.

Long-Term Debt

During the year ended September 30, 2023, as a result of the interbank offered rates (IBORs) reform and the related expiry of the USD London Interbank Offered Rate (Libor) rate effective June 30, 2023, the Company renegotiated the unsecured committed term loan credit facility and the related cross-currency interest rate swaps (the hedging instruments), both expiring in December 2023, to transition to the one month Secured Overnight Financing Rate (SOFR) rate from the one month USD Libor rate. The change in rate resulted in no significant impact on the Company's Annual Audited Consolidated Financial Statements for the year ended September 30, 2023.

During the year ended September 30, 2023, the Company reclassified the unsecured committed term loan credit facility due in December 2023 under the current portion of long-term debt, within current liabilities, for a total amount of $676.9 million.

On November 6, 2023, the Company's $1,500 million unsecured committed revolving credit facility was extended by one year to November 2028 and can be further extended. There were no material changes in the terms and conditions including interest rates and banking covenants.

Normal Course Issuer Bid

On January 31, 2023, the Company's Board of Directors authorized and subsequently received regulatory approval from the TSX for the renewal of CGI's NCIB which allows for the purchase for cancellation of up to 18,769,394 Class A Shares representing 10% of the Company's public float as of the close of business on January 24, 2023. Class A Shares may be purchased for cancellation under the NCIB commencing on February 6, 2023, until no later than February 5, 2024, or on such earlier date when the Company has either acquired the maximum number of Class A Shares allowable under the NCIB or elects to terminate the bid.

During the year ended September 30, 2023, the Company purchased for cancellation 6,202,546 Class A Shares under its current NCIB for a total consideration of $786.9 million, at a weighted average price of $126.87. The purchased shares included 3,344,996 Class A Shares purchased for cancellation from Caisse de dépôt et de placement du Québec, for a total consideration of $400.0 million. The purchase was made pursuant to an exemption order issued by the Autorité des marchés financiers and is considered within the annual aggregate limit that the Company is entitled to purchase under its current NCIB. In addition, during the year ended September 30, 2023, the Company paid for and cancelled 100,100 Class A Shares under its previous NCIB for a total consideration of $10.3 million, at a weighted average price of $102.81, which were purchased, or committed to be purchased, but not cancelled as at September 30, 2022.

As at September 30, 2023, of the 6,202,546 Class A Shares purchased for cancellation, 68,550 Class A Shares remained unpaid for $9.2 million. Subsequent to September 30, 2023, such Class A Shares were paid for and cancelled.

As at September 30, 2023, the Company could purchase up to 12,566,848 Class A Shares for cancellation under the current NCIB.

Bookings and Book-To-Bill Ratio

Bookings for the fiscal year ended September 30, 2023, were $16.3 billion representing a book-to-bill ratio of 113.7%. Of the $16.3 billion in bookings signed during this year, 29% came from new business, while 71% came from extensions, renewals and add-ons.

The Company's largest vertical markets for bookings were government, financial services and manufacturing, retail and distribution ("MRD"), making up approximately 40%, 23% and 21% of total bookings, respectively. From a reporting segment perspective, our U.S. Federal operating segment accounted for 18% of total bookings, followed by our Western and Southern Europe and U.S. Commercial and State Government operating segments at 17%, and Canada operating segment at 16%.

Information regarding our bookings is a key indicator of the volume of our business over time. Additional information on bookings can be found in the Key Performance Measures section of the present document.

Foreign Currency Impact

Foreign currency rate fluctuations favourably impacted our revenue by 3.1%. This contrasts with an unfavourable impact of 4.4% during the fiscal year ended September 30, 2022, and 1.4% during the fiscal year ended September 30, 2021, respectively.

Fiscal Year ended September 30, 2022

Acquisitions

During the fiscal year ended September 30, 2022, the Company made the following acquisitions through its subsidiaries:

- On October 1, 2021, the Company acquired Array Holding Company, Inc. a leading digital services provider that optimizes mission performance for the U.S. Department of Defense and other government organizations, based in the United States and headquartered in Greenbelt, Maryland. The acquisition added approximately 275 professionals to the Company.
- On October 28, 2021, the Company acquired Cognicase Management Consulting, a leading provider of technology and management consulting services and solutions, headquartered in Madrid, Spain. The acquisition added approximately 1,500 professionals to the Company.
- On February 28, 2022, the Company acquired Unico Computer Systems Pty Ltd, a technology consultancy and systems integrator, headquartered in Melbourne, Australia. The acquisition added approximately 130 professionals to the Company.
- On May 25, 2022, the Company acquired all of the outstanding shares of Harwell Management (Harwell). Based in France, Harwell is a management consulting firm specializing in the financial services industry, headquartered in Paris, France. The acquisition added approximately 150 professionals to the Company.

The Company completed these acquisitions for a total purchase price of $238.4 million.

- On March 11, 2022, the Company announced that it had entered into an agreement for the acquisition of all of the shares of Umanis SA ("Umanis"), a digital company specializing in data, digital and business solutions, headquartered in Paris, France. On May 31, 2022, the Company announced that it had acquired control of Umanis by completing a block purchase representing 72.4% of Umanis' share capital (excluding treasury shares) and that it had filed with the French financial markets authority (Autorité des Marchés Financiers) the draft mandatory tender offer to purchase the remaining outstanding shares. By July 18, 2022, the Company acquired an aggregate total interest of more than 90.0% of the outstanding shares (excluding treasury shares) and launched a statutory squeeze-out process through which the remaining shares were acquired on July 29, 2022. The transaction values the entire share capital of Umanis at $420.3 million, on a fully diluted basis. This acquisition added approximately 3,000 professionals to the Company.

Long-Term Debt

On November 1, 2022, the Company's $1,500 million unsecured committed revolving credit facility was extended by one year to November 2027 and can be further extended. There were no material changes in the terms and conditions including interest rates and banking covenants.

For the year ended September 30, 2022, the Company repaid $401.7 million of its long-term debt, mainly driven by the scheduled repayments of senior unsecured notes in the amount of $384.6 million (US$300.0 million). In addition, the Company paid $154.0 million of lease liabilities and used $113.0 million to repay debt assumed from business acquisitions.

On June 14, 2022, the Company completed an offer to exchange all of its outstanding US$1.0 billion in aggregate principal amount of senior unsecured notes, originally issued on September 14, 2021, for an equivalent amount of notes registered with the U.S. Securities and Exchange Commission.

Normal Course Issuer Bid

On February 1, 2022, the Company's Board of Directors authorized and subsequently received regulatory approval from the TSX for the renewal of CGI's NCIB which allows for the purchase for cancellation of up to 18,781,981 Class A Shares representing 10% of the Company's public float as of the close of business on January 24, 2022. Class A Shares may be purchased for cancellation under the NCIB commencing on February 6, 2022, until no later than February 5, 2023, or on such earlier date when the Company has either acquired the maximum number of Class A Shares allowable under the NCIB or elects to terminate the bid.

During the year ended September 30, 2022, the Company purchased for cancellation 8,773,244 Class A Shares for $908.7 million at a weighted average price of $103.57 under the previous and the then current NCIB. The purchased shares included 3,968,159 and 938,914 Class A Shares purchased for cancellation on March 1, 2022, and August 1, 2022, respectively, each from Caisse de dépôt et de placement du Québec, for total aggregate cash consideration of $500.0 million. The purchases were made pursuant to two exemption orders issued by the Autorité des marchés financiers and are considered within the annual aggregate limit that the Company is entitled to purchase under the then current NCIB.

As at September 30, 2022, of the 8,773,244 Class A Shares purchased for cancellation, 113,405 Class A Shares remained unpaid for $11.7 million. Subsequent to September 30, 2022, such Class A Shares were paid for and cancelled.

As at September 30, 2022, the Company could purchase up to 12,319,503 Class A Shares for cancellation under the then current NCIB.

Bookings and Book-To-Bill Ratio

Bookings for the fiscal year ended September 30, 2022, were $14.0 billion representing a book-to-bill ratio of 108.5%. Of the $14.0 billion in bookings signed during this year, 33% came from new business, while 67% came from extensions, renewals and add-ons.

The Company's largest vertical markets for bookings were government, financial services and MRD, making up approximately 38%, 24% and 20% of total bookings, respectively. From a reporting segment perspective, our U.S. Commercial and State Government operating segment accounted for 19% of total bookings, followed by our Western and Southern Europe operating segment at 15%, and Canada, U.K. and Australia operating segments at 14%.

Information regarding our bookings is a key indicator of the volume of our business over time. Additional information on bookings can be found in the Key Performance Measures section of the present document.

Foreign Currency Impact

Foreign currency rate fluctuations unfavourably impacted our revenue by 4.4 %, compared to 1.4% during the fiscal year ended September 30, 2021. These contrast with a favourable impact of 0.5% during the fiscal year ended September 30, 2020.

Fiscal Year ended September 30, 2021

Acquisitions

During the fiscal year ended September 30, 2021, the Company made the following acquisitions through its subsidiaries:

- On December 31, 2020, the Company acquired the assets of Harris, Mackessy & Brennan, Inc.'s Professional Services Division, a division focused on high-end technology consulting and services for commercial and government clients, based in the United States and headquartered in Columbus, Ohio. The acquisition added approximately 165 professionals to the Company.

- On May 3, 2021, the Company acquired Sense Corp, a professional services firm focused on digital systems integration and consulting for state and local government and commercial clients, based in the United States and headquartered in St. Louis, Missouri. The acquisition added approximately 300 professionals to the Company.

The Company completed these acquisitions for a total purchase price of $111.5 million.

Senior Unsecured Notes

On September 14, 2021, the Company issued US$1.0 billion in aggregate principal amount of senior unsecured notes and on September 16, 2021, the Company issued $600 million in aggregate principal amount of senior unsecured notes, with the details below:

	Notional Amount	Maturity	Coupon Rate
2021 5-year USD Senior Notes[1]	US $600.0 million	September 14, 2026	1.45%
2021 10-year USD Senior Notes[1]	US $400.0 million	September 14, 2031	2.30%
2021 7-year CAD Senior Notes[2]	$600.0 million	September 18, 2028	2.10%

1 Interest payable semi-annually on March 14 and on September 14 until maturity
2 Interest payable semi-annually on March 18 and on September 18 until maturity

The aggregate net proceeds of the issuances, which were $1,847.3 million, were mainly used to repay in full the amended and restated unsecured committed term loan credit facility entered into in April 2020 in an amount of $1,583.5 million (US$1,250.0 million), and to make scheduled repayments of senior unsecured notes in the amount of $259.7 million.

Long-Term Debt

On October 29, 2021, the Company's $1,500 million unsecured committed revolving credit facility was extended by two years to October 2026 and can be further extended. There were no material changes in the terms and conditions including interest rates and banking covenants.

For the year ended September 30, 2021, the Company increased its long-term debt by $1,885.3 million, mainly driven by the issuance of senior unsecured notes for an amount of $1,847.3 million, and repaid $1,888.8 million of its long-term debt mainly driven by the repayment in full of the 2020 Term Loan in an amount of $1,583.5 million (US$1,250.0 million), and the scheduled repayments of senior unsecured notes in the amount of $259.7 million. The Company also paid $169.7 million of lease liabilities.

Normal Course Issuer Bid

On January 26, 2021, the Company's Board of Directors authorized and subsequently received approval from the TSX for the renewal of CGI's NCIB which allows for the purchase for cancellation of up to 19,184,831 Class A Shares, representing 10% of the Company's public float as of the close of business on January 22, 2021. Class A Shares may be purchased for cancellation under the current NCIB commencing on February 6, 2021, until no later than February 5, 2022, or on such earlier date when the Company has either acquired the maximum number of Class A Shares allowable under the NCIB or elected to terminate the bid.

During the fiscal year ended September 30, 2021, the Company purchased for cancellation 15,460,465 Class A Shares for $1,519.2 million at a weighted average price of $98.27 under the previous and the then current NCIB. The repurchased shares included 4,204,865 Class A Shares purchased for cancellation from Caisse de dépôt et placement du Québec for cash consideration of $400 million. The repurchase was made pursuant to an exemption order issued by the Autorité des marchés financiers, the securities regulator for the Province of Quebec, and is considered within the annual aggregate limit that the Company is entitled to repurchase under the then current NCIB.

As at September 30, 2021, of the 15,460,465 Class A Shares purchased for cancellation, 150,000 Class A Shares remained unpaid for $16.4 million. Subsequent to September 30, 2021, such Class A Shares were paid for and cancelled.

As at September 30, 2021, the Company could purchase up to 9,977,266 Class A Shares for cancellation under the then current NCIB.

Bookings and Book-To-Bill Ratio

Bookings for the fiscal year ended September 30, 2021, were $13.8 billion representing a book-to-bill ratio of 114.2%. Of the $13.8 billion in bookings signed during this year, 32% came from new business, while 68% came from extensions, renewals and add-ons.

The Company's largest vertical markets for bookings were government, MRD and financial services, making up approximately 36%, 24% and 21% of total bookings, respectively. From a reporting segment perspective, our Western and Southern Europe and Canada operating segments each accounted for 17% of total bookings, followed by our U.S. Commercial and State Government operating segment at 16% and U.K. and Australia operating segment at 13%.

Information regarding our bookings is a key indicator of the volume of our business over time. Additional information on bookings can be found in the Key Performance Measures section of the present document.

Foreign Currency Impact

Foreign currency rate fluctuations unfavourably impacted our revenue by 1.4%. This contrasts with a favourable impact of 0.5% during the fiscal year ended September 30, 2020, and an unfavourable impact of 0.6% during the fiscal year ended September 30, 2019.

Forward Looking Information and Risks and Uncertainties

This Annual Information Form contains “forward-looking information” within the meaning of Canadian securities laws and “forward-looking statements” within the meaning of the United States *Private Securities Litigation Reform Act* of 1995 and other applicable United States safe harbours. All such forward-looking information and statements are made and disclosed in reliance upon the safe harbour provisions of applicable Canadian and United States securities laws. Forward-looking information and statements include all information and statements regarding CGI’s intentions, plans, expectations, beliefs, objectives, future performance, and strategy, as well as any other information or statements that relate to future events or circumstances and which do not directly and exclusively relate to historical facts. Forward-looking information and statements often but not always use words such as “believe”, “estimate”, “expect”, “intend”, “anticipate”, “foresee”, “plan”, “predict”, “project”, “aim”, “seek”, “strive”, “potential”, “continue”, “target”, “may”, “might”, “could”, “should”, and similar expressions and variations thereof. These information and statements are based on our perception of historic trends, current conditions and expected future developments, as well as other assumptions, both general and specific, that we believe are appropriate in the circumstances. Such information and statements are, however, by their very nature, subject to inherent risks and uncertainties, of which many are beyond the control of the Company, and which give rise to the possibility that actual results could differ materially from our expectations expressed in, or implied by, such forward-looking information or forward-looking statements. These risks and uncertainties include but are not restricted to: risks related to the market such as the level of business activity of our clients, which is affected by economic and political conditions, additional external risks (such as pandemics, armed conflict, climate-related issues and inflation) and our ability to negotiate new contracts; risks related to our industry such as competition and our ability to develop and expand our services, to penetrate new markets, and to protect our intellectual property rights; risks related to our business such as risks associated with our growth strategy, including the integration of new operations, financial and operational risks inherent in worldwide operations, foreign exchange risks, income tax laws and other tax programs, the termination, modification, delay or suspension of our contractual agreements, our expectations regarding future revenue resulting from bookings and backlog, our ability to attract and retain qualified employees, to negotiate favourable contractual terms, to deliver our services and to collect receivables, to disclose, manage and implement environmental, social and governance (ESG) initiatives and standards, and to achieve ESG commitments and targets, including without limitation, our commitment to net-zero carbon emissions by 2030, as well as the reputational and financial risks attendant to cybersecurity breaches and other incidents, and financial risks such as liquidity needs and requirements, maintenance of financial ratios, interest rate fluctuations and the discontinuation of major interest rate benchmarks and changes in creditworthiness and credit ratings; as well as other risks identified or incorporated by reference in this Annual Information Form, in CGI’s annual and quarterly Management’s Discussion and Analysis and in other documents that we make public, including our filings with the Canadian Securities Administrators (on SEDAR+ at www.sedarplus.ca) and the U.S. Securities and Exchange Commission (on EDGAR at www.sec.gov). Unless otherwise stated, the forward-looking information and statements contained in this Annual Information Form are made as of the date hereof and CGI disclaims any intention or obligation to publicly update or revise any forward-looking information or forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. While we believe that our assumptions on which these forward-looking information and forward-looking statements are based were reasonable as at the date of this Annual Information Form, readers are cautioned not to place undue reliance on these forward-looking information or statements. Furthermore, readers are reminded that forward-looking information and statements are presented for the sole purpose of assisting investors and others in understanding our objectives, strategic priorities and business outlook as well as our anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes. Further information on the risks that could cause our actual results to differ significantly from our current expectations may be found in the section 10 – *Risk Environment* of CGI’s Management’s Discussion and Analysis for the fiscal years ended September 30, 2023 and 2022, which is incorporated by reference in this Annual Information Form. We also caution readers that the risks described in the previously mentioned section and in other sections of this Annual Information Form, CGI’s Management’s Discussion and Analysis for the fiscal years ended September 30, 2023 and 2022, and our other documents and filings are not the only ones that could affect us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial could also have a material adverse effect on our financial position, financial performance, cash flows, business or reputation.

Legal Proceedings

The Company is involved in legal proceedings, audits, claims and litigation arising in the ordinary course of its business. Certain of these matters seek damages in significant amounts. Although the outcome of such matters is not predictable with assurance, the Company has no reason to believe that the disposition of any such current matter could reasonably be expected to have a material adverse effect on the Company’s financial position, results of operations or the ability to carry on any of its business activities.

Transfer Agent and Registrar

The Company's transfer agent for the Company's Class A Shares and Class B Shares is Computershare Investor Services Inc. whose head office is located in Toronto, Ontario. Share transfer service is available at Computershare's Montréal, Quebec, and Toronto, Ontario, offices as well as at the offices of Computershare Trust Company, N.A. in Canton, MA, Jersey City, NJ and Louisville, KY.

Interests of Experts

The Company's independent registered public accounting firm is PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have issued a Report of Independent Registered Public Accounting Firm dated November 7, 2023, in respect of the Company's consolidated financial statements as at September 30, 2023, and September 30, 2022, and for each of the years then ended and on the effectiveness of internal control over financial reporting as at September 30, 2023. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Code of ethics of chartered professional accountants (Quebec) and the rules of the U.S. Securities and Exchange Commission (SEC) and the Public Company Accounting Oversight Board (PCAOB) on auditor independence.

Fees of the External Auditor

The Company incorporates by reference the disclosure under the heading *Fees of the External Auditor* on page 53 of CGI's Circular dated December 4, 2023.

Additional Information

The Company will provide to any person, upon request to the Company, (i) a copy of this Annual Information Form, together with a copy of any document incorporated by reference herein, (ii) a copy of the Annual Audited Consolidated Financial Statements of the Company for the fiscal years ended September 30, 2023 and 2022, together with the accompanying Report of Independent Registered Public Accounting Firm and a copy of any subsequent unaudited interim financial statements, (iii) a copy of the Circular dated December 4, 2023, and (iv) a copy of the MD&A for the fiscal years ended September 30, 2023 and 2022.

Additional information regarding, among others, directors' and named executive officers' compensation and indebtedness, securities authorized for issuance under equity compensation plans and principal holders of the Company's shares, is included in the Circular dated December 4, 2023.

Additional financial information in relation to the fiscal year ended September 30, 2023, is presented in the Annual Audited Consolidated Financial Statements of the Company and in the related MD&A of the Company.

The documents mentioned above are available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.cgi.com. You can also obtain a copy of such documents by contacting CGI's Investor Relations by sending an e-mail to ir@cgi.com, by visiting the "Investors" section on the Company's website at www.cgi.com or by contacting us by mail or phone:

Investor Relations
CGI Inc.
1350 René-Lévesque Boulevard West
15th Floor
Montréal, Quebec, Canada
H3G 1T4
Tel.: +1-514-841-3200

Appendix A

Appendix A

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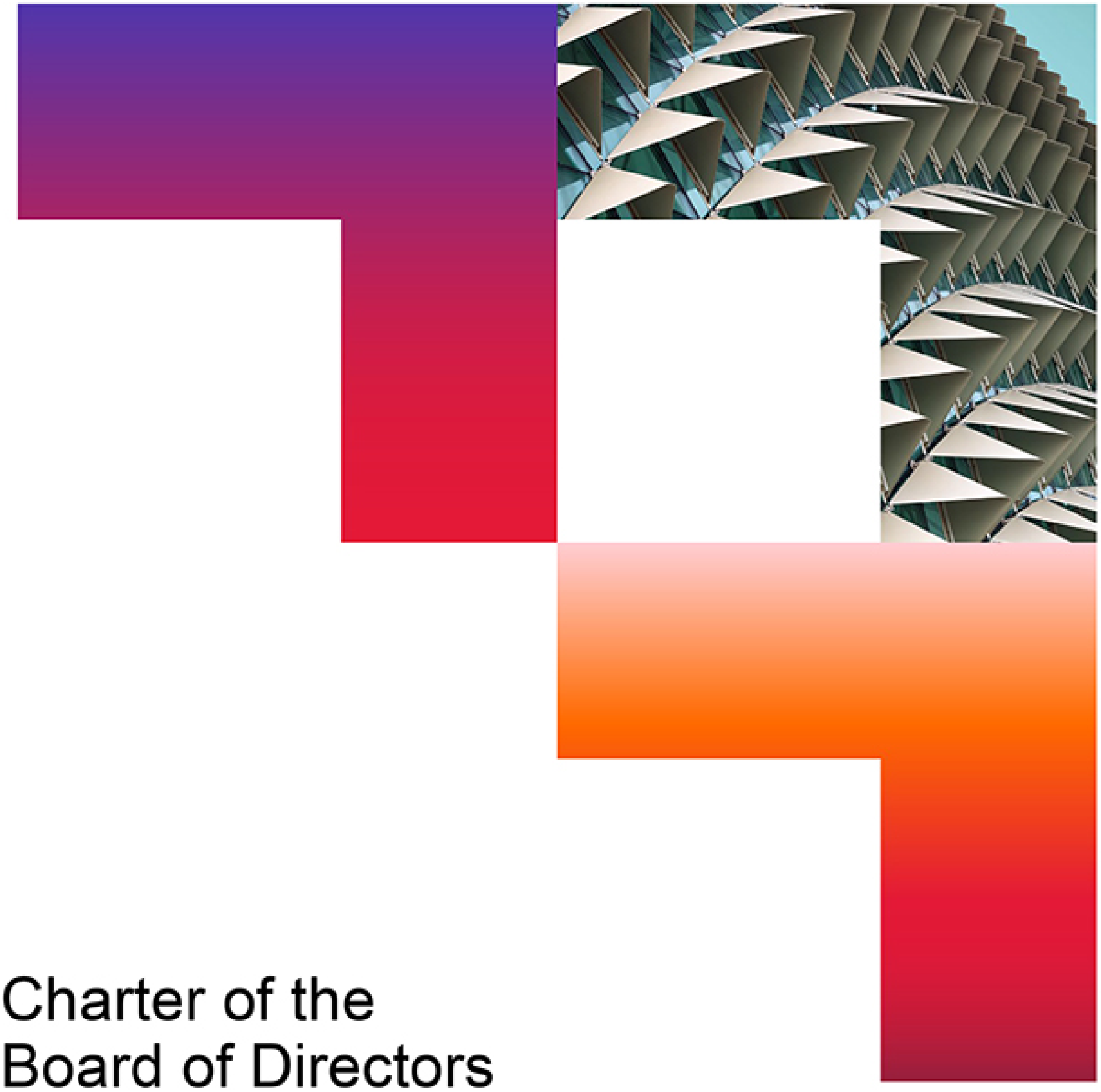


Charter of the Board of Directors

Charter of the Board of Directors

Important note

The CGI Constitution, including the Dream, Vision, Mission, and Values of the CGI Inc., form the fundamental principles of this Charter. This Charter should therefore be read in conjunction with CGI's Constitution.

1. INTERPRETATION

"Financially Literate" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

"Independent Director" means a director who meets the independence criteria set out in sections 1.4 and 1.5 of National Instrument 52-110 Audit Committees adopted by the Canadian Securities Administrators, as amended, which is reproduced in Appendix A.

"Operationally Literate" means having substantial experience in the execution of day to day business decisions and strategic business objectives acquired as a result of meaningful past experience as a chief executive officer or as a senior executive officer in another capacity but with a broad responsibility for operations.

2. OBJECTIVES

CGI's shareholders are the first and most important element in the Company's governance structures and processes. At each annual general meeting, the Company's shareholders elect the members of the Company's Board of Directors and give them a mandate to manage and oversee the management of the Company's affairs for the coming year.

In the normal course of operations, certain corporate actions which may be material to CGI are initiated from time to time by the Company's senior management and, at the appropriate time, are submitted to CGI's Board of Directors for consideration and approval. When appropriate, such matters are also submitted for consideration and approval by CGI's shareholders. All such approvals are sought in accordance with the charters of the Board of Directors and standing committees, CGI's corporate governance practices and applicable corporate and securities legislation.

The overall stewardship of the Company is the responsibility of the Board of Directors. In accomplishing the mandate it receives from the Company's shareholders, the Board of Directors may delegate certain of its authority and responsibilities to committees and management and reserve certain powers to itself. Nonetheless, it will retain full effective control over the Company.

3. COMPOSITION

3.1 The majority of the Board of Directors shall be comprised of Independent Directors. The application of the definition of Independent Director to the circumstances of each individual director is the responsibility of the Board of Directors which will disclose on an annual basis whether it is constituted with the appropriate number of directors which are Independent Directors and the basis for its analysis. The Board of Directors will also disclose which directors are Independent Directors or not and provide a description of the business, family, direct and indirect shareholding or other relationship between each director and the Company.

3.2 The Company expects and requires directors to be and remain free of conflictual interests or relationships and to refrain from acting in ways which are actually or potentially harmful, conflictual or detrimental to the Company's best interests. Each director shall comply with the Company's Code of Ethics and Business Conduct that governs the behaviour of members, directors and officers and shall complete and file annually with the Company any and all documents required pursuant to such code with respect to conflict of interests. This matter will also be reviewed annually by the Corporate Governance Committee. The Board of Directors will monitor compliance with said code as well as with the Company's Executive Code of Conduct applicable to its principal executive officer, principal financial officer, principal accounting officer or controller, or other persons performing similar functions within the Company. The Board will also be responsible for the review of requests for waivers from compliance with the codes for directors and officers. The Board of Directors will disclose in due time revisions to such codes as well as all waivers and specify the circumstances and rationale for granting the waiver.

3.3 The Board of Directors, following advice of its Corporate Governance Committee, is responsible for evaluating its size and composition and establishing a Board comprised of members who facilitate effective decision-making, have appropriate skills and diverse backgrounds. The Company's target is to have women represent at least 30% of its directors. The Board of Directors has the ability to increase or decrease its size.

3.4 CGI's corporate governance practices require that all members of CGI's Board of Directors be both Financially Literate and Operationally Literate. The members of the Board of Directors who serve on the Company's Audit and Risk Management Committee must be Financially Literate and Operationally Literate in the sense of having the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by CGI's financial statements, and otherwise in keeping with applicable governance standards under applicable securities laws and regulations.

3.5 A director who makes a major change in principal occupation will forthwith disclose this fact to the Board of Directors and will offer his or her resignation to the Board of Directors for consideration. It is not intended that directors who retire or whose professional positions change should necessarily leave the Board of Directors. However, there should be an opportunity for the Board of Directors to review the continued appropriateness of the Board of Directors membership under such circumstances.

3.6 The Board of Directors is responsible for approving new nominees to the Board. New directors will be provided with an orientation and education program which will include written information about the duties and obligations of directors, the business and operations of the Company, documents from recent Board of Directors meetings and opportunities for meetings and discussion with senior management and other directors. The details of the orientation of each new director will be tailored to that director's individual needs and areas of interest. The prospective candidates should fully understand the role of the Board of Directors and its committees and the contribution expected from individual directors and the Board of Directors will ensure that they are provided with the appropriate information to that effect. In addition, the Board of Directors will ascertain and make available to its members, when required, continuing education as per the business and operations of the Company.

4. RESOURCES

4.1 The Board of Directors will implement structures and procedures to ensure that it functions independently of management.

4.2 The Board of Directors appreciates the value of having certain members of senior management attend each Board of Directors meeting to provide information and opinion to assist the directors in their deliberations. The Executive Chairman of the Board will seek the Board of Directors' concurrence in the event of any proposed change to the management attendees at Board of Directors meetings. Management attendees will be excused for any agenda items which are reserved for discussion among directors only.

5. RESPONSIBILITIES AND DUTIES

The principal responsibilities and duties of the Board of Directors include the following, it being understood that in carrying out their responsibilities and duties, directors may consult with management and may retain external advisors at the expense of the Company in appropriate circumstances. Any engagement of external advisors by the Board of Directors shall be subject to the approval of the Chair of the Corporate Governance Committee.

5.1 General Responsibilities

5.1.1 The Board of Directors will oversee the management of the Company. In doing so, the Board of Directors will establish a productive working relationship with the Executive Chairman of the Board, the Co-Chair of the Board and the Chief Executive Officer and other members of senior management.

5.1.2 The Board of Directors will oversee the formulation of long-term strategic, financial and organizational goals for the Company. It shall approve the Company's strategic plan and review same on at least an annual basis. This plan will take into account the opportunity and risks of the Company's business.

5.1.3 As part of the responsibility of the Board of Directors to oversee the management of the Company, the Board of Directors will engage in active monitoring of the Company and its affairs in its stewardship capacity.

5.1.4 The Board of Directors will engage in a review of short and long-term performance of the Company in accordance with approved plans.

5.1.5 The officers of the Company, headed by the Executive Chairman of the Board, the Co-Chair of the Board and the Chief Executive Officer, shall be responsible for general day to day management of the Company and for making recommendations to the Board of Directors with respect to long-term strategic, financial, organizational and related objectives.

5.1.6 The Board of Directors will periodically review the significant risks and opportunities affecting the Company and its business and oversee the actions, systems and controls in place to manage and monitor risks and opportunities. The Board of Directors may impose such limits as may be in the interests of the Company and its shareholders.

5.1.7 The Board of Directors will oversee how the Company communicates its goals and objectives to its shareholders and other relevant stakeholders.

5.1.8 The Board of Directors will oversee the succession planning including appointing, training and monitoring senior management and the Chief Executive Officer in particular.

5.1.9 The Board of Directors is responsible for overseeing the Company's Guidelines on Timely Disclosure of Material Information whose purpose is to ensure that communications with the investment community, regulators, the media and the general public about the Company, particularly in respect of material information, are timely, accurate, broadly released in accordance with, and otherwise responsive to, all applicable legal and regulatory requirements. These guidelines will be reviewed annually. The Company has established a Disclosure Committee responsible for all regulatory disclosure requirements and overseeing the Company's disclosure practices. The Disclosure Committee consists of the Executive Chairman of the Board, the Co-Chair of the Board, the Chief Executive Officer, the Chief Financial Officer, the Executive Vice-President, Legal and Economic Affairs and other designated leaders as appropriate.

5.1.10 The Board of Directors will oversee the integrity of the Company's internal control and management information systems.

5.1.11 The Board of Directors will make sure that the Company adopt prudent financial standards with respect to the business of the Company and prudent levels of debt in relation to the Company's consolidated capitalization.

5.1.12 The Board of Directors will also consider and approve:

i) transactions out of the ordinary course of business including, without limitation, proposals on mergers, acquisitions or other major investments or divestitures, consistent with the Operational Management Framework of the Company;

ii) all matters that would be expected to have a major impact on shareholders;

iii) the appointment of any person to any position that would qualify such person as an officer of the Company;

iv) any proposed changes in compensation to be paid to members of the Board of Directors on the recommendation of the Human Resources Committee; and

(v) the Company's material public disclosure with respect to environmental, social and governance (ESG) matters.

5.1.13 The Board of Directors will also receive reports and consider:

i) the quality of relationships between the Company and its three stakeholders;

ii) changes in the shareholder base of the Company from time to time and relationships between the Company and its significant shareholders;

iii) periodic reports from Board of Directors' committees with respect to matters considered by such committees;

iv) health, safety and ESG matters as they affect the Company and its business; and

v) such other matters as the Board of Directors may, from time to time, determine.

5.1.14 The Board of Directors will oversee management through an ongoing review process.

5.1.15 The Board of Directors will, together with the Executive Chairman of the Board and the Co-Chair of the Board, develop position descriptions for the Executive Chairman of the Board, the Co-Chair of the Board and the Chief Executive Officer. The Board of Directors will also approve the corporate objectives that the Executive Chairman of the Board and the Co-Chair of the Board are responsible for meeting and assess their performance in relation to such objectives. The Board of Directors will raise any concerns related to the performance of the Chief Executive Officer with the Executive Chairman of the Board and the Co-Chair of the Board as appropriate.

5.1.16 The Board of Directors will receive a report from its Human Resources Committee on succession planning as set forth in such committee's mandate.

5.2 Self-Assessment of the Board of Directors and Peer Review

The Board of Directors will annually review the assessment of the Board of Directors' performance and recommendation provided by the Corporate Governance Committee, and every two years, if deemed advisable by the Board of Directors, conduct a peer review of the Independent Directors. The objective of this review is to increase the effectiveness of the Board of Directors and contribute to a process of continuous improvement in the Board of Directors' execution of its responsibilities. It is expected that the result of such reviews will be to identify any areas where the directors and/or management believe that the Board of Directors and/or the directors individually could make a better contribution to the affairs of the Company. The Board of Directors will take appropriate action based upon the results of the review process.

5.3 Committees

5.3.1 The Board of Directors shall appoint committees to assist it in performing its duties and processing the quantity of information it receives.

5.3.2 Each committee operates according to a Board of Directors' approved written mandate outlining its duties and responsibilities. This structure may be subject to change as the Board of Directors considers from time to time which of its responsibilities can best be fulfilled through more detailed review of matters in committee.

5.3.3 The Board of Directors will review annually the work undertaken by each committee and the responsibilities thereof.

5.3.4 The Board of Directors will annually evaluate the performance and review the work of its committees, including their respective mandates and the sufficiency of such mandates.

5.3.5 The Board of Directors will annually appoint a Lead Director as well as a member of each of its committees to act as Chair of the committee.

5.3.6 Subject to subsection 5.3.8, committees of the Board of Directors shall be composed of a majority of Independent Directors.

5.3.7 The Board of Directors shall appoint members of committees after considering the recommendations of the Corporate Governance Committee, the Executive Chairman of the Board and the Co-Chair of the Board, the skills and interests of individual Board members, and the diversity of their background (including in terms of gender, ethnicity, race, disability, age, experience and geographical representation), all in accordance with the mandates of such committees approved by the Board.

5.3.8 The Audit and Risk Management Committee of the Company shall be composed only of Independent Directors. All members of the Audit and Risk Management Committee shall be Financially Literate and at least one member shall be a financial expert within the meaning of applicable regulatory requirements and stock exchange rules.

5.4 Lead Director

5.4.1 The Lead Director shall be an Independent Director. He or she will oversee that the Board of Directors discharges its responsibilities, ensure that the Board of Directors evaluates the performance of management objectively and that the Board of Directors understands the boundaries between the Board of Directors' and management's responsibilities.

5.4.2 The Lead Director will chair periodic meetings of the Independent Directors and assume other responsibilities which the Independent Directors as a whole might designate from time to time.

5.4.3 The Lead Director should be able to stand sufficiently back from the day-to-day running of the business to ensure that the Board of Directors is in full control of the Company's affairs and alert to its obligations to the shareholders.

5.4.4 The Lead Director shall provide input to the Executive Chairman of the Board and the Co-Chair of the Board on preparation of agendas for Board and committee meetings.

5.4.5 The Lead Director shall chair Board meetings when the Executive Chairman of the Board and the Co-Chair of the Board are not in attendance, subject to the provisions of the by-laws of the Company.

5.4.6 The Lead Director shall provide leadership for the independent directors and ensure that the effectiveness of the Board is assessed on a regular basis.

5.4.7 The Lead Director shall set the agenda for the meetings of the Independent Directors.

5.4.8 The Lead Director shall report to the Board concerning the deliberations of the Independent Directors as required.

5.4.9 The Lead Director shall, in conjunction with the Executive Chairman of the Board and the Co-Chair of the Board, facilitate the effective and transparent interaction of Board members and management.

5.4.10 The Lead Director shall provide feedback to the Executive Chairman of the Board and the Co-Chair of the Board and act as a sounding board with respect to strategies, accountability, relationships and other issues.

5.5 Review of the Board Mandate

In order to ensure that this mandate is kept current in the light of changes which may occur in corporate practice or the structure of the Company, the Board of Directors will annually reconfirm this mandate or initiate a review to revise it.

5.6 Board of Directors and Senior Management Compensation

The Board of Directors will review further to the recommendation of its Human Resources Committee the adequacy and form of compensation of the senior management and directors each year. The Human Resources Committee shall make recommendations to the Board of Directors for consideration when it believes changes in compensation are warranted. Furthermore, the Board of Directors will ensure the compensation realistically reflects the responsibility and risk involved in being a director.

6. COMMUNICATIONS

6.1 The Board of Directors may from time to time consider and review the means by which shareholders can communicate with the Company including the opportunity to do so at the annual meeting, communications interfaces through the Company's website and the adequacy of resources available within the Company to respond to shareholders through its Investors Relations Department and the Corporate Secretary or otherwise. However, the Board of Directors believes that it is the function of the management to speak for the Company in its communications with the investment community, the media, customers, suppliers, employees, governments and the general public. It is understood that individual directors may from time to time be requested by management to assist with such communications. It is expected that, if communications from stakeholders are made to individual directors, management will be informed and consulted to determine any appropriate response.

6.2 The Board of Directors has the responsibility for monitoring compliance by the Company with the corporate governance requirements and guidelines of the Toronto Stock Exchange and the New York Stock Exchange.

APPENDIX A

Appendix A

Definition of Independence under CSA National Instrument 52-110, as amended

1.4 Meaning of independence

(1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.

(2) For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement.

(3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:

(a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;

(b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;

(c) an individual who:

(i) is a partner of a firm that is the issuer's internal or external auditor,

(ii) is an employee of that firm, or

(iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;

(d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:

(i) is a partner of a firm that is the issuer's internal or external auditor,

(ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or

(iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;

(e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and

(f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than $75,000 in direct compensation from the issuer during any 12 month period within the last three years.

(4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because

(a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or

(b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.

(5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

(6) For the purposes of clause (3)(f), direct compensation does not include:

(a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and

(b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

(7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member

(a) has previously acted as an interim chief executive officer of the issuer, or

(b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

(8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

1.5 Additional independence requirements

(1) Despite any determination made under section 1.4, an individual who

(a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or

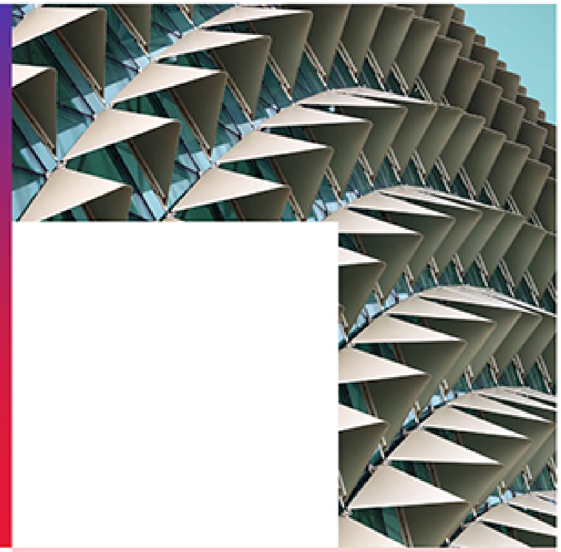
(b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.

(2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by

(a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or

(b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

(3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.



Charter of the Corporate Governance Committee

Charter of the Corporate Governance Committee

Important note

The CGI Constitution, including the Dream, Vision, Mission, and Values of CGI Inc. form the fundamental principles of this Charter. This Charter should therefore be read in conjunction with CGI's Constitution.

1. INTERPRETATION

"Committee" means the Corporate Governance Committee of the Board of Directors of the Company.

"Independent Director" means a director who meets the independence criteria set out in sections 1.4 and 1.5 of National Instrument 52-110 Audit Committees adopted by the Canadian Securities Administrators, as amended, which is reproduced in Appendix A.

2. OBJECTIVES

The Committee is responsible for: (a) developing the Company's approach to Board governance issues and the Company's response to the corporate governance requirements and guidelines; (b) reviewing the composition and contribution of the Board, its standing committees and members, and recommending Board nominees; (c) overseeing the orientation program for new directors and the continuing education program for directors; (d) carrying out the annual Board of Director self-assessment process; and (e) helping to maintain an effective working relationship between the Board of Directors and management.

3. COMPOSITION

3.1 The Committee shall be composed of a majority of Independent Directors.

3.2 The Board of Directors shall appoint an independent director as the Chair of the Committee. If the Chair is absent from a meeting, the members shall select a Chair from those in attendance to act as Chair of the meeting.

4. MEETINGS

4.1 Meetings of the Committee shall be held at the call of the Chair, but not less than twice annually. Meetings of the Committee may be called by the Chair of the Committee, the Executive Chairman of the Board, the Co-Chair of the Board or the Chief Executive Officer.

4.2 The powers of the Committee shall be exercisable by a meeting at which a quorum is present. A quorum shall be not less than two members of the Committee from time to time. Subject to the foregoing requirement, unless otherwise determined by the Board of Directors, the Committee shall have the power to fix its quorum and to regulate its procedure. Matters decided by the Committee shall be decided by majority vote.

4.3 Notice of each meeting shall be given to each member, to the Executive Chairman of the Board, to the Co-Chair of the Board, to the Chief Executive Officer and to the Corporate Secretary of the Company.

4.4 The Committee may invite from time to time such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee, including in particular the Chief Executive Officer.

4.5 The Committee shall appoint a secretary to be the secretary of all meetings of the Committee and to maintain minutes of all meetings and deliberations of the Committee.

5. RESPONSIBILITIES AND DUTIES

5.1 Role and responsibilities of the Committee Chair:

5.1.1 The Chair of the Committee:

5.1.1.1 Provides leadership for the Committee by ensuring that:

(i) The responsibilities of the Committee are well understood by Committee members and management.

(ii) The Committee works as a cohesive team.

(iii) Adequate resources and timely and relevant information are available to the Committee to support its work.

(iv) The effectiveness of the Committee is assessed on a regular basis.

(v) The Committee's structure and mandate is appropriate and adequate to support the discharge of the Committee's responsibilities.

(vi) The scheduling, organization and procedures of Committee meetings provide adequate time for the consideration and discussion of relevant issues.

5.1.1.2 Works with the Executive Chairman of the Board, the Co-Chair of the Board and the Corporate Secretary to set the calendar of the Committee's regular meetings.

5.1.1.3 Has the authority to convene special meetings as required.

5.1.1.4 Sets the agenda in collaboration with the Executive Chairman of the Board, the Co-Chair of the Board and the Corporate Secretary.

5.1.1.5 Presides at meetings.

5.1.1.6 Acts as liaison with management with regard to the work of the Committee.

5.1.1.7 Reports to the Board concerning the work of the Committee.

5.1.1.8 Exercises the authority specifically delegated to the Chair by the Committee, if any.

5.2 General Responsibilities

BOARD MEMBERS

5.2.1 Review criteria and set objectives or targets regarding the composition of the Board of Directors and committees of the Board of Directors, such as size, proportion of Independent Directors, and criteria to determine and promote independence of Board members, as well as the diversity of Board members' background, including in terms of gender (with a target of women representing at least 30% of the directors), ethnicity, race, disability, age, experience and geographical representation), while seeking to facilitate effective decision-making, and periodically monitor the objectives and targets in relation to the composition of the Board of Directors.

5.2.2 Review criteria relating to tenure as a director, such as limitations on the number of times a director may stand for re-election, and the continuation of directors in an honorary or similar capacity.

5.2.3 Review criteria for retention of directors unrelated to age or tenure, such as attendance at Board of Directors and committee meetings, health or the assumption of responsibilities which are incompatible with effective Board of Directors membership; assess the effectiveness of the Board of Directors as a whole, the committees of the Board of Directors, the contribution of individual directors on an ongoing basis and establish in light of the opportunities and risks facing the Company, what competencies, skills and personal qualities it seeks in new Board members in order to add value to the Company.

5.2.4 Recommend to the Board of Directors the list of candidates for directors to be nominated for election by shareholders at annual meetings of shareholders.

5.2.5 Recommend to the Board of Directors candidates to fill vacancies on the Board of Directors occurring between annual meetings of shareholders.

5.2.6 Recommend to the Board of Directors the removal of a director in exceptional circumstances, for example (a) such director is in a position of conflict of interest or (b) the criteria underlying the appointment of such director change.

5.2.7 Ensure that the Board of Directors can function independently of management. To this end, arrange for meetings on a regular basis of the Independent Directors without management present. In such cases, meetings will be chaired by the Lead Director.

5.2.8 Carry out the Board of Directors self-assessment process. Review the results of the self-assessment process and provide a report thereof to the Executive Chairman of the Board, the Co-Chair of the Board and the Board of Directors.

DIRECTOR ORIENTATION AND CONTINUING EDUCATION PROGRAM

5.2.9 As an integral element of the process for appointing new directors, put in place an orientation and education program for new recruits to the Board of Directors and review from time to time the value and benefit of such program.

5.2.10 Maintain and oversee a continuing education program for the Board of Directors.

COMPLIANCE

5.2.11 Ensure corporate compliance with applicable legislation including director and officer compliance.

5.2.12 Review proposed amendments to the Company’s by-laws before making recommendations to the Board of Directors.

CODES OF BUSINESS CONDUCT

5.2.13 Periodically review and make recommendations to the Board of Directors with respect to the Company's formal code of ethics and business conduct for its members, directors and officers and its executive code of conduct applicable to the Company's principal executive officer, principal financing officer, principal accounting officer or controller, or other persons performing similar functions within the Company; including the disclosure of the adoption of such codes.

5.2.14 Monitor adherence to the codes and review potential situations related thereto brought to the attention of the Committee by the Corporate Secretary of the Company in order to recommend or not in certain circumstances to the Board of Directors to grant or not waivers from compliance with the codes for directors and officers. The Committee shall also ensure that when such waivers are granted, the Board of Directors shall disclose same in due time and specify the circumstances and rationale for granting the waiver.

CORPORATE GOVERNANCE PRINCIPLES

5.2.15 Make recommendations to the Board of Directors as deemed appropriate in the context of adherence to corporate governance guidelines in effect from time to time.

5.2.16 In conjunction with the Executive Chairman of the Board and the Co-Chair of the Board, recommend to the Board of Directors the membership and chairs of the committees of the Board of Directors.

5.2.17 Review annually the Board/management relationship.

5.2.18 Review the company's policies and processes related to company's purpose as an organization, which is to seek the best equilibrium between its three stakeholders and the communities in which its members live and work.

5.2.19 On a yearly basis, review the Company's Environmental, Social and Governance (ESG) strategies, objectives, policies and practices.

5.2.20 Advise the Board of Directors on the disclosure to be contained in the Company's public disclosure documents, such as the Company's annual management proxy circular or annual report, on matters of corporate governance as required by the Toronto Stock Exchange, the New York Stock Exchange or any other applicable exchange or regulator.

5.2.21 Generally advise the Board of Directors on all other matters of corporate governance.

EXTERNAL AND INTERNAL RESOURCES

5.2.23 Retain such independent external advisors as it may deem necessary and advisable for its purposes.

5.2.24 Report to the Board of Directors on its proceedings, reviews undertaken, and any associated recommendations.

5.2.25 Have adequate resources to discharge its responsibilities;

5.2.26 Have the right, for the purposes of discharging the powers and responsibilities of the Committee, to inspect any relevant records of the Company and its subsidiaries.

5.2.27 The Chair of the Committee shall review the opportunity for the Board of Directors of the Company or individual directors to retain external advisors at the expense of the Company in certain appropriate circumstances in carrying out their responsibilities.

SHAREHOLDER PROPOSALS

5.2.28 Review and make recommendations on shareholder proposals to the Board of Directors or refer them to the Executive Chairman of the Board or the Co-Chair of the Board as appropriate.

5.3 Other Responsibilities

The Committee shall carry out such other mandates as the Board of Directors may request from time to time.

5.4 Review of mandate of the committee

The Board of Directors should review and reassess the adequacy of the mandate on an annual basis.

5.5 Compensation

Members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board of Directors may determine from time to time.

APPENDIX A

Appendix A

Definition of Independence under CSA National Instrument 52-110, as amended

1.4 Meaning of independence

(1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.

(2) For the purposes of subsection (1), a “material relationship” is a relationship which could, in the view of the issuer’s board of directors, be reasonably expected to interfere with the exercise of a member’s independent judgement.

(3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:

- (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
- (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
- (c) an individual who:
  - (i) is a partner of a firm that is the issuer’s internal or external auditor,
  - (ii) is an employee of that firm, or
  - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
- (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
  - (i) is a partner of a firm that is the issuer’s internal or external auditor,
  - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
  - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
- (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer’s current executive officers serves or served at that same time on the entity’s compensation committee; and
- (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than $75,000 in direct compensation from the issuer during any 12 month period within the last three years.

(4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because

- (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or
- (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.

(5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

(6) For the purposes of clause (3)(f), direct compensation does not include:

(a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and

(b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

(7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member

(a) has previously acted as an interim chief executive officer of the issuer, or

(b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

(8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

1.5 Additional independence requirements

(1) Despite any determination made under section 1.4, an individual who

(a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or

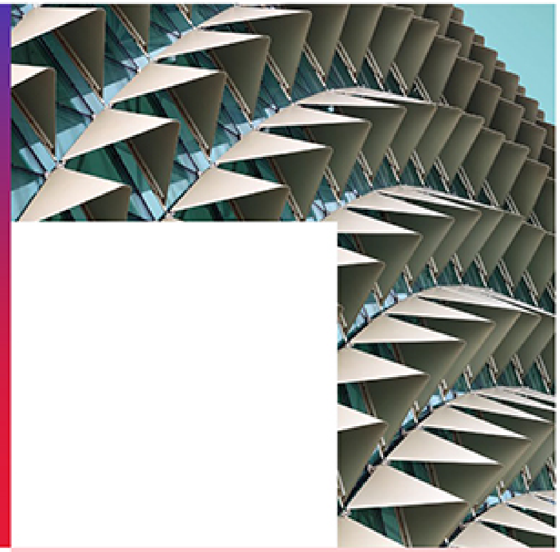
(b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.

(2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by

(a) an individual’s spouse, minor child or stepchild, or a child or stepchild who shares the individual’s home; or

(b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

(3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.



Charter of the Human Resources Committee

Charter of the Human Resources Committee

Important note

The CGI Constitution, including the Dream, Vision, Mission, and Values of CGI Inc. form the fundamental principles of this Charter. This Charter should therefore be read in conjunction with CGI's Constitution.

1. INTERPRETATION

"Committee" means the Human Resources Committee of the Board of Directors of the Company.

"Executive Officer" means an individual who is:

(a) a Chair, Co-Chair or President;

(b) a leader in charge of a principal business unit or function; or

(c) performing a policy-making function in respect of the Company.

Note: The definition is derived from *the definition contained in National Instrument 51-102 adopted by the Canadian Securities Administrators.*

"Independent Director" means a director who meets the independence criteria set out in sections 1.4 and 1.5 of National Instrument 52-110 Audit Committees adopted by the Canadian Securities Administrators, as amended, which is reproduced in Appendix A.

2. OBJECTIVES

The Committee is responsible for reviewing and making recommendations to the Board of Directors of the Company for the appointment of officers of the Company and for determining terms of employment of senior executives whose remuneration must be disclosed as per applicable legislation, and such other senior executives as may be proposed by the Executive Chairman of the Board, the Co-Chair of the Board and the Chief Executive Officer. It shall also perform functions such as reviewing succession planning and matters of compensation and human resources, as well as such other matters the Committee may consider suitable or as may be specifically directed by the Board of Directors from time to time.

3. COMPOSITION

3.1 The Committee shall be composed of a majority of Independent Directors.

3.2 The Board of Directors shall appoint one of the Independent Directors as the Chair of the Committee. If the Chair is absent from a meeting, the members shall select a Chair from those in attendance to act as Chair of the meeting.

4. MEETINGS

4.1 Meetings of the Committee shall be held at the call of the Chair, but not less than three times annually. Meetings of the Committee may be called by the Chair of the Committee, the Executive Chairman of the Board, the Co-Chair of the Board or the Chief Executive Officer.

4.2 The powers of the Committee shall be exercisable by a meeting at which a quorum is present. A quorum shall be not less than two members of the Committee from time to time. Subject to the foregoing requirement, unless otherwise determined by the Board of Directors, the Committee shall have the power to fix its quorum and to regulate its procedure. Matters decided by the Committee shall be decided by majority vote.

4.3 Notice of each meeting shall be given to each member, to the Executive Chairman of the Board, to the Co-Chair of the Board, to the Chief Executive Officer and to the Corporate Secretary of the Company.

4.4 The Committee may invite from time to time such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee, including in particular the Executive Chairman of the Board.

4.5 The Committee shall appoint a secretary to be the secretary of all meetings of the Committee and to maintain minutes of all meetings and deliberations of the Committee.

5. RESPONSIBILITIES AND DUTIES

5.1 Role and responsibilities of the Committee Chair:

5.1.1 The Chair of the Committee:

5.1.1.1 Provides leadership for the Committee by ensuring that:

(i) The responsibilities of the Committee are well understood by Committee members and management.

(ii) The Committee works as a cohesive team.

(iii) Adequate resources and timely and relevant information are available to the Committee to support its work.

(iv) The effectiveness of the Committee is assessed on a regular basis.

(v) The committee’s structure and mandate is appropriate and adequate to support the discharge of the Committee’s responsibilities.

(vi) The scheduling, organization and procedures of Committee meetings provide adequate time for the consideration and discussion of relevant issues.

5.1.1.2 Has the authority to convene special meetings as required.

5.1.1.3 Sets the agenda in collaboration with the Executive Chairman of the Board, the Co-Chair of the Board and the Corporate Secretary.

5.1.1.4 Presides at meetings.

5.1.1.5 Acts as liaison with management with regard to the work of the Committee.

5.1.1.6 Reports to the Board concerning the work of the Committee.

5.1.1.7 Exercises the authority specifically delegated to the Chair by the Committee, if any.

5.2 General Responsibilities

5.2.1 The Committee shall, among other things, have responsibility to advise the Board of Directors on human resources and succession planning, member health and well-being, compensation of members of the Board of Directors, Executive Officers and other members, short and long-term incentive plans, benefit plans, and Executive Officer appointments.

5.2.2 The Committee shall review and report to the Board of Directors on:

5.2.2.1 Management's succession plans for Executive Officers, with special emphasis on the Chief Executive Officer succession;

5.2.2.2 Compensation philosophy of the organization, including a remuneration strategy and remuneration policies for the Executive Officer level, as proposed by the Executive Chairman of the Board, the Co-Chair of the Board and the Chief Executive Officer;

5.2.2.3 Recommendations to the Board of Directors for the appointment of the Chief Executive Officer and other Executive Officers, as well as the corporate objectives which the Executive Officers are responsible for meeting;

5.2.2.4 Total remuneration plan including adequacy and form of compensation realistically reflecting the responsibilities and risks of the positions of the Executive Chairman of the Board and the Chief Executive Officer of the Company, and, in connection therewith, consider appropriate information, including information from the Board of Directors, with respect to the overall performance of the Chief Executive Officer;

5.2.2.5 Remuneration for Executive Officers, annual adjustments to executive salaries, and the design and administration of short and long-term incentive plans, benefits and perquisites as proposed by the Executive Chairman of the Board and the Chief Executive Officer;

5.2.2.6 Review and recommend any exceptional terms of senior management's employment and termination arrangements;

5.2.2.7 Adoption of new, or significant modifications to, pay and benefit plans;

5.2.2.8 Appointment of officers and executive officers as appropriate, while considering and promoting the diversity of the executive team's background, including in terms of gender, ethnicity, race, disability, age and experience;

5.2.2.9 Significant organizational changes;

5.2.2.10 The Committee's proposed executive compensation report to be contained in the Company's annual proxy circular;

5.2.2.11 Management development programs for the Company;

5.2.2.12 Any special employment contracts or arrangements with officers of the Company including any contracts relating to change of control; and

5.2.2.13 Remuneration for members of the Board of Directors and committees thereof, including adequacy and form of compensation realistically reflecting the responsibilities and risks of the positions and recommend changes where applicable.

5.2.3 The Committee shall perform such other duties as may from time to time be assigned to it by the Board of Directors.

5.3 Other Responsibilities

5.3.1 The Committee shall have the right to retain such independent external advisors as it may deem necessary and advisable for its purposes and to assess and review, on an annual basis or as deemed appropriate, the independence of such external advisors.

5.3.2 The Committee shall report to the Board of Directors on its proceedings, reviews undertaken, and any associated recommendations.

5.3.3 The Committee shall have adequate resources to discharge its responsibilities.

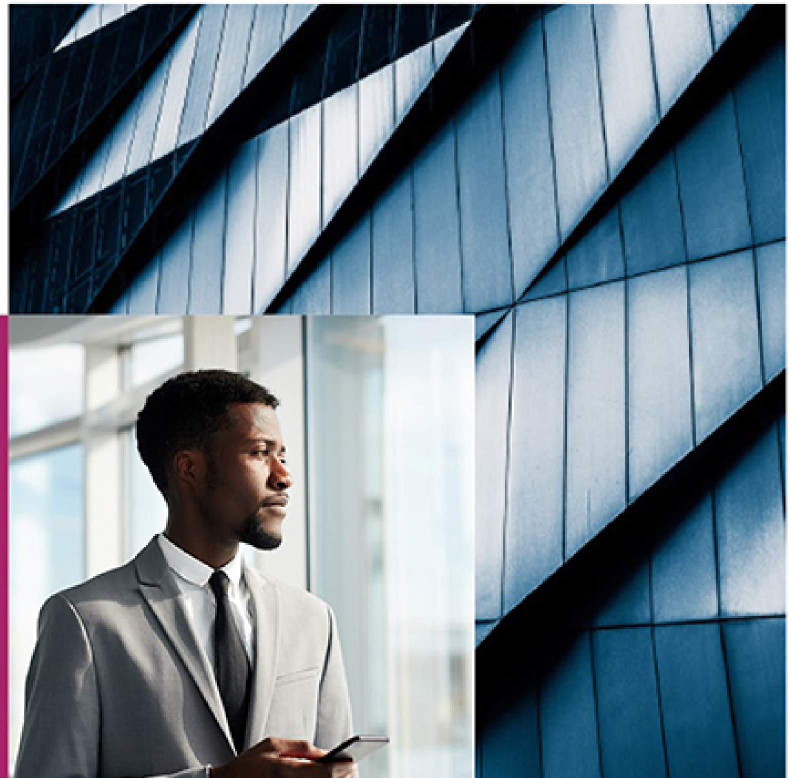
5.3.4 The Committee shall have the right, for the purposes of discharging the powers and responsibilities of the Committee, to inspect any relevant records of the Company and its subsidiaries.

5.4 Review of Mandate of the Committee

The Board of Directors should review and reassess the adequacy of this mandate on an annual basis.

5.5 Compensation

Members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board of Directors may determine from time to time.



APPENDIX A

Appendix A

Definition of Independence under CSA National Instrument 52-110, as amended

1.4 Meaning of independence

(1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.

(2) For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement.

(3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:

(a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;

(b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;

(c) an individual who:

(i) is a partner of a firm that is the issuer's internal or external auditor,

(ii) is an employee of that firm, or

(iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;

(d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:

(i) is a partner of a firm that is the issuer's internal or external auditor,

(ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or

(iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;

(e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and

(f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than $75,000 in direct compensation from the issuer during any 12 month period within the last three years.

(4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because

(a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or

(b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.

(5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

(6) For the purposes of clause (3)(f), direct compensation does not include:

(a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and

(b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

(7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member

(a) has previously acted as an interim chief executive officer of the issuer, or

(b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

(8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

1.5 Additional independence requirements

(1) Despite any determination made under section 1.4, an individual who

(a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or

(b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.

(2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by

(a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or

(b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

(3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

Charter of the Audit and Risk Management Committee

Charter of the Audit and Risk Management Committee

Important note

The CGI Constitution, including the Dream, Vision, Mission, and Values of CGI Inc. form the fundamental principles of this Charter. This Charter should therefore be read in conjunction with CGI's Constitution.

1. INTERPRETATION

"Committee" means the Audit and Risk Management Committee of the Board of Directors of the Company.

"Financially Literate" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

"Independent Director" means a director who meets the independence criteria set out in sections 1.4 and 1.5 of National Instrument 52-110 Audit Committees adopted by the Canadian Securities Administrators, as amended, which is reproduced in Appendix A.

2. OBJECTIVES

The Committee will assist the Board of Directors in fulfilling its oversight responsibilities. In performing its duties, the Committee will maintain effective working relationships with the Board of Directors, management, the internal auditors and the external auditors.

3. COMPOSITION

3.1 The Committee shall consist solely of Independent Directors, all of whom shall be Financially Literate and at least one of whom shall be a financial expert as defined in the applicable corporate governance rules imposed by regulatory bodies.

3.2 Following each annual meeting of shareholders, the Board of Directors shall elect three or more directors, who shall meet the independence and experience requirements of the New York Stock Exchange and the Toronto Stock Exchange as well as the other similar requirements under applicable securities regulations, to serve on the Committee until the close of the next annual meeting of shareholders of the Company or until the member ceases to be a director, resigns or is replaced, whichever first occurs. Any member may be removed from office or replaced at any time by the Board of Directors.

3.3 The Board of Directors shall appoint one of the members of the Committee as the Chair of the Committee. If the Chair is absent from a meeting, the members shall select a Chair from those in attendance to act as Chair of the meeting.

4. MEETINGS AND RESOURCES

4.1 Regular meetings of the Committee shall be held quarterly. Special meetings of the Committee may be called by the Chair of the Committee, the external auditors, the Executive Chairman of the Board, the Co-Chair of the Board, the Chief Executive Officer or the Chief Financial Officer of the Company.

4.2 The powers of the Committee shall be exercisable by a meeting at which a quorum is present. A quorum shall be not less than two members of the Committee from time to time. Subject to the foregoing requirement, unless otherwise determined by the Board of Directors, the Committee shall have the power to fix its quorum and to regulate its procedure. Matters decided by the Committee shall be decided by majority vote.

4.3 Notice of each meeting shall be given to each member, the external auditors, the Executive Chairman of the Board, the Co-Chair of the Board, the Chief Executive Officer and the Chief Financial Officer of the Company, any or all of whom shall be entitled to attend. Notice of each meeting shall also be given, as the case may be, to the internal auditor who shall also attend whenever requested to do so by the Chair of the Committee or the Corporate Secretary.

4.4 Notice of meeting may be given orally or by letter, telephone facsimile transmission, telephone or electronic device not less than 24 hours before the time fixed for the meeting. Members may waive notice of any meeting. The notice need not state the purpose or purposes for which the meeting is being held.

4.5 Opportunities should be afforded periodically to the external auditors and, as the case may be, to the internal auditor and the senior management to meet separately with the Committee. In addition, the Committee may meet in camera, with only members of the Committee present, whenever the Committee determines that it is appropriate to do so.

4.6 The Committee shall have the authority to retain special legal counsel and accounting or other consultants as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee at the Company's expense.

4.7 The Corporate Secretary of the Company or designate of the Corporate Secretary shall be the Secretary of all meetings of the Committee and shall maintain minutes of all meetings and deliberations of the Committee.

5. RESPONSIBILITIES AND DUTIES

5.1 Role and responsibilities of the Committee Chair:

5.1.1 The Chair of the Committee:

5.1.1.1 Provides leadership for the Committee by ensuring that:

(i) The responsibilities of the Committee are well understood by Committee members and management.

(ii) The Committee works as a cohesive team.

(iii) Adequate resources and timely and relevant information are available to the Committee to support its work.

(iv) The effectiveness of the Committee is assessed on a regular basis.

(v) The committee's structure and mandate is appropriate and adequate to support the discharge of the Committee's responsibilities.

(vi) The scheduling, organization and procedures of Committee meetings provide adequate time for the consideration and discussion of relevant issues.

5.1.1.2 Has the authority to convene special meetings as required.

5.1.1.3 Sets the agenda in collaboration with the Executive Chairman of the Board, the Co-Chair of the Board, the Chief Financial Officer and the Corporate Secretary.

5.1.1.4 Presides at meetings.

5.1.1.5 Acts as liaison with management with regard to the work of the Committee.

5.1.1.6 Reports to the Board concerning the work of the Committee.

5.1.1.7 Exercises the authority specifically delegated to the Chair by the Committee, if any.

5.2 General responsibilities

While the Committee has the responsibilities and powers set forth below, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate. This is the responsibility of management and the external auditors. Nor is it the duty of the Committee to conduct investigations, or to assure compliance with laws and regulations. The Committee shall review disagreements, if any, between management and the external auditors and shall make recommendations to resolve such disagreements. In the event that any such disagreement persists, the matter will be referred by the Committee to the Board of Directors for a final determination.

5.3 Review of mandate of the committee

The Board of Directors and the Committee shall review and reassess the adequacy of this mandate on an annual basis.

5.4 Publicly disclosed financial information

5.4.1 The Committee shall review and recommend for approval by the Board of Directors, before release to the public:

5.4.1.1 interim unaudited financial statements;

5.4.1.2 audited annual financial statements, in conjunction with the report of the external auditors;

5.4.1.3 all public disclosure documents containing audited or unaudited financial information, including any prospectus, the annual information form and management's discussion and analysis of financial condition and results of operations, as well as related press releases, including earnings guidance; and

5.4.1.4 the compliance of management certification of financial reports with applicable legislation and attestation of the Company's disclosure controls and procedures.

5.4.2 The Committee shall review any report which accompanies published financial statements (to the extent such a report discusses financial condition or operating results) for consistency of disclosure with the financial statements themselves.

5.4.3 In its review of financial statements, the Committee should obtain an explanation from management of all significant variances between comparative reporting periods and an explanation from management for items which vary from expected or budgeted amounts as well as from previous reporting periods.

5.4.4 In its review of financial statements, the Committee should review unusual or extraordinary items, transactions with related parties, and adequacy of disclosures, asset and liability carrying values, income tax status and related reserves, qualifications, if any, contained in letters of representation and business risks, uncertainties, commitments and contingent liabilities.

5.4.5 In its review of financial statements, the Committee shall review the appropriateness of the Company's significant accounting principles and practices, including acceptable alternatives, and the appropriateness of any significant changes in accounting principles and practices.

5.4.6 The Committee shall satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and shall periodically assess the adequacy of those procedures.

5.5 Financial reporting and accounting trends

The Committee shall:

5.5.1 Review and assess the effectiveness of accounting policies and practices concerning financial reporting;

5.5.2 Review with management and with the external auditors any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting;

5.5.3 Question management and the external auditors regarding significant financial reporting issues discussed and the method of resolution; and

5.5.4 Review general accounting trends and issues of accounting policy, standards and practices which affect or may affect the Company.

5.6 Internal controls

5.6.1 The Committee shall review and monitor the Company's internal control procedures, programs and policies, and assess the adequacy and effectiveness of internal controls over the accounting and financial reporting systems, with particular emphasis on controls over computerized systems.

5.6.2 The Committee shall review:

5.6.2.1 The evaluation of internal controls by the external auditors, together with management's response;

5.6.2.2 The working relationship between management and external auditors;

5.6.2.3 The appointments of the Chief Financial Officer and any key financial executives involved in the financial reporting process;

5.6.2.4 The review and approval of the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;

5.6.2.5 Any decisions related to the need for internal auditing, including whether this function should be outsourced and, in such case, approving the supplier which shall not be the external auditors; and

5.6.2.6 Internal control procedures to ensure compliance with the law and avoidance of conflicts of interest.

5.6.3 The Committee shall undertake private discussions with staff of the internal audit function to establish internal audit independence, the level of co-operation received from management, the degree of interaction with the external auditors, and any unresolved material differences of opinion or disputes.

5.7 Internal Auditor

The Committee shall:

5.7.1 Review the mandate and annual objectives of the internal auditor, if the appointment of an internal auditor is deemed appropriate;

5.7.2 Review the adequacy of the Company's internal audit resources; and

5.7.3 Ensure the internal auditor has ongoing access to the Chair of the Committee as well as all officers of the Company, particularly the Executive Chairman of the Board, the Co-Chair of the Board and the Chief Executive Officer.

5.7.4 Review the audit plans, performance and summaries of the reports of the internal audit function as well as management's response including follow-up to any identified weakness.

5.8 External Auditors

5.8.1 The Committee shall recommend to the Board of Directors the appointment of the external auditors, which firm is ultimately accountable to the Committee and the Board of Directors.

5.8.2 The Committee shall i) receive periodic reports from the external auditors regarding the auditors independence, the performance of the auditors, the qualifications of the key audit partner and audit managers, a periodic review of the auditors' quality control procedures, material issues arising from the periodic quality control review and the steps taken by the auditors to address such findings, ii) discuss such reports with the auditors, and if so determined by the Committee, iii) recommend that the Board of Directors take appropriate action to satisfy itself as to the independence of the auditors and the quality of their performance.

5.8.3 The Committee shall take appropriate steps to assure itself that the external auditors are satisfied with the quality of the Company's accounting principles and that the accounting estimates and judgments made by management reflect an appropriate application of generally accepted accounting principles.

5.8.4 The Committee shall undertake private discussions on a regular basis with the external auditors to review, among other matters, the quality of financial personnel, the level of co-operation received from management, any unresolved material differences of opinion or disputes with management regarding financial reporting and the effectiveness of the work of the internal audit function.

5.8.5 The Committee shall review the terms of the external auditors' engagement and the appropriateness and reasonableness of the proposed audit fees as well as the compensation of any advisors retained by the Committee.

5.8.6 The Committee shall review and pre-approve any engagements for non-audit services provided by the external auditors or their affiliates to the Company or its subsidiaries, together with the fees for such services, and consider the impact of this on the independence of the external auditors. The Committee shall determine which non-audit services the external auditors are prohibited from providing.

5.8.7 When a change of auditors is proposed, the Committee shall review all issues related to the change, including the information required to be disclosed by regulations and the planned steps for an orderly transition.

5.8.8 The Committee shall review all reportable events, including disagreements, unresolved issues and consultations on a routine basis whether or not there is to be a change of auditors.

5.8.9 When discussing auditor independence, the Committee will consider both rotating the lead audit partner or audit partner responsible for reviewing the audit after a number of years and establishing hiring policies for employees or former employees of its external auditor.

5.9 Audit Procedures

5.9.1 The Committee shall review the audit plans of the internal and external audits, including the degree of co-ordination in those plans, and shall inquire as to the extent to which the planned audit scope can be relied upon to detect weaknesses in internal control or fraud or other illegal acts. The audit plans should be reviewed with the external auditors and with management, and the Committee should recommend to the Board of Directors the scope of the external audit as stated in the audit plan.

5.9.2 The Committee shall review any problems experienced by the external auditors in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management.

5.9.3 The Committee shall review the post-audit or management letter containing the recommendations of the external auditors, and management's response and subsequent follow-up to any identified weakness.

5.10 Risk management and other responsibilities

5.10.1 The Committee shall put in place procedures to receive and handle complaints or concerns received by the Company about accounting or audit matters including the anonymous submission by employees of concerns respecting accounting or auditing matters.

5.10.2 The Committee shall review such litigation, claims, transactions or other contingencies as the internal auditor, external auditors or any officer of the Company may bring to its attention, and shall periodically review the Company's risk management programs. In that regard the Committee shall review the Company's major risk exposures and the steps taken by management to monitor, control and report such exposures.

5.10.3 The Committee shall review the policy on use of derivatives and monitor any risk associated therewith.

5.10.4 The Committee shall review the related party transactions in line with the New York Stock Exchange rules and regulations and those of any other applicable exchange or regulator.

5.10.5 The Committee shall review assurances of compliance with covenants in trust deeds or loan agreements.

5.10.6 The Committee shall review business risks that could affect the ability of the Company to achieve its business plan.

5.10.7 The Committee shall review uncertainties, commitments, and contingent liabilities material to financial reporting.

5.10.8 The Committee shall review the effectiveness of control and control systems utilized by the Company in connection with financial reporting and other identified business risks.

5.10.9 The Committee shall review incidents of fraud, illegal acts, conflicts of interest and related-party transactions.

5.10.10 The Committee shall review material valuation issues.

5.10.11 The Committee shall review the quality and accuracy of computerized accounting systems, the adequacy of the protections against damage and disruption, and security of confidential information through information systems reporting.

5.10.12 The Committee shall review material matters relating to financial statements or audits of subsidiaries.

5.10.13 The Committee shall review cases where management has sought accounting advice on a specific issue from an accounting firm other than the one appointed as auditor.

5.10.14 The Committee shall review any legal matters that could have a significant impact on the financial statements.

5.10.15 The Committee shall consider other matters of a financial nature it feels are important to its mandate or as directed by the Board of Directors.

5.10.16 The Committee shall report regularly to the Board of Directors on its proceedings, reviews undertaken and any associated recommendations.

5.10.17 The Committee shall have the right, for the purpose of discharging the powers and responsibilities of the Committee, to inspect any relevant records of the Company and its subsidiaries.

5.10.18 The Committee shall review the Company’s data privacy policies, practices, risks and exposures, including any potential impact on the Company.

5.10.19 The Committee shall review the Company’s security and cybersecurity policies, practices, risks and exposures, including any potential impact on the Company.

5.11 Compensation

Members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board of Directors may determine from time to time.

APPENDIX A

Appendix A

Definition of Independence under CSA National Instrument 52-110, as amended

1.4 Meaning of independence

(1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.

(2) For the purposes of subsection (1), a “material relationship” is a relationship which could, in the view of the issuer’s board of directors, be reasonably expected to interfere with the exercise of a member’s independent judgement.

(3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:

(a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;

(b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;

(c) an individual who:

(i) is a partner of a firm that is the issuer’s internal or external auditor,

(ii) is an employee of that firm, or

(iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;

(d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:

(i) is a partner of a firm that is the issuer’s internal or external auditor,

(ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or

(iii) was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;

(e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer’s current executive officers serves or served at that same time on the entity’s compensation committee; and

(f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than $75,000 in direct compensation from the issuer during any 12 month period within the last three years.

(4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because

(a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or

(b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.

(5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

(6) For the purposes of clause (3)(f), direct compensation does not include:

(a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and

(b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

(7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member

(a) has previously acted as an interim chief executive officer of the issuer, or

(b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

(8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

1.5 Additional independence requirements

(1) Despite any determination made under section 1.4, an individual who

(a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or

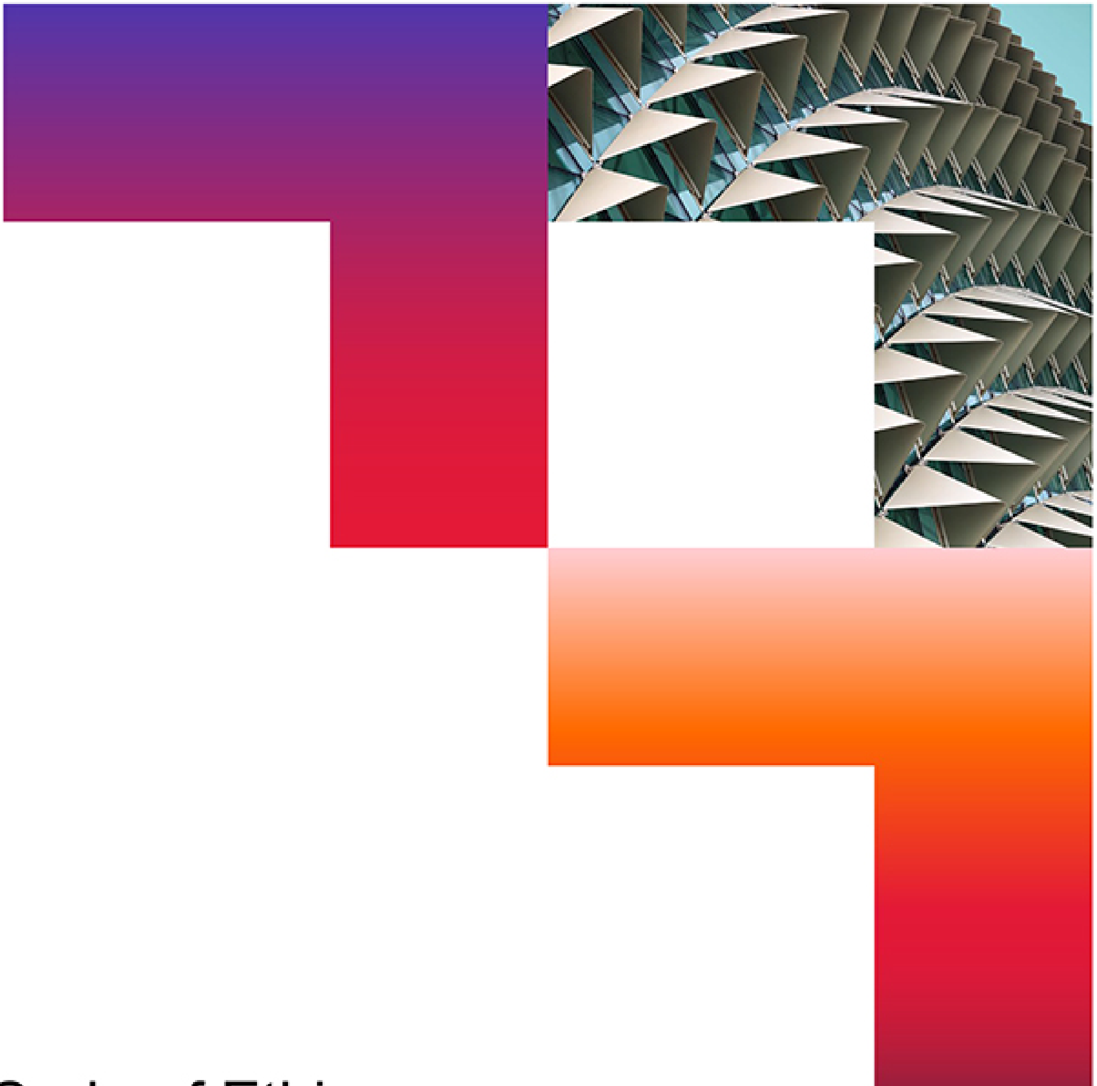
(b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.

(2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by

(a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or

(b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

(3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.



Code of Ethics

1. Code of Ethics and Business Conduct

For members, officers and directors of CGI

To the CGI Team

This Code of Ethics and Business Conduct is based on the values and philosophy that have guided CGI successfully since the Company's inception in 1976. It constitutes a unique repository where the combination of CGI policies, guidelines, principles of conduct and best practices have been regrouped under one umbrella document, for the benefit of our members, officers and directors.

CGI's operations have grown significantly and now extend worldwide, and our business environment has become increasingly competitive and complex. The scope and pace of our business requires us to make quick and informed decisions, in a manner consistent with our values.

This Code provides guidance - and a global view - for CGI members, officers and directors to consistently achieve the professionalism that has earned our Company an enviable reputation among our clients and within our industry. It also provides guidance for CGI directors when acting for the Company.

This Code is not meant to be a complete list of ethics and business conduct covering every eventuality. It highlights situations that CGI's members, officers and directors may face in their duties and provides the basic principles to guide their actions. CGI recognizes the importance of supporting these individuals as ethical issues arise, and has an open door policy for resolving such issues with integrity.

Upon joining CGI, all members, as part of their employment contract, undertake to observe this Code in all aspects of their work. Furthermore, annually, all members shall renew such undertaking.

We must always behave responsibly and in line with the Company's core values when working on behalf of CGI for its clients and other stakeholders. By preserving our personal integrity and the professional reputation of CGI, I am confident that together we will succeed in achieving the Company's mission and vision.

Serge Godin
Founder and Executive Chairman of the Board

IMPORTANT NOTE

The CGI Constitution, including the Dream, Vision, Mission, and Values of the CGI Inc. form the fundamental principles of this Code of Ethics and Business Conduct. This Code should therefore be read in conjunction with CGI's Constitution.

1.1. Values, Philosophy, Vision and Mission

Values

CGI has always believed in investing in the future to ensure continued success. From the beginning, the Company has invested in developing a strong corporate culture, based on six core values that reflect its approach to business. These values are quality and partnership, intrapreneurship and sharing, respect, objectivity and integrity, financial strength and corporate social responsibility. These values are at the heart of CGI's success.

They ensure that CGI takes a long-term view on business issues, and builds long-lasting partnerships with its clients.

Philosophy

The success of CGI Inc. and its subsidiaries is based on the knowledge, creativity and commitment of its members. CGI ensures this success by recruiting the most qualified people available. CGI's members share in the risks and rewards of CGI's business as partners of CGI and are committed to its objectives. They take a disciplined approach to their work and constantly strive for excellence to achieve the best results for every client. In exchange, CGI strives to recognize the value of its members by offering them a stimulating work environment that fosters their personal and professional development.

Vision

To be a global world class end-to-end IT and business consulting services leader helping our clients succeed.

Mission

To help our clients succeed through outstanding quality, competence and objectivity, providing thought leadership and delivering the best services and solutions to fully satisfy client objectives in information technology, business processes, and management.

In all we do, we are guided by our Dream, living by our Values to foster trusted relationships and meet our commitments now and in the future.

1.2. Purpose and Scope of the Code

This Code of Ethics and Business Conduct (the "Code") defines CGI's character and guides the actions and decisions of employees ("members"), officers and directors of CGI. Compliance with the Code is essential for many reasons and notably to preserve and enhance CGI's reputation and maximize shareholder value. In keeping with CGI's values, the Code outlines the essential rules and guidelines necessary to preserve CGI's enviable reputation among its clients and within its industry. The Code is not meant to be a complete list of ethics and business conduct covering every eventuality. It highlights situations that CGI members, officers and directors may face in their duties. The code is meant to give them a broad and clear understanding of the conduct expected of them, wherever CGI does business. While the specific illustrations are primarily addressed to members, they should be read as being equally applicable to the members of CGI's Board of Directors to the extent that they may be applicable in the circumstances.

Should a member be confronted with a situation where further guidance is required, the matter should be discussed with the member's manager. CGI recognizes its obligation to support its members, officers and directors as ethical issues arise.

In addition, third parties such as consultants, agents and suppliers are required to comply with CGI's Third Party Code of Ethics when acting on CGI's behalf. CGI expects any third party acting on CGI's behalf to respect CGI values and high ethical standards of conduct.

The Third Party Code of Ethics is available on our enterprise portal.

1.3. Member's Conduct and Behavior

General conduct

Upon joining CGI, members, as part of their employment, undertake to observe all principles and obligations under the Code. Furthermore, annually members must renew such undertaking by signing or, where required locally, acknowledging the "Member Commitment to the Code of Ethics and Business Conduct".

If a member ceases to be employed by CGI for any reason, the Member Commitment specifies which elements continue to apply, namely those related to the confidentiality obligations.

Respect and integrity

All members of CGI support the Company's philosophy and contribute to CGI's development and good reputation by promoting synergy and teamwork, by expressing their ideas and by adopting the highest standards of service quality and integrity. The members of CGI are its ambassadors. They must always behave responsibly and demonstrate courtesy, honesty, civility and respect for other members of CGI, for its clients and for its suppliers, and must never do anything that could harm CGI's reputation or that could otherwise bring CGI into disrepute.

Loyalty

Members are expected to act at all times with diligence and loyalty towards CGI and in such a way as to safeguard CGI's interests. Members should not act in a way or publicly hold a position that might harm the image or reputation of CGI.

Relations with clients

CGI's services often involve visiting or working at a client's place of business. A member working at a client's site must comply with the client's practices and procedures and treat the client's facilities with respect. The member must work as efficiently and meticulously as possible and leave the client's premises and property as he or she found them. As well, members must use the client's information and systems infrastructures for the sole purpose of the client's contract and protect those infrastructures and information at all times.

Members may also be required to follow a client's code of conduct, in addition to following CGI's Code. When faced with an incident that occurs on client premises, members must promptly notify their manager and/or escalade through proper CGI channels.

Relations with competitors

If a member is working with a competitor of CGI on a joint project for a client, the member must avoid any situations that could cause conflicts. The member must respect the roles that the client has assigned to each party and work as a team in the client's best interests. CGI's members also have both an ethical and a legal responsibility to portray the Company's competitors fairly and accurately. CGI does not tolerate its members using improper means for gathering information about its competitors.

Material Assets

All members of CGI have a responsibility to protect CGI's assets against loss, theft, abuse and unauthorized use or disposal. If, in the course of his or her work, a member of CGI is supplied with any property belonging to CGI or to a third party, the member must use said property in accordance with CGI's Security and acceptable use policy, and as may otherwise be specified in the binding agreement he or she signed with CGI the member must use said property solely for work-related purposes as specified in the binding agreement he or she signed upon joining CGI. More specifically, the members must use CGI's systems infrastructures in a manner consistent with legal requirements, professional ethics, the policies established by the administrators of CGI's network and of any external networks that the member uses, and must respect the copyrights protecting any software that the member also uses. As well, members must never use the clients' systems infrastructures, including the clients' software, for any purpose that is not work-related. CGI applies a zero-tolerance policy to any abuse of its systems infrastructures or those of its clients.

At the end of employment, members are required to return all CGI property and assets in their possession to their manager or to a designated CGI representative.

Health and Safety

CGI is committed to complying with all applicable health and safety laws, policies and regulations in order to provide a safe and healthy work environment to all members. In addition, CGI encourages all members to report accidents and unsafe conditions, to follow safety and emergency procedures at their facilities, and to actively promote a culture of safety whenever possible.

Accordingly, members are expected to observe the following rules:

Drug-Free Workplace

CGI maintains a drug-free workplace. Accordingly, in the workplace, members may not:

i. Use, sell, or possess illegal drugs;

ii. Abuse or misuse controlled substances, prescription drugs, or over-the-counter medications; or

iii. Abuse alcohol.

Restrictions on Alcohol Use

With the exception of specially authorized CGI functions, no member may consume, serve, or be under the influence of alcohol while on CGI property or while performing CGI business.

Alcohol may be served at CGI functions only with the prior approval of a Senior Vice President. In such circumstances, CGI strongly encourages members to use discretion, act responsibly, and behave in a manner becoming to the Company. When working in parts of the world where alcohol use or possession is prohibited, CGI members must comply with local laws.

1.4. Integrity of Books and Records and Compliance with Sound Accounting Practices

Preparation of books and records

Accuracy and reliability in the preparation of all business records is of critical importance to the decision-making process and to the proper discharge of financial, legal and reporting obligations. All business records, expense accounts, invoices, bills, payroll and member records and other reports are to be prepared with care and honesty. False or misleading entries are not permitted in CGI's books and records.

Financial transactions

All financial transactions are to be properly recorded in the books of account and accounting procedures are to be supported by the necessary internal controls. In turn, all books and records of CGI must be available for audit.

In relation to CGI's books and records, members must:

- i. not intentionally cause Company documents to be incorrect in any way;
- ii. not create or participate in the creation of any records that are intended to conceal anything that is improper;
- iii. properly and promptly record all disbursements of funds;
- iv. co-operate with internal and external auditors;
- v. report any knowledge of any untruthful or inaccurate statements or records or transactions that do not seem to serve a legitimate commercial purpose; and
- vi. not make unusual financial arrangements with a client or a supplier (such as, over-invoicing or under- invoicing) for payments on their behalf to a party not related to the transaction.

The nature of CGI's business places special importance on the accuracy of time keeping and expense reporting.

Accurate Timekeeping

Client billing, member compensation, and cost estimating depends on CGI's ability to record and account for member time worked accurately.

Accordingly, CGI is committed to accurate total time accounting and reporting within all of its subsidiaries.

All members are required to comply with CGI's timekeeping policy and procedures and any applicable contract requirements. Members must record all time worked daily and submit reports weekly, accurately reflecting all time worked on both direct and indirect projects. Managers are responsible for ensuring that members know the correct project code for each project assignment

Knowingly mischarging your time or falsifying time records violates CGI policy and may also violate the law. No member may knowingly charge time inaccurately or knowingly approve mischarging. Similarly, shifting time worked on one project to another project also is strictly prohibited.

To ensure accurate time reporting, members must be sure that they understand and carefully follow CGI's timekeeping policy and procedures. Members must obtain the correct charge code before starting work on any new direct or indirect project. If a member has any questions regarding time charging, the question should be raised with their manager. In all cases, members must take the steps necessary to ensure that their time records are current, accurate, and complete.

Expense Reimbursement

Members must honestly and accurately report their business-related expenses for reimbursement. A member's signature on an expense report certifies that the information provided is complete and accurate and represents a valid business expense.

Breaches

Suspected breaches of the Code which directly or indirectly affect CGI's business must be reported in accordance with section 1.10 below.

To guide members, CGI has established the Ethics Reporting Policy, commonly referred to as the "whistleblower policy". This Policy establishes a process by which any person who has direct knowledge of specific incidents of non-compliance can report such incidents anonymously. This process is in place to protect the incident reporter and to ensure confidentiality of the report.

For more information, please refer to CGI's Ethics Reporting Policy available on our enterprise portal.

1.5. Confidential Information, Intellectual Property and Privacy

Definitions

Confidential Information

"Confidential Information" means:

1. Information about the Company's and/or client's business dealings, development strategies and financial results; products or processes; client lists; vendor lists or purchase prices; cost, pricing, marketing or service strategies; results of research and development work, technical know-how, manufacturing processes, computer software; reports and information related to mergers, acquisitions and divestitures;

2. Information that relates to Intellectual Property and may include, but is not limited to business strategies, product marketing and costing information and information provided by suppliers and competitors. In addition, the way the Company puts publicly-known information together, to achieve a particular result, is often a valuable trade secret;

3. Personal data of any individual, which refers to any information that can identify an individual either directly or indirectly by reference to an identifier or a combination of several factors, as further defined in CGI's Data Privacy Policy.

For example, the following information and documents constitute confidential information or documents of CGI or its clients:

i. methodologies;

ii. all information related to: processes, formulas, research and development, products, financials, marketing; names and lists of customers, employees and suppliers as well as related data; computer programs, all software developed or to be developed including flow charts, source and object codes;

iii. all information related to projects undertaken by the Company whether they are merger and acquisition or divestiture projects or projects related to large client contracts, including all information obtained in due diligence initiatives, whether such information pertains to CGI or to any third party;

iv. all other information or documents that, if disclosed, could be prejudicial to CGI or its clients; and

v. personal data of CGI members or any third party individual as further defined in CGI's Data Privacy Policy.

Intellectual Property

"Intellectual Property" (IP) means patents, copyrights, trademarks, trade secrets and industrial designs, as well as any other proprietary work or invention.

Non-disclosure undertaking

CGI Confidential Information

During the normal course of business, members will have access to confidential information about CGI. In some cases, the information may affect the value of CGI shares. Each member must protect from inappropriate use or disclosure all CGI Confidential Information, Intellectual Property, personal data or any non-public information. CGI Confidential Information could include information from other members or information acquired from outside sources, sometimes under obligations of secrecy. Members are expected to use such information exclusively for business purposes and this information must not be disclosed externally, including to a spouse, partner or relative, without the approval of a member's manager.

Client Confidential Information

Just as CGI's members must protect Confidential Information, Intellectual Property and personal data collected, stored and processed by CGI, they must also protect against unauthorized use or disclosure client's business information to which we have access. Unless a member has the client's express authorization, he or she should never reveal any information that could harm the client's interests and should never use any information that he or she obtains in the course of a project or assignment for any purpose other than that project or assignment. If the client informs us of restrictions to the distribution of certain information within its own organization, the member must comply with those restrictions as well.

Member Confidential Information

Subject to applicable law, CGI collects and maintains personal information relating to its members, including medical and benefits information. Access to such information is restricted to CGI personnel on a need-to-know basis. They must ensure that this information is not disclosed in violation of CGI's policies and practices. Personal information is released to outside parties only with the member's approval, except to satisfy the requirements considered by CGI to be appropriate for legal reasons.

Suppliers and Partners Confidential Information

All non-public information on CGI suppliers and partners to which we have access is also confidential and must not be disclosed without the express consent of the persons concerned.

Third Party Agreements

In cases where information or records are obtained under an agreement with a third party, such as software licenses or technology purchases, members must ensure that the provisions of such agreements are strictly adhered to so that CGI will not be deemed to be in default. Unauthorized disclosure or use of information or records associated with these agreements could expose the member involved and/or CGI to serious consequences.

Disclosure policy

Privileged or Material Information

Privileged or material undisclosed information about CGI or other public companies may not be used as a basis for trading in CGI securities, or the securities of any other company in respect of which CGI or its members, consultants or advisers are in possession of such information. For this purpose, CGI has an established policy regarding the use of insider information and trading in securities. This policy is entitled “Insider Trading and

Blackout Periods Policy” which extends to all directors, officers and members. The Insider Trading and Blackout Periods Policy is designed to prevent improper trading in the securities of the Company and the improper communication of privileged or material undisclosed information. In addition, this Policy is aimed at preventing directors, officers and members from engaging in activities that, although not illegal, may expose them or the Company to potential reputational risk.

CGI’s Policy on Timely Disclosure of Material Information cover the disclosure of information with a material impact, defined as any information that, if disclosed to a potential investor, could affect his or her perception of the value of the Company as an investment. Because CGI is a publicly traded company, any information that may have a material impact on CGI’s results or on the perception of the value of the stock must be communicated in accordance with CGI’s “Policy on Timely Disclosure of Material Information.” If a member thinks that he or she is in possession of a piece of information that is not known to management and may have a material impact on the Company, the member must communicate it immediately to either the Executive Chairman of the Board, the Chief Executive Officer, the Chief Legal Officer, or the Chief Financial Officer, without divulging it to anyone else.

Intellectual Property

In the course of their duties, members may develop or create new designs, inventions, systems or processes, products or documents. When these achievements have been made as a direct result of a member’s employment with the Company and through use of CGI’s resources, they belong to CGI. Moreover, CGI is free to use this work as it so wishes and members cannot use nor divulge, publish or otherwise disseminate it without prior written consent from CGI. Upon request, members will execute documents made necessary to confirm or complete the assignment of rights to CGI.

Data Privacy

CGI must comply with industry practices and applicable laws when collecting, maintaining, processing and disclosing personal data of clients, members and third parties. Therefore, any such activities related to personal data must be performed by CGI and its members in accordance with CGI’s Data Privacy Policy, processes and standards.

For more information, please refer to CGI’s Data Privacy Policy available on our enterprise portal.

1.6. Conflicts of Interest

Definitions

The members of CGI must avoid any actual or apparent conflicts of interest and should never engage in any conduct which is, or could potentially be, harmful to CGI or its reputation. A conflict of interest exists when a member’s personal interests, activities or financial affairs may conflict with those of CGI or its clients, or may adversely influence the member’s judgement in the performance of duties.

Particular caution should be taken when dealing with initiatives involving contracts with any governmental or quasi- governmental agency.

Guidelines

The following guidelines provide guidance for members to avoid situations, which are or may appear to be in conflict with their responsibility to act in the best interest of the Company.

- **Financial Interests** - A conflict of interest exists when a member who is able to influence business with CGI (or family or a close personal friend of such member) owns, directly or indirectly, a beneficial interest in an organization which is a competitor of CGI, or which has current or prospective business as a supplier, customer or contractor with CGI. This does not include the situation where the financial interest in question consists of shares, bonds or other securities of a company listed on a securities exchange and where the amount of this interest is less than one percent of the value of the class of security involved.

- **Outside Work** - When a member, directly or indirectly, acts as a director, officer, employee, consultant or agent of an organization that is a competitor of CGI, or which has current or prospective business as a supplier, customer or contractor with CGI, there is a conflict of interest. Similarly, a conflict of interest may exist when a member undertakes to engage in an independent business venture or to perform work or services for another entity should that activity prevent such member from devoting the time and effort to the conduct of CGI's business, which his or her position requires.

- **Gifts or Favors** - A conflict of interest will arise when a member, either directly or indirectly, solicits or accepts any gift or favor from any person or organization which is a competitor of CGI, or which has current or prospective business with CGI as a customer, supplier, partner or contractor. For this purpose, a "gift" or "favor" includes any gratuitous service, loan, discount, money or article of value. It does not include articles of nominal value normally used for sales promotion purposes, ordinary and reasonable business meals and entertainment expenses if they have a clear business purpose, are permitted under the anti-corruption laws and local laws, conform to generally accepted local customs and are received in a sporadic manner.

- **Commissions** - CGI or its members will never accept any commissions from a third-party vendor when recommending software, hardware or any equipment to a client as part of a service agreement.

- **Trading with CGI** - A conflict of interest may exist when a member is directly or indirectly a party to a transaction with CGI.

- **Misappropriation of Business Opportunities** - A conflict of interest will exist when a member, without the knowledge and consent of CGI, appropriates for his or her own use, or that of another person or organization, the benefit of any business venture, opportunity or potential opportunity about which the member may have learned or that he or she may have developed during the course of his or her employment.

- **Bribes** - Neither CGI nor its members will pay bribes to clients or client representatives to obtain business from them. Refer to CGI's Anti-Corruption Policy under Section 3 below for further information on this topic.

- **Former Employees of Customers** – Hiring or retaining the services of former employees of customers, whether in the private or public sector (including quasi-government agencies), may result in actual or perceived conflicts of interest. Accordingly, any such person may not: (i) for a period of two years from the termination of his or her employment with a former customer be assigned to work on, or in any way contribute to, a CGI project or contract that is linked to his or her former functions, unless the customer's prior written consent is obtained and the hire is not prohibited by any code of ethics or other restrictions or undertakings applicable to such person; and (ii) disclose to any CGI member any confidential information such person obtained during the course of his or her former functions with the customer.

- **Personal Relationships** – An actual, potential or perceived conflict of interest may arise if a personal relationship can affect or influence a member's judgment or objectivity in the course of his or her professional responsibilities.

  To avoid conflicts of interest, members must withdraw namely from:

  1. Employment decisions (e.g. initial employment or rehire, promotion, salary, performance appraisals, work

assignments or other terms and conditions of employment) applicable to person(s) with whom the personal relationship exists; and

2. Business decisions when CGI engages with an individual, a supplier or a third party with whom the member has a personal relationship.

Reporting

Any actual, potential or perceived conflict of interest must be disclosed, as soon as it arises, to the member's management chain or leadership team, Human Resources, Ethics or Legal Departments.[1]

If deemed necessary, appropriate measures must be implemented in order to mitigate risks for all CGI stakeholders. Such measures must be documented and their implementation monitored.

1.7. Laws, Statutes and Regulations

Compliance with the law

It is CGI's policy to comply, not merely with the letter, but also with the spirit of the law. CGI is required to maintain compliance with various acts, statutes and regulations governing activities in the jurisdictions in which it carries on business and expects members acting on its behalf to do likewise. Members are also expected to report any situation of concern as described in section 1.10 below or to the CGI Legal Department.

Guidelines for compliance

This Code does not seek to provide legal guidance for all laws, statutes and regulations that impact CGI's activities. Specialized resources - legal, tax, environmental, government relations, and human resources- are available within CGI for that purpose. There are, however, several items of legislation that warrant specific mention. These are listed below along with some general guidelines for compliance.

Environmental laws

CGI is committed to preserving and enhancing the environment in the communities where its various businesses operate through responsible and environmentally oriented operating practices. Members are encouraged to participate in undertakings geared to improving the environment in both their workplace and their community.

Human rights legislation

Every person has the right to equal treatment with respect to employment and the right to be free of discrimination because of race, ancestry, place of origin, color, ethnic origin, citizenship, religion, sex, sexual orientation, age, pregnancy, record of offences, marital status, social conditions, political beliefs, language, veteran status (U.S. only), family status, disability or means used to overcome a disability.

The following are CGI's policies on equal employment opportunity, anti-harassment and anti-discrimination and modern slavery as well as the procedure for reporting any breach or violation of these policies:

i. **Equal Employment Opportunity** - CGI is committed to treating all people fairly and equitably, without discrimination. The company has established a program to ensure that groups, which are often subject to discrimination, are equitably represented within CGI and to eliminate any employment rules and practices

[1] Executive Officers must disclose any actual, potential or perceived conflict of interest in accordance to section 2 of the Code of Ethics.

that could be discriminatory. CGI regards diversity among its members as a priceless resource and one which enables the Company to work harmoniously with clients from around the world.

ii. **Anti-Harassment and Anti-Discrimination Policies** - CGI recognizes that everyone has the right to work in an environment free of sexual, psychological and racial harassment. CGI will do everything in its power to prevent its members from becoming victims of such harassment. CGI defines sexual, psychological or racial harassment as any behavior, in the form of words, gestures, or actions, generally repeated, that has undesired sexual, psychological or racial connotations, that has a negative impact on a person's dignity or physical or psychological integrity, or that results in that person being subjected to unfavorable working conditions or dismissal.

CGI will prevent any form of harassment or discrimination against job candidates and members on any of the grounds mentioned above, whether during the hiring process or during employment. This commitment applies to such areas as training, performance assessment, promotions, transfers, layoffs, remuneration and all other employment practices and working conditions.

All CGI managers are personally accountable for enforcing this policy and must make every effort to prevent discriminatory or harassing behavior and to intervene immediately if they observe a problem or if a problem is reported to them.

In their professional capacity, all members must refrain from any form of harassment or discrimination against anyone, including suppliers, customers and constructors.

iii. **Procedure for Reporting Discrimination or Harassment** - Any member of CGI who feels discriminated against or harassed can and should, in all confidence and without fear of reprisal, personally report the facts through the reporting channels described in section 1.10.

The facts will be examined carefully. Neither the name of the person reporting the facts nor the circumstances surrounding them will be disclosed, unless such disclosure is necessary for an investigation or disciplinary action. Any disciplinary action will be proportional to the seriousness of the behavior concerned. CGI will also provide appropriate assistance to any member who is a victim of discrimination or harassment. In addition, retaliation against persons who make complaints of harassment, witness harassment, offer testimony or are otherwise involved in the investigation of harassment complaints will not be tolerated.

iv. **Modern Slavery** - CGI recognizes that slavery is both illegal and unacceptable. As a services organization in which most of our members are highly skilled and directly employed by CGI, we consider the risk of modern slavery within CGI's own organization to be low. However, CGI has implemented an additional procurement process to mitigate the risk of slavery in our supply chain. We expect all third parties with whom we work to comply with anti-human trafficking and anti-slavery legislation. To that end, CGI's Third Party Code of Ethics aims to provide suppliers with the appropriate guidance to make informed business decisions while working with CGI.

Competition act

CGI is required to make its own decisions on the basis of its best interest and must do so independent of agreements or understandings with competitors. The Competition Act (Canada) or corresponding provisions of foreign legislation in matters of competition prohibit certain arrangements or agreements with others regarding product prices, terms of sale, division of markets, and allocation of customers or other practices that restrain competition. It is the responsibility of each manager to comply with the letter and spirit of all competition laws as they apply to CGI.

Questions concerning competition-sensitive issues must be addressed to ethics@cgi.com or the CGI Legal Department.

Securities laws and insider trading

Members are prohibited from trading in CGI securities while in possession of Privileged Information, subject to the limited exceptions under applicable laws and regulations. They are also prohibited from trading in another public company's securities while in possession of Privileged Information regarding that public company gained during the course of the member's work. Members are prohibited from disclosing Privileged Information to, or "tipping", another party or recommending that another party trade in CGI securities or another public company's securities while they have knowledge of Privileged Information. Tipping is a violation of laws and regulations even if the person disclosing the information does not personally make a trade or otherwise benefit from disclosing the information.

"Privileged Information" is information that has not been disclosed to the public and could affect the decision of a reasonable investor, as well as any fact or any change in business, operations or capital that would reasonably be expected to have a significant effect on the market price or value of any security and which has not been generally disclosed. CGI has adopted the "Insider Trading and Blackout Periods Policy" which extends to all directors, officers and members.

Export and import laws

CGI members may find themselves dealing with goods or services that are the subject of export or import restrictions, such as, for example, information or technology that has military or state security applications. Members who deal with controlled goods and services must comply with the CGI policies and procedures designed to ensure that the controls are respected.

Laws that protect classified information

In the normal course of CGI's business with government clients, our members may be required to hold government security clearances and they may have access to information that is classified or facilities that are restricted. Members must comply with the letter and with the spirit of the laws, rules and regulations that apply to classified information and facilities that are restricted.

Whether a member holds a security clearance or not, members must not seek access to classified information or restricted facilities unless that access is required in order to allow them to carry out their assigned tasks. Members must not accept access to, retain, or otherwise deal with classified information, or enter restricted facilities, unless they hold a current and valid security clearance that entitles them to have the appropriate degree of access. If there is any doubt about whether information is classified or whether facilities are restricted, about the restrictions that may apply to information or facilities, or whether the member's security clearance is adequate in the circumstances, the member must first consult with the CGI security officer who has the authority to advise the member.

1.8. Investor and Media Relations

Authorized Spokespersons
Initiatives relating to investor and media communications are the responsibility of CGI's authorized spokespersons. Therefore, members are not allowed to make any public statement about CGI without first obtaining the authorization of such authorized spokespersons.

1.9. Community Activities and Political and Public Contributions

As a global organization conducting business throughout the world, CGI is committed to the charitable donation of funds and services for humanitarian and other social needs, particularly in cases of emergencies or disasters.

Monetary and other contributions to charities, social projects and funds, including schools, educational funds and infrastructure projects, should occur outside of work hours and be handled with caution as they can be conduits for corrupt payments. In order to minimize this risk, CGI requires appropriate due diligence be conducted into such charities and projects prior to the approval of any charitable contributions made on its behalf. No contributions of any kind may be made on CGI's behalf to any political party, candidate or campaign. In no event shall any charitable or political donations be made for the purpose of gaining any improper business advantage.

Questions to consider when making charitable payments:

1. Is the organization or body receiving the payment duly registered and does it otherwise comply with applicable law?
2. Is the organization or body, including its board of directors and other representatives, free of any political or other undue influence?
3. What is the purpose of the payment?
4. Is the payment consistent with CGI's internal guidelines on charitable giving?
5. Is the payment at the request of a foreign official?
6. Is a foreign official associated with the charity and, if so, can the foreign official make decisions regarding CGI's business in that country?
7. Is the payment conditioned on receiving business or other benefits?

1.10. Compliance with the Code

Management responsibilities

CGI's managers have a special duty to be role models of appropriate business conduct and to see that the principles and policies of this Code and of other CGI guidelines and policies referred to in this Code are upheld. This means:

i. **Copy of the Code** - Ensuring that all members have a copy of the Code, and that they understand and comply with its provisions.

ii. **Assistance** - Offering assistance and explanations to any member who has questions, doubts or is in a difficult situation. Managers are also required to counsel members promptly when their conduct or behavior is inconsistent with the Code.

iii. **Enforcement** - Taking prompt and decisive action when a violation of the Code has occurred, in consultation with the CGI Legal Department. If a manager knows a member is contemplating a prohibited action and does nothing, the manager will be held responsible along with the member.

Member responsibilities

Each member is accountable for observing the rules of conduct that are normally accepted as standard in a business enterprise. In addition, they must abide by the following:

i. **Compliance** - CGI's members are expected to comply with the Code and all policies and procedures of the company as well as to actively promote and support CGI's values.

ii. **Preventing** - Members should take all necessary steps to prevent a Code violation.

iii. **Reporting** - Members must promptly report any non-compliance to this Code of which we become aware, including but not limited to:

- any suspected violations of the Code and/or of CGI policies;
- any known or suspected violation of applicable laws, rules or regulations; or
- any observed instances of misconduct or pressure to compromise our ethical standards.

Reports can be made openly, confidentially and/or anonymously as allowable by law, via any of the following reporting channels:

- Any manager or any other individual in the management chain or the leadership team;
- Any member of the CGI HR Department or Legal team;
- Any officer of CGI, especially when mandated by the Codes;
- Our ethics mailbox (ethics@cgi.com) ; or
- Our **Ethics Hotline**

The Ethics Hotline is an incident reporting system managed by an independent third party mandated by CGI to ensure anonymity of all incident reporters should they chose to remain anonymous, and confidentiality of all reports submitted.

Through this channel, reports may be submitted by phone or online:

- **By Phone**: Call (800) 461-9330
- **Online**: Click here to file a report. Please note that you will leave the Portal and be directed to an external Web site.

To guide members, CGI has established the Ethics Reporting Policy, commonly referred to as the "whistleblower policy". This Policy establishes a process by which any person who has direct knowledge of specific incidents of non-compliance can report such incidents anonymously. This process is in place to protect the incident reporter and to ensure confidentiality of the report.

For more information, please refer to CGI's Ethics Reporting Policy available on our enterprise portal.

iv. **Zero Tolerance for Retaliation** – CGI has zero tolerance for retaliation against anyone who reports incidents in good faith.

Retaliation is abusive, punishing behavior by managers and coworkers toward members who, in good faith, question established practices, report misconduct or participate in investigations.

Members who believe they have experienced retaliation are expected to report it just as any other violation would be reported. There are serious consequences for retaliation, up to and including dismissal.

v. **Consequences** - Unethical behavior, violations of this Code and of CGI's other guidelines and policies, as well as withholding information during the course of an investigation regarding a possible violation of the Code, may result in disciplinary action which will be commensurate with the seriousness of the behavior. Such action could include termination as well as civil or criminal action.

1.11. Administration of the Code

Periodic review

Responsibility for the periodic review and revision of the Code lies with CGI's Corporate Governance Committee.

Monitoring compliance

The Board of Directors of CGI will monitor compliance with the Code and will be responsible for the granting of any waivers from compliance with the Code for directors and officers of CGI. The Corporate Secretary of CGI shall, when deemed appropriate, make reports to the Board of Directors of CGI with respect to compliance with this Code.

Questions

Questions concerning this Code should be referred to a member's manager who, when warranted, shall report to CGI's Corporate Secretary.

2. Executive Code of Conduct

This Executive Code of Conduct (the “Code”) is part of the commitment of CGI Inc. (“CGI”) to ethical business conduct and practices. This Code reflects CGI’s firm commitment, not only to adherence to the law, but also to the highest standards of ethical conduct.

This Code specifically covers CGI’s principal executive officer, principal financial officer, principal accounting officer or controller, or other persons performing similar functions (collectively, the “officers”) and supplements the Code of Ethics and Business Conduct.

2.1 Honest and Ethical Conduct

Respect and integrity

The officers of CGI are its ambassadors. They must always behave responsibly and demonstrate courtesy, honesty, civility and respect for all other employees of CGI, for its clients and for its suppliers.

Ethics

Supporting CGI’s objectives, officers in performing their duties will carry out their responsibilities at all times in a way that promotes ethics in their leadership. The officers will:

i. Undertake their responsibilities in a vigilant manner in the interests of CGI and to avoid any real or perceived impression of personal advantage;
ii. Advance CGI’s legitimate interests when the opportunity arises at all times ahead of their own interests;
iii. Proactively promote ethical behavior among subordinates and peers; and
iv. Use corporate assets and resources in a responsible and fair manner, having regard for the interests of CGI.

2.2 Full, Fair, Accurate, Timely and Understandable Disclosure

Annual and quarterly reports

Each officer shall read each annual or quarterly report filed or submitted under the applicable securities laws and satisfy himself or herself that the report does not contain any untrue statement of a material fact or omit to state a material fact that is necessary in order for the statements made not to be misleading, in light of the circumstances in which such statements were made.

Financial statements

Each officer shall satisfy himself or herself that the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition and results of operations of CGI as of, and for, the periods presented in the report.

Reports to securities regulators

Officers shall perform their responsibilities with a view to causing periodic reports filed with securities regulators to contain information which is accurate, complete, fair and understandable and to be filed in a timely fashion.

Reporting concerns and complaints

An officer who believes it is necessary or appropriate to do so can refer concerns about the quality and scope of financial or related reporting requirements to the Chair of the Audit Committee. Any officer who receives a bona fide material complaint about financial reporting from any employee shall report such complaints to the Audit Committee. Any officer who has disclosed such concerns in good faith shall not face any form of retribution.

2.3 Compliance with Laws, Rules and Regulations

The officers are cognizant of their leadership roles within the organization and the importance of compliance with the letter and spirit of applicable laws, rules and regulations relating to financial and related reporting.

2.4 Compliance with the Code

General responsibilities

Officers have a special duty to be role models of appropriate business conduct and see that the principles and policies of this Code and other CGI guidelines and policies are upheld.

Reporting

Any violation or suspected violation of the Code should be personally reported by an officer to CGI’s Executive Chairman of the Board, Chief Executive Officer, Chief Financial Officer or Chief Legal Officer.

Accountability

Non-compliance with this Code in every respect by an officer will be a matter for consideration and review by the Board of Directors of CGI.

3. CGI Anti-Corruption Policy

Policy statement

CGI is committed to conducting its activities free from the illegal and improper influence of bribery and to ensuring compliance with all anti-bribery and anti-corruption laws and regulations that may be applicable to its business world-wide (collectively, “Anti-Corruption Laws”). It is essential that our members, officers, and directors, as well as all third parties who act on behalf of CGI, comply at all times with the letter and the spirit of all Anti-Corruption Laws.

Overview

Bribery is offering, giving, receiving, or soliciting any **item of value** to improperly influence the actions of a person in **order to obtain or retain business or an unfair advantage in the conduct of business; or to induce or reward improper conduct**. “Kickback” is another term for bribery. Bribery can arise in both the public and the private sphere. It can take place directly or indirectly (e.g. through a Third Party). It can take many forms. Anti- Corruption Laws require companies like CGI to have proactive measures to prevent, detect, and address bribery and corrupt practices.

There are many reasons to care about bribery and corruption.

Bribery and corruption are crimes punishable by fines and/or imprisonment. CGI officers, directors and members, as well as Third Parties, must not engage in any form of bribery or corruption. Whenever members are asked to approve or make a payment, they must ensure that they fully understand the reason for the payment and that the payment is legitimate. If in doubt, they should not make or agree to make the payment and contact the CGI Legal Department or ethics@cgi.com for guidance.

Bribery and corruption have been identified as key factors that limit economic growth and contribute to inequality. By wrongfully benefiting a few individuals, they limit competition, undermine innovation, and corrupt societies.

Bribery is also detrimental to our business – studies show that companies where bribery is condoned have lower levels of productivity and lower employee morale. Put simply, it is unethical and against CGI’s values.

Individuals and companies can face civil and criminal charges resulting in large fines, imprisonment, and suspension or debarment from government contract processes. Failure to comply puts members, their colleagues, and CGI at risk. This could have a very serious impact on members, and CGI’s business and reputation.

Key principles

3.1 Bribes must not be offered or accepted

CGI prohibits the offering, giving, receiving, or soliciting of any item of value to improperly influence the actions of a person in order to obtain or retain business or an unfair advantage in the conduct of business; or to induce or reward improper conduct. “Items of value” can include:

i. payments of money;

ii. extension of credit or loans;

iii. travel and accommodations expenses;

iv. gifts, meals, and entertainment;

v. political contributions and charitable donations;

vi. free use of company services, facilities or property;

vii. favors that are of value to a recipient (e.g., offering a job to a member of a person's family); or

viii. anything else of value.

Bribery and corruption can take many forms. Red flags can include cash payments or gifts to individuals or family members; inflated commissions; inflated invoices; fake consultancy agreements; unauthorized rebates; political or charitable donations; and excessive payment of travel expenses for inappropriate non-business related travel. In some cases, simply offering an inducement is unlawful, even if not accepted. This Policy is intended to help you understand how to apply this prohibition in our business. It explores the areas identified above in more depth.

3.2 Understanding CGI Policies and Identifying Risks

The first step in compliance is to understand our Code of Ethics, including this Policy, and how it impacts your responsibilities on a day-to-day basis. Knowing what steps to take to prevent risk and to ensure the proper handling of any issues relating to bribery and corruption is essential to compliance.

3.3 Respond

CGI will assess bribery and corruption risks on an ongoing basis within each Strategic Business Unit. CGI will implement mitigation plans and training programs as part of its system of internal controls. CGI will also monitor compliance at the local level to ensure that this Policy is being followed by all members. You should always complete all required training and cooperate with ongoing monitoring.

3.4 Document and Report

All documentation of financial transactions must be accurate and complete. You should always document your transactions in compliance with the Code of Ethics, and report any issues arising under this Policy that you become aware of as required by CGI's Ethics Reporting Policy. Questions under this Policy can be addressed to ethics@cgi.com.

Areas of Focus

CGI has established procedures and guidelines to translate this Policy and our principles into practice. This section outlines the general requirements and procedures for the following risk areas:

A. Gifts

POLICY

Though gifts are recognized as appropriate ways of developing business relationships and promoting the CGI brand, we must ensure that the offering, solicitation and receipt of gifts does not give rise to even an appearance of impropriety. Particular vigilance must be exercised where gifts are extended to Government Officials.

All gifts offered by CGI must:

i. be permitted under local law and the Anti-Corruption Laws and conform to generally accepted local customs;

ii. have a clear business purpose which is directly related to CGI's commercial objectives;

iii. be reasonable in value and not appear lavish or extravagant; and

iv. not be intended to create any obligation on behalf of the recipient or to result in CGI receiving any favour or advantage in return.

Typically, small gifts containing the CGI logo (such as coffee mugs, t-shirts, pens, and the like) offered sporadically to persons at CGI promotional events (such as trade shows) will not violate this Policy as long as they are not excessive.

A chart attached as **Appendix A** to this Policy provides limits on gifts to Government Officials allowed under the laws of various jurisdictions. All Members must adhere to these limits when offering gifts to Government Officials. When dealing with private parties, these limits should also be used as guidelines for determining if the value of a gift is reasonable. You should consult with the CGI Legal Department if you have any questions related to offering any gifts to Government Officials to ensure that they comply with local laws and the Anti-Corruption Laws. You can also direct inquiries to ethics@cgi.com.

FULL TRANSPARENCY REQUIRED

If offering or accepting a gift meets these standards, it must be made or accepted in a fully transparent way. Gifts which are excessive, frequent, or intended to create an obligation on the part of the recipient are strictly prohibited.

HOW WE ENSURE COMPLIANCE

No reimbursement or payment for any gifts offered by a CGI member that otherwise comply with this Policy will be made without adequate approvals in compliance with the Operations Management Framework and supporting documentation / receipts.

RED FLAGS

Examples of common “red flags” that could indicate bribery or corruption include the following:

i. Gifts that would be illegal under local or Anti-Corruption Laws;

ii. Gifts to or from parties engaged in a public tender or competitive bidding process;

iii. Any gift of cash or cash equivalents, or securities;

iv. Any gift where something is expected in return;

v. Any gift that appears excessive based on common sense standards or local custom;

vi. Any gift that is paid for personally.

B. Hospitality, travel, entertainment and meals

POLICY

As with gifts, providing hospitality, travel, entertainment, and meals (collectively, “Hospitality”) to any person may be a violation of the law if they are excessive, unreasonable, or do not have a valid business purpose. The same principle applies to soliciting or receiving Hospitality from existing or potential clients. CGI prohibits payment or reimbursement of expenses for any person to attend site visits or other CGI business events unless the expenses are reasonable, reflect actual costs incurred, directly relate to CGI business, and are permissible under local law and custom. CGI discourages the providing of Hospitality to the family members or guests of clients unless a clear business purpose for the Hospitality can be demonstrated.

HOSPITALITY OFFERED BY OR TO CGI MEMBERS

All Hospitality offered by or to CGI members must meet these requirements:

i. The Hospitality must be permitted under local law and the Anti-Corruption Laws and conform to generally accepted local customs;

ii. The host offering the Hospitality must be present;

iii. The purpose is to hold a genuine business discussion or foster better business relations and do not develop any form of obligation;

iv. The Hospitality is openly offered and not solicited; and

v. The Hospitality is not frequent or excessive, and is reasonable in value, so as to not raise questions of impropriety.

As with gifts, the chart in **Appendix A** identifies permissible limits on Hospitality for Government Officials in specific jurisdictions. All Members must adhere to these guidelines when providing Hospitality to Government Officials. When dealing with private parties, these limits should also be used as guidelines for determining if the value of any Hospitality is reasonable.

FULL TRANSPARENCY REQUIRED

If offering or receiving Hospitality meets these standards, it must be made or accepted in a fully transparent way. Hospitality which is excessive, frequent, or intended to create an obligation on the part of the recipient is strictly prohibited.

HOW WE ENSURE COMPLIANCE

Approval for the payment or reimbursement of bona fide and actual Hospitality expenses for clients, potential clients, and Government Officials must be obtained from the CGI Legal Department prior to offering such a payment or reimbursement. All travel expenses must comply with the CGI Travel Policy. Expenses related to Hospitality offered by CGI must be submitted and approved in accordance with CGI expense reporting guidelines so that the expenses are properly categorized and auditable.

RED FLAGS

Examples of common “red flags” that could indicate bribery or corruption include the following:

i. Hospitality expenses for persons for which there is not a legitimate business purpose;

ii. Hospitality expenses for family members of any person;

iii. Hospitality expenses submitted on behalf of non-CGI members (as opposed to being paid by CGI directly);

iv. Payment for flights and accommodations for potential or existing CGI clients to meet with CGI representatives when the CGI representatives could just as easily have met with the clients at the client’s site;

v. Use of travel agencies not approved by CGI for arranging or paying for Hospitality of Government Officials.

C. Third parties

POLICY

Most Anti-Corruption Laws impose liability on companies which become involved in direct or indirect bribery. This means that CGI may incur liability where a Third Party engaged to represent or provide a service to, or on behalf of, CGI makes an improper payment or otherwise engages in improper conduct in the course of its work for CGI. This exposure may arise notwithstanding that the payment or conduct in question is prohibited by CGI and/or that CGI had no knowledge of this payment. All CGI dealings with Third Parties must be carried out with the highest degree of integrity, visibility, and in compliance with all relevant laws and regulations.

HOW WE ENSURE COMPLIANCE

Professional integrity is a prerequisite for the selection and retention of Third Parties by CGI. Prior to the retention of any Third Party, the CGI member responsible for such retention must ensure that **appropriate due diligence** is conducted on such Third Party and any compliance "red flags" that are identified are properly addressed. In certain circumstances, Third Parties will receive compliance training, and all Third Parties are subject to CGI's monitoring requirements and audit to ensure compliance with Anti-Corruption Laws and this Policy. Contracts with Third Parties must, where appropriate, contain appropriate terms to mitigate corruption risks.

CGI's approach to retaining, training and monitoring Third Parties is "risk-based", which takes into account a number of factors, including the corruption risk in the country in which the Third Party conducts its activities for CGI, the nature of CGI's relationship with the Third Party, the reputation and notoriety of the Third Party and the value and prospects of CGI's relationship with the Third Party. In higher risk situations, enhanced due diligence, training and monitoring, including the Third Party's agreement to comply with **CGI's Third-Party Code of Ethics**, will be required in accordance with procedures and protocols to be issued by the CGI Legal Department.

RED FLAGS

Examples of common "red flags" that could indicate bribery or corruption include the following:

i. Any commissions to third-party representatives or consultants;

ii. Third-party "consulting agreements" that include only vaguely described services;

iii. Family, business, or other "special" ties with government or political officials;

iv. Reputation for violating local law or company policy;

v. Negative press, rumors, allegations or sanctions;

vi. Requests from government officials or clients to engage or hire specific third parties;

vii. Lack of credentials for the nature of the work being performed by the third party;

viii. Request to make payment to an entity located in an off-shore tax haven;

ix. Lack of an office or established place of business, or a shell-company incorporated in an offshore jurisdiction;

x. Requests for payment of non-contracted amounts, or lack of documentation for services performed;

xi. Convoluted or complex payment requests (such as payments to third parties or to accounts in other countries, requests for payments in cash, payments without invoices or complete receipts, or requests for up-front payments);

xii. Refusal to provide reasonable information requested or discovery of information inconsistent with what was previously disclosed;

xiii. Requests for political or charitable contributions or other favors as a way of influencing official action;

xiv. Requests for specific sums of money to “fix” problems or “make them go away.”

D. Facilitation payments

POLICY

“Facilitation Payments” are payments made to secure, facilitate or speed-up routine, non-discretionary government actions (e.g. payments for speeding up customs clearance, loading and unloading cargo or scheduling government inspections or issuing government licenses or port documentation). **CGI regards Facilitation Payments to be a form of corruption and strictly prohibits them**.

HOW WE ENSURE COMPLIANCE

CGI members who are requested to make a facilitation payment should make a report to ethics@cgi.com immediately. In addition, any CGI member that makes a payment that could reasonably be misunderstood as a Facilitation Payment should make a report to ethics@cgi.com and ensure that the payment transaction is completely and accurately documented in CGI’s books and records.

RED FLAGS

Examples of common “red flags” that could indicate bribery or corruption include the following:

i. Payments to obtain permits, licenses, or work orders to which you are already entitled;

ii. Payments to receive police protection or mail pickup/delivery;

iii. Payments to receive phone service or water/power supply;

iv. Payments to schedule inspections or transit of goods across border controls.

E. Anti-money laundering

Money laundering is the process by which one conceals the existence of an illegal source of income and then disguises that income to make it appear legitimate. Use by CGI of proceeds tainted by illegality can give rise to liability in the countries in which CGI operates. CGI members should make a report pursuant to the Ethics Reporting Policy or to ethics@cgi.com if they become aware of suspicious circumstances leading them to believe that any transaction might involve the payment or the receipt of proceeds of any unlawful activity.

RED FLAGS

Examples of common “red flags” that could indicate money laundering include the following:

i. Refusal to disclose the source of funds or the beneficial ownership of funds;

ii. Uncertain qualifications of a participant for a proposed transaction; for example, if the principal business of such participant appears to be unrelated to such transaction;

iii. Cash payments;

iv. Payments to and from tax haven jurisdictions;

v. Complicated payment and transaction structures, including the use of multiple parties in transactions where payments and shipments are made to or from third parties which are not parties to the underlying contract;

vi. Criminal connections of transaction participants.

Training and Monitoring

In furtherance of CGI's commitment to compliance with the law, this Anti-Corruption Policy is communicated to all CGI directors, officers, members and Third Parties, and is available on the CGI enterprise portal.

Responsibility for compliance with this Policy, including the duty to seek guidance when in doubt, rests with the members or relevant Third Parties.

CGI will provide regular training on this Policy. When necessary, specialized training will be provided to members, directors and/or officers with significant compliance responsibilities or in high risk functions.

CGI will audit and monitor compliance with this Policy on an ongoing basis.

Reporting of Suspected Violations

Subject to applicable law, any suspected breaches of this Policy which directly or indirectly affect CGI's business must be reported consistent with CGI's Ethics Reporting Policy. The process in place protects the incident reporter and ensures the confidentiality of the report. There will be no retaliation for making a report.

For more information, please refer to CGI's Ethics Reporting Policy available on our enterprise portal.

Consequences of Misconduct

The consequences of violating applicable Anti-Corruption Laws are potentially very serious for CGI and individual members. CGI will vigorously enforce compliance with this Policy. Violations may result in disciplinary action, including in serious cases, termination of employment. Violations may also result in criminal and civil exposure for CGI and any individuals involved, including imprisonment, fines and damages actions, and can cause significant damage to CGI's reputation in the marketplace. CGI may also face suspension and disbarment from public sector contracts as a result of violations by CGI members.

Third Parties who breach the CGI Third Party Code of Ethics may also be subject to prosecution and severe penalties, including the termination of their contract with CGI.

Questions about this Policy

Questions about the application of this Policy to specific circumstances can be directed to ethics@cgi.com. Questions can also be directed to your local CGI Legal Department or Human Resources representative.

APPENDIX A

Appendix A

Limits on Permissible Gifts and Hospitalities for Government Officials

The following table sets forth guidelines contained in applicable local law for permissible limits on Gifts and Hospitalities being offered or made by CGI members to Government Officials in select jurisdictions where CGI operates its business:

Country	Limit for Gifts	Limits for Hospitality
Australia	AUD 38 (approximately CAD 30)	AUD 125 (approximately CAD 100)
Austria	requires opinion of local counsel, except for items of symbolic value, such as pens, calendars and other items with the Company logo	requires opinion of local counsel
Brazil	BRL 100 (CAD 55)	BRL 100 (approximately CAD 55) recommended
Canada	CAD 24	CAD 47 breakfast; CAD 70 lunch; CAD 95 dinner; CAD 29 refreshments
China	RMB 200 (approximately CAD 29)	RMB 515 (approximately CAD 75)
France	EUR 21 (approximately CAD 30)	EUR 65 (approximately CAD 100)
Germany	items of symbolic value EUR 35 (approximately CAD 50), such as pens, calendars and other items with the Company logo	EUR 65 (approximately CAD 100), opinion of local counsel recommended
India	INR 1,000 (approximately CAD 22)	INR 1,000 (approximately CAD 22) recommended
Ireland	EUR 30 (approximately CAD 42)	EUR 100 (approximately CAD 141)
Japan	requires opinion of local counsel, except gift items distributed widely for commemorative purposes, and commemorative gifts at a buffet party where more than 20 guests are in attendance	requires opinion of local counsel, except refreshments at Company premises, e.g., cup of coffee
Netherlands	EUR 50 (approximately CAD 70), with prior approval of recipient's supervisor	meals not permissible, except as part of a seminar, fair or similar event with prior approval of recipient's supervisor
New Zealand	NZD 30 (approximately CAD 19)	NZD 80 (approximately CAD 52)*
Philippines	gifts, such as Company souvenirs of minor value, *e.g.*, PHP 1,500 (approximately CAD 30)	PHP 1,500 (approximately CAD 30)
Poland	Requires opinion of local counsel, except for small Company souvenirs of minor value, e.g., pen	PLN 240 (approximately CAD 100)
Russia	RUB 500 (approximately CAD 20	RUB 2,500 (approximately CAD 100)
Singapore	requires opinion of local counsel, except for items of symbolic value, such as pens, calendars and other items with the Company logo	requires opinion of local counsel, except for modest working lunch/refreshments at Company premises
South Africa	ZAR 350 (approximately CAD 44)	ZAR 815 (approximately CAD 75)
Spain	EUR 21 (approximately CAD 30)	EUR 65 (approximately CAD 100)
United Kingdom	requires opinion of CGI Legal Department	requires opinion of CGI Legal Department
United States	Requires opinion of CGI Legal Department	requires opinion of CGI Legal Department

Insights you can act on

Founded in 1976, CGI is among the largest IT and business consulting services firms in the world.

We are insights-driven and outcomes-based to help accelerate returns on your investments. Across hundreds of locations worldwide, we provide comprehensive, scalable and sustainable IT and business consulting services that are informed globally and delivered locally.

cgi.com

CGI

Consolidated Financial Statements of

CGI INC.

For the years ended September 30, 2023 and 2022

Management's and Auditors' Reports

MANAGEMENT'S STATEMENT OF RESPONSIBILITY FOR FINANCIAL REPORTING

The management of CGI Inc. (the Company) is responsible for the preparation and integrity of the consolidated financial statements and the Management's Discussion and Analysis (MD&A). The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and necessarily include some amounts that are based on management's best estimates and judgement. Financial and operating data elsewhere in the MD&A are consistent with that contained in the accompanying consolidated financial statements.

To fulfill its responsibility, management has developed, and continues to maintain, systems of internal controls reinforced by the Company's standards of conduct and ethics, as set out in written policies to ensure the reliability of the financial information and to safeguard its assets. The Company's consolidated financial statements and the effectiveness of internal control over financial reporting are subject to audit by an Independent Registered Public Accounting Firm, PricewaterhouseCoopers LLP, whose report follows. PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm appointed by our shareholders upon the recommendation of the Audit and Risk Management Committee of the Board of Directors, has performed an independent audit of the consolidated balance sheets as at September 30, 2023 and 2022 and the related consolidated statements of earnings, comprehensive income, changes in equity and cash flows for the years ended September 30, 2023 and 2022 and the effectiveness of our internal control over financial reporting as at September 30, 2023.

Members of the Audit and Risk Management Committee of the Board of Directors, all of whom are independent of the Company, meet regularly with PricewaterhouseCoopers LLP and with management to discuss internal controls in the financial reporting process, auditing matters and financial reporting issues and formulate the appropriate recommendations to the Board of Directors. PricewaterhouseCoopers LLP has full and unrestricted access to the Audit and Risk Management Committee. The consolidated financial statements and MD&A have been reviewed and approved by the Board of Directors.

George D. Schindler
President and Chief Executive Officer

Steve Perron
Executive Vice-President and Chief Financial Officer

November 7, 2023

Management's and Auditors' Reports

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed, under the supervision of and with the participation of the President and Chief Executive Officer as well as the Executive Vice-President and Chief Financial Officer, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's consolidated financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The Company's internal control over financial reporting includes policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with IFRS as issued by the IASB, and that receipts and expenditures are being made only in accordance with authorizations of management and the directors of the Company; and,
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's consolidated financial statements.

All internal control systems have inherent limitations; therefore, even where internal control over financial reporting is determined to be effective, it can provide only reasonable assurance. Projections of any evaluation of effectiveness to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, under the supervision of and with the participation of the President and Chief Executive Officer as well as the Executive Vice-President and Chief Financial Officer, conducted an assessment of the effectiveness of the Company's internal control over financial reporting based on the criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has determined the Company's internal control over financial reporting as at September 30, 2023 was effective.

The effectiveness of the Company's internal control over financial reporting as of September 30, 2023 has been audited by PricewaterhouseCoopers LLP, an Independent Registered Public Accounting Firm, as stated in their report which appears herein.

George D. Schindler
President and Chief Executive Officer

Steve Perron
Executive Vice-President and Chief Financial Officer

November 7, 2023

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of CGI Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of CGI Inc. and its subsidiaries (together, the Company) as of September 30, 2023 and 2022, and the related consolidated statements of earnings, comprehensive income, changes in equity and cash flows for the years then ended, including the related notes (collectively referred to as the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of September 30, 2023, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of September 30, 2023 and 2022, and its financial performance and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2023, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the US federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (continued)

Basis for Opinions (continued)

Our audit of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the Audit and Risk Management Committee of the Board of Directors and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgements. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (continued)

Critical Audit Matters (continued)

Revenue Recognition - Estimates of total expected labour costs for business and strategic information technology (IT) consulting and systems integration services under fixed-fee arrangements
As described in notes 3 and 29 to the consolidated financial statements, the Company recognizes revenue for business and strategic IT consulting and systems integration services under fixed-fee arrangements using the percentage-of-completion method over time. For the year ended September 30, 2023, revenue from business and strategic IT consulting and systems integration services under fixed-fee arrangements makes up a portion of the Company's total revenues of $14,296,360,000. The selection of the measure of progress towards completion requires management's judgement and is based on the nature of the services to be provided. As disclosed by management, the Company relies on estimates of total expected labour costs, which are compared to labour costs incurred to date, to arrive at an estimate of the progress to completion which determines the percentage of revenue earned to date. Management regularly reviews underlying estimates of total expected labour costs. Management has disclosed that there are many factors that can affect the estimates of total expected labour costs, including, but not limited to, changes in scope of the contracts, delays in reaching milestones, or new complexities in the project's delivery.

The principal considerations for our determination that performing procedures relating to Revenue Recognition – Estimates of total expected labour costs for business and strategic IT consulting and systems integration services under fixed-fee arrangements is a critical audit matter are (i) there was significant judgement by management when developing the estimates of total expected labour costs; and (ii) there was significant auditor judgement and effort in performing procedures to evaluate the estimates of total expected labour costs, including the assessment of management's judgement about the Company's ability to properly assess the factors that can affect the estimates of total expected labour costs.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls over the determination of estimates of total expected labour costs. These procedures also included, among others, evaluating and testing management's process, on a sample basis, for determining the estimates of total expected labour costs determined by management by (i) testing total labour costs incurred to supporting evidence; (ii) performing a comparison of the sum of total labour costs incurred and the total expected labour costs to complete to the originally estimated costs; and (iii) evaluating the process of the timely identification of factors that can affect the total expected labour costs including, but not limited to, changes to the scope of the contracts, delays in reaching milestones or new complexities in the project's delivery.

/s/PricewaterhouseCoopers LLP

Montréal, Canada

November 7, 2023

We have served as the Company's auditor since 2019.

Consolidated Statements of Earnings

For the years ended September 30

(in thousands of Canadian dollars, except per share data)

	Notes	2023	2022
		$	$
Revenue	29	**14,296,360**	12,867,201
Operating expenses			
Costs of services, selling and administrative	23	**11,982,421**	10,776,564
Acquisition-related and integration costs	27d	**53,401**	27,654
Cost optimization program	25	**8,964**	—
Net finance costs	26	**52,463**	92,023
Foreign exchange loss		**1,198**	4,001
		12,098,447	10,900,242
Earnings before income taxes		**2,197,913**	1,966,959
Income tax expense	16	**566,664**	500,817
Net earnings		**1,631,249**	1,466,142
Earnings per share			
Basic earnings per share	21	**6.97**	6.13
Diluted earnings per share	21	**6.86**	6.04

See Notes to the Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income

For the years ended September 30
(in thousands of Canadian dollars)

	2023	2022
	$	$
Net earnings	**1,631,249**	1,466,142
Items that will be reclassified subsequently to net earnings (net of income taxes):		
Net unrealized gains (losses) on translating financial statements of foreign operations	**242,789**	(319,698)
Net losses on cross-currency swaps and on translating long-term debt designated as hedges of net investments in foreign operations	**(53,959)**	(4,541)
Deferred (costs) gains of hedging on cross-currency swaps	**(14,733)**	21,705
Net unrealized (losses) gains on cash flow hedges	**(18,750)**	25,245
Net unrealized gains (losses) on financial assets at fair value through other comprehensive income	**660**	(6,263)
Items that will not be reclassified subsequently to net earnings (net of income taxes):		
Net remeasurement losses on defined benefit plans	**(36,778)**	(8,282)
Other comprehensive income (loss)	**119,229**	(291,834)
Comprehensive income	**1,750,478**	1,174,308

See Notes to the Consolidated Financial Statements.

Consolidated Balance Sheets

As at September 30
(in thousands of Canadian dollars)

	Notes	2023	2022
		$	$
Assets			
Current assets			
Cash and cash equivalents	28e and 32	**1,568,291**	966,458
Accounts receivable	4 and 32	**1,425,117**	1,363,545
Work in progress		**1,143,685**	1,191,844
Current financial assets	32	**103,463**	33,858
Prepaid expenses and other current assets		**198,377**	189,366
Income taxes		**6,067**	5,137
Total current assets before funds held for clients		**4,445,000**	3,750,208
Funds held for clients	5	**488,727**	598,839
Total current assets		**4,933,727**	4,349,047
Property, plant and equipment	6	**389,276**	369,608
Right-of-use assets	7	**482,321**	535,121
Contract costs	8	**308,446**	261,612
Intangible assets	9	**623,103**	615,959
Other long-term assets	10	**84,776**	139,666
Long-term financial assets	11	**147,968**	337,156
Deferred tax assets	16	**105,432**	85,795
Goodwill	12	**8,724,450**	8,481,456
		15,799,499	15,175,420
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**924,659**	1,016,407
Accrued compensation and employee-related liabilities		**1,100,566**	1,130,726
Deferred revenue		**488,761**	453,579
Income taxes		**250,869**	153,984
Current portion of long-term debt	14	**1,158,971**	93,447
Current portion of lease liabilities		**198,857**	157,944
Provisions	13	**24,965**	33,103
Current derivative financial instruments	32	**4,513**	5,710
Total current liabilities before clients' funds obligations		**4,152,161**	3,044,900
Clients' funds obligations		**493,638**	604,431
Total current liabilities		**4,645,799**	3,649,331
Long-term debt	14	**1,941,350**	3,173,587
Long-term lease liabilities		**443,106**	551,257
Long-term provisions	13	**19,198**	17,482
Other long-term liabilities	15	**243,592**	192,108
Long-term derivative financial instruments	32	**1,700**	6,480
Deferred tax liabilities	16	**31,081**	157,406
Retirement benefits obligations	17	**163,379**	155,045
		7,489,205	7,902,696
Equity			
Retained earnings		**6,329,107**	5,425,005
Accumulated other comprehensive income	18	**158,975**	39,746
Capital stock	19	**1,477,180**	1,493,169
Contributed surplus		**345,032**	314,804
		8,310,294	7,272,724
		15,799,499	15,175,420

See Notes to the Consolidated Financial Statements.

Approved by the Board of Directors

George D. Schindler
Director

Serge Godin
Director

Consolidated Statements of Changes in Equity

For the years ended September 30
(in thousands of Canadian dollars)

	Notes	**Retained earnings**	**Accumulated other comprehensive income**	**Capital stock**	**Contributed surplus**	**Total equity**
		$	**$**	**$**	**$**	**$**
Balance as at September 30, 2022		5,425,005	39,746	1,493,169	314,804	7,272,724
Net earnings		1,631,249	—	—	—	1,631,249
Other comprehensive income		—	119,229	—	—	119,229
Comprehensive income		1,631,249	119,229	—	—	1,750,478
Share-based payment costs		—	—	—	58,214	58,214
Income tax impact associated with stock options		—	—	—	14,423	14,423
Exercise of stock options	19	—	—	106,051	(17,735)	88,316
Exercise of performance share units	19	(2,885)	—	13,680	(24,674)	(13,879)
Purchase for cancellation of Class A subordinate voting shares	19	(725,538)	—	(61,368)	—	(786,906)
Unrealized commitment to purchase Class A subordinate voting shares		1,276	—	103	—	1,379
Purchase of Class A subordinate voting shares held in trusts	19	—	—	(74,455)	—	(74,455)
Balance as at September 30, 2023		**6,329,107**	**158,975**	**1,477,180**	**345,032**	**8,310,294**

	Notes	Retained earnings	Accumulated other comprehensive income	Capital stock	Contributed surplus	Total equity
		$	$	$	$	$
Balance as at September 30, 2021		4,732,229	331,580	1,632,705	289,718	6,986,232
Net earnings		1,466,142	—	—	—	1,466,142
Other comprehensive loss		—	(291,834)	—	—	(291,834)
Comprehensive income (loss)		1,466,142	(291,834)	—	—	1,174,308
Share-based payment costs		—	—		48,996	48,996
Income tax impact associated with stock options		—	—	—	460	460
Exercise of stock options	19	—	—	50,236	(8,549)	41,687
Exercise of performance share units	19	—	—	15,821	(15,821)	—
Purchase for cancellation of Class A subordinate voting shares	19	(773,366)	—	(135,290)	—	(908,656)
Purchase of Class A subordinate voting shares held in trusts	19	—	—	(70,303)	—	(70,303)
Balance as at September 30, 2022		5,425,005	39,746	1,493,169	314,804	7,272,724

See Notes to the Consolidated Financial Statements.

Consolidated Statements of Cash Flows

For the years ended September 30
(in thousands of Canadian dollars)

	Notes	2023	2022
		$	$
Operating activities			
Net earnings		**1,631,249**	1,466,142
Adjustments for:			
Amortization, depreciation and impairment	24	**519,648**	474,622
Deferred income tax recovery	16	**(109,496)**	(7,496)
Foreign exchange gain		**(766)**	(254)
Share-based payment costs		**58,214**	48,996
Gain on lease terminations and sale of property, plant and equipment		**(3,065)**	(6,119)
Net change in non-cash working capital items and others	28a	**16,465**	(110,893)
Cash provided by operating activities		**2,112,249**	1,864,998
Investing activities			
Net change in short-term investments		**(81,131)**	(4,881)
Business acquisitions (considering bank overdraft assumed and cash acquired)	27c	**(13,039)**	(571,911)
Loan receivable		**(15,846)**	—
Purchase of property, plant and equipment		**(159,769)**	(156,136)
Proceeds from sale of property, plant and equipment		**—**	3,790
Additions to contract costs		**(102,082)**	(84,283)
Additions to intangible assets		**(147,200)**	(137,621)
Purchase of long-term investments		**(93,275)**	(11,905)
Proceeds from sale of long-term investments		**50,484**	51,000
Cash used in investing activities		**(561,858)**	(911,947)
Financing activities			
Increase of long-term debt	28c	**948**	—
Repayment of long-term debt	28c	**(79,150)**	(401,654)
Payment of lease liabilities	28c	**(161,211)**	(153,996)
Repayment of debt assumed in business acquisitions	28c	**(56,994)**	(113,036)
Settlement of derivative financial instruments	28c and 32	**2,921**	6,258
Withholding taxes remitted on the net settlement of performance share units	19	**(13,879)**	—
Purchase of Class A subordinate voting shares held in trusts	19	**(74,455)**	(70,303)
Purchase and cancellation of Class A subordinate voting shares	19	**(788,020)**	(913,388)
Issuance of Class A subordinate voting shares		**88,316**	41,691
Net change in clients' funds obligations		**(110,852)**	13,330
Cash used in financing activities		**(1,192,376)**	(1,591,098)
Effect of foreign exchange rate changes on cash, cash equivalents and cash included in funds held for clients		**8,884**	(46,500)
Net increase (decrease) in cash, cash equivalents and cash included in funds held for clients		**366,899**	(684,547)
Cash, cash equivalents and cash included in funds held for clients, beginning of year		**1,471,184**	2,155,731
Cash, cash equivalents and cash included in funds held for clients, end of year		**1,838,083**	1,471,184

Cash composition:			
Cash and cash equivalents		**1,568,291**	966,458
Cash included in funds held for clients	5	**269,792**	504,726

Supplementary cash flow information (Note 28).

See Notes to the Consolidated Financial Statements.

1. Description of business

CGI Inc. (the Company), directly or through its subsidiaries, provides managed information technology (IT) and business process services, business and strategic IT consulting and systems integration services, as well as software solutions to help clients effectively realize their strategies and create added value. The Company was incorporated under Part IA of the Companies Act (Québec), predecessor to the Business Corporations Act (Québec) which came into force on February 14, 2011 and its Class A subordinate voting shares are publicly traded. The executive and registered office of the Company is situated at 1350 René-Lévesque Blvd. West, Montréal, Québec, Canada, H3G 1T4.

2. Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The Company's consolidated financial statements for the years ended September 30, 2023 and 2022 were authorized for issue by the Board of Directors on November 7, 2023.

3. Summary of material accounting policies

BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances have been eliminated on consolidation.

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed or has right to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the relevant activities of the entity. Subsidiaries are fully consolidated from the date of acquisition and continue to be consolidated until the date control over the subsidiaries ceases.

BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, which have been measured at fair value as described below.

USE OF JUDGEMENTS AND ESTIMATES

The preparation of the consolidated financial statements requires management to make judgements and estimates that affect the reported amounts of assets, liabilities, equity and the accompanying disclosures at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Because the use of judgements and estimates is inherent in the financial reporting process, actual results could differ.

Significant judgements and estimates about the future and other major sources of estimation uncertainty at the end of the reporting period could have a significant risk of causing a material adjustment to the carrying amounts of the following within the next financial year: revenue recognition, deferred tax assets, estimated losses on revenue-generating contracts, goodwill impairment, right-of-use assets, business combinations, provisions for uncertain tax treatments and litigation and claims.

The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognized in the consolidated financial statements are:

Revenue recognition of multiple deliverable arrangements

Assessing whether the deliverables within an arrangement are separate performance obligations requires judgement by management. A deliverable is identified as a separate performance obligation if the customer benefits from it on its own or together with resources that are readily available to the customer and if it is separately identifiable from the other deliverables in the contract. The Company assesses if the deliverables are separately identifiable in the context of the contract by determining if it is highly interrelated with other deliverables in the contract. If these criteria are not met, the deliverables are accounted for as a combined performance obligation.

3. Summary of material accounting policies (continued)

USE OF JUDGEMENTS AND ESTIMATES (CONTINUED)

Deferred tax assets

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable income will be available against which the losses can be utilized. Management judgement is required concerning uncertainties that exist with respect to the timing of future taxable income required to recognize a deferred tax asset. The Company recognizes an income tax benefit only when it is probable that the tax benefit will be realized in the future. In making this judgement, the Company relies on forecasts and the availability of future tax planning strategies.

A description of estimates is included in the respective sections within the Notes to the Consolidated Financial Statements.

REVENUE RECOGNITION, WORK IN PROGRESS AND DEFERRED REVENUE

The Company generates revenue through the provision of managed IT and business process services, business and strategic IT consulting and systems integration services, as well as software solutions as described in Note 1, Description of business.

The Company provides services and products under arrangements that contain various pricing mechanisms. The Company accounts for a contract or a group of contracts when the following criteria are met: the parties to the contract have approved the contract in which their rights, their obligations and the payment terms have been identified, the contract has commercial substance, and the collectability of the consideration is probable.

A contract modification is a change in the scope or price of an existing revenue-generating customer contract. The Company accounts for a contract modification as a separate contract when the scope of the contract increases because of the addition of promised performance obligations and the price of the contract increases by an amount of consideration that reflects its stand-alone selling prices. When the contract is not accounted for as a separate contract, the Company recognizes an adjustment to revenue on the existing contract on a cumulative catch-up basis as at the date of the contract modification or, if the remaining goods and services are distinct performance obligations, the Company recognizes the remaining consideration prospectively.

Revenue is recognized when or as the Company satisfies a performance obligation by transferring a promise of good or service to the customer and are measured at the amount of consideration the Company expects to be entitled to receive, including variable consideration, such as, discounts, volume rebates, service-level penalties, and incentives. Variable consideration is estimated using either the expected value method or most likely amount method and is included only to the extent it is highly probable that a significant reversal of cumulative revenue recognized will not occur. In making this judgement, management will mostly consider all information available at the time (historical, current and forecasted), the Company’s knowledge of the client or the industry, the type of services to be delivered and the specific contractual terms of each arrangement.

Revenue from sales of third party vendor's products, such as software licenses, hardware or services is recorded on a gross basis when the Company is a principal to the transaction and is recorded net of costs when the Company is acting as an agent between the client and vendor. To determine whether the Company is a principal or an agent, it evaluates whether control is obtained of the goods or services before they are transferred to the client. This is often demonstrated when the Company provides significant integration of the goods and services from a third party vendor into the Company's goods and services delivered to the client. Other factors considered include whether the Company has the primary responsibility for providing the product or service, has inventory risk before the specified good or service has been transferred to a client, or after transfer of control to a client, and has discretion establishing the selling price.

Relative stand-alone selling price

The Company’s arrangements often include a mix of the services and products as described below. If an arrangement involves the provision of multiple performance obligations, the total arrangement value is allocated to each performance obligations based on its relative stand-alone selling price. When estimating the stand-alone selling price of each performance obligations, the Company maximizes the use of observable prices which are established using the Company’s prices for same or similar deliverables. When observable prices are not available, the Company estimates stand-alone selling prices based on its best estimate.

3. Summary of material accounting policies (continued)

REVENUE RECOGNITION, WORK IN PROGRESS AND DEFERRED REVENUE (CONTINUED)

Relative stand-alone selling price (continued)

The best estimate of the stand-alone selling price is the price at which the Company would normally expect to offer the services or products and is established by considering a number of internal and external factors including, but not limited to, geographies, the Company's pricing policies, internal costs and margins. Additionally, in certain circumstances, the Company may apply the residual approach when estimating the stand-alone selling price of software license products, for which the Company has not yet established the price or has not previously sold on a stand-alone basis.

As an incentive, upon client contract signature, the Company may provide discounts. These incentives are considered in the allocation of the relative stand-alone selling price of the performance obligations. The revenue recognized on the discounted performance obligations in excess of their corresponding invoice is accounted for as a discount incentives in accounts receivable.

The appropriate revenue recognition method is applied for each performance obligation as described below.

Managed IT and business process services

Revenue from managed IT and business process services arrangements is generally recognized over time as the services are provided at the contractual billings, which corresponds with the value provided to the client, unless there is a better measure of performance or delivery.

Business and strategic IT consulting and systems integration services

Revenue from business and strategic IT consulting and systems integration services under time and material arrangements is recognized over time as the services are rendered, and revenue under cost-based arrangements is recognized over time as reimbursable costs are incurred. Contractual billings of such arrangements correspond with the value provided to the client, and therefore revenues are generally recognized when amounts become billable.

Revenue from business and strategic IT consulting and systems integration services under fixed-fee arrangements is recognized using the percentage-of-completion method over time, as the Company has no alternative use for the asset created and has an enforceable right to payment for performance completed to date. The Company primarily uses labour costs to measure the progress towards completion. This method relies on estimates of total expected labour costs, which are compared to labour costs incurred to date, to arrive at an estimate of the progress to completion which determines the percentage of revenue earned to date. Factors considered in the estimates include: changes in scope of the contracts, delays in reaching milestones, complexities in project delivery, availability and retention of qualified IT professionals and/or the ability of the subcontractors to perform their obligation within agreed upon budget and timeframes. Management regularly reviews underlying estimates of total expected labour costs.

Software licenses and Software-as-a-Service (SaaS)

CGI offers its intellectual property (IP) solutions as well as third party solutions in the form of software license arrangements. Most of these arrangements include other services such as implementation, customization and maintenance. For these types of arrangements, revenue from a software license, when identified as a performance obligation, is recognized at a point in time upon delivery. Otherwise when the software is significantly customized, integrated or modified, it is combined with the implementation and customization services and is accounted for as described in the business and strategic IT consulting and systems integration services section above. Revenue from maintenance services for software licenses sold is recognized straight-line over the term of the maintenance period.

CGI also provides its IP solutions in the form of SaaS where the customer cannot terminate the hosting contract and take possession of the software without significant penalty. SaaS are part of the managed IT and business process services offering where revenue is generally recognized over time as the services are provided. Transition activities to bring clients to the SaaS platforms, including hosting set-up and customization, that are not considered distinct performance obligations are capitalized as transition costs and amortized over the service period.

3. Summary of material accounting policies (continued)

REVENUE RECOGNITION, WORK IN PROGRESS AND DEFERRED REVENUE (CONTINUED)

Work in progress and deferred revenue

Amounts recognized as revenue in excess of billings are classified as work in progress. Amounts received in advance of the performance of services or delivery of products are classified as deferred revenue. Work in progress and deferred revenue are presented net on a contract by-contract basis. During the year ended September 30, 2023, the revenues recognized from the short-term deferred revenue was not significantly different than what was presented as at September 30, 2022.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of unrestricted cash and short-term investments having a maturity of three months or less from the date of purchase.

SHORT-TERM INVESTMENTS

Short-term investments, comprise generally of term deposits, have remaining maturities over three months, but not more than one year, at the date of purchase.

FUNDS HELD FOR CLIENTS AND CLIENTS' FUNDS OBLIGATIONS

In connection with the Company's payroll, tax filing and claims services, the Company collects funds for payment of payroll, taxes and claims, temporarily holds such funds until payment is due, remits the funds to the clients' employees, appropriate tax authorities or claims holders, files tax returns and handles related regulatory correspondence and amendments. The funds held for clients include cash, short-term investments and long-term bonds. The Company presents the funds held for clients and related obligations separately. Funds held for clients are classified as current assets since, based upon management's expectations, these funds are held solely for the purpose of satisfying the clients' funds obligations, which will be repaid within one year of the consolidated balance sheet date. The market fluctuations affect the fair value of the long-term bonds. Due to those fluctuations, funds held for clients might not equal to the clients' funds obligations.

Interest income earned and realized gains and losses on the disposal of short-term investments and long-term bonds are recorded in revenue in the period that the income is earned, as the collecting, holding and remitting of these funds are critical components of providing these services.

PROPERTY, PLANT AND EQUIPMENT (PP&E)

PP&E are recorded at cost and are depreciated over their estimated useful lives using the straight-line method.

Buildings	10 to 40 years
Leasehold improvements	Lesser of the useful life or lease term
Furniture, fixtures and equipment	3 to 20 years
Computer equipment	3 to 5 years

LEASES

When the Company enters into contractual agreements with suppliers, an assessment is performed to determine if the contract contains a lease. The Company identified lease agreements under the following categories: Properties, Motor vehicles and others as well as Computer equipment.

The Company identifies a lease if it conveys the right to control the use of an identified asset for a specific period in exchange for a determined consideration. At inception, a right-of-use asset for the underlying asset and corresponding lease liability are presented in the consolidated balance sheet measured on a present value basis except for short-term leases (expected term of 12 months or less) and leases with low value underlying asset for which payments are recorded as an expense on a straight-line basis over the lease term.

The right-of-use assets are measured at initial lease liabilities adjusted by lease payments made before the commencement date, indirect costs and cash incentives received. The right-of-use assets are depreciated on a straight-line basis over the expected lease term of the underlying asset.

3. Summary of material accounting policies (continued)

LEASES (CONTINUED)

Lease liabilities are measured at present value of non-cancellable payments of the expected lease term, which are mostly made of fixed payments of rent; variable payments that are based on an index or a rate; amounts expected to be payable as residual value guarantees and extension or termination option if reasonably certain to be exercised. Non-lease components, mostly made of fixed maintenance fees and property tax are excluded from the lease liabilities. Payments are recorded as an expense over the lease term as part of property costs.

The Company estimates the lease term in order to calculate the value of the lease liability at the initial date of the lease. Management uses judgement to determine the appropriate lease term based on the conditions of each lease. The Company considers all facts that create incentive to exercise an extension option or not to take a termination option including leasehold improvements, significant modification of the underlying asset or a business decision. The extension or termination options are only included in the lease term if it is reasonably certain of being exercised.

Discount rate used in the present value calculation is the incremental borrowing rate unless the implicit interest rate in the lease can be readily determined. The Company estimates the incremental borrowing rate for each lease or portfolio of leased assets, as most of the implicit interest rates in the leases are not readily determinable. To calculate the incremental borrowing rate, the Company considers its creditworthiness, the term of the arrangement, any collateral received and the economic environment at the lease date.

The lease liabilities are subsequently adjusted by interest which is recorded as part of net finance costs as well as from lease payments made.

Futhermore, lease liabilities are remeasured (along with the corresponding adjustment to the right-of-use asset), whenever the following situations occur:

- a modification in the lease term or a change in the assessment of an option to purchase or terminate the lease, for which the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; and
- a modification in the residual guarantees or in future lease payments due to a change of an index or rate tied to the payments, for which the lease liability is remeasured by discounting the revised lease payments using the initial discount rate determined when setting up the liability.

In addition, upon partial or full termination of a lease, the difference between the carrying amounts of the lease liability and the right-of-use asset is recorded in the consolidated statements of earnings.

CONTRACT COSTS

Contract costs are comprised primarily of transition costs incurred to implement long-term managed IT and business process services contracts, including SaaS, as well as incentives.

Transition costs

Transition costs consist mostly of costs associated with the installation of systems and processes, conversion of the client's applications to the Company's platforms incurred after the award of managed IT and business process services contracts, including SaaS. Transition costs are comprised essentially of labour costs consisting of employee compensation and related fringe benefits. Labour costs also include subcontractor costs.

Incentives

Occasionally, incentives are granted to clients upon the signing of managed IT and business process services contracts. These incentives are granted in the form of cash payments.

Amortization of contract costs

Contract costs are amortized using the straight-line method over the period services are provided. Amortization of transition costs is included in costs of services, selling and administrative and amortization of incentives is recorded as a reduction of revenue.

3. Summary of material accounting policies (continued)

CONTRACT COSTS (CONTINUED)

Impairment of contract costs

When a contract is not expected to be profitable, the estimated loss is first applied to impair the related capitalized contract costs. The excess of the expected loss over the capitalized contract costs is recorded as onerous revenue-generating contracts in provisions. If at a future date the contract returns to profitability, the estimated losses on revenue-generating contracts must be reversed first, and if there is still additional projected profitability then any capitalized contract costs that were impaired must be reversed. The reversal of the impairment loss is limited so that the carrying amount does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the contract costs in prior years.

INTANGIBLE ASSETS

Intangible assets consist of software, business solutions and client relationships. Software and business solutions are recorded at cost. Software internally developed is capitalized when it meets specific capitalization criteria related to technical and financial feasibility and when the Company demonstrates its ability and intention to use it. Business solutions developed internally and marketed are capitalized when they meet specific capitalization criteria related to technical, market and financial feasibility. Software, business solutions and client relationships acquired through business combinations are initially recorded at their fair value based on the present value of expected future cash flows, which involves estimates, such as the forecasting of future cash flows and discount rates.

Amortization of intangible assets

The Company amortizes its intangible assets using the straight-line method over their estimated useful lives.

Software	1 to 8 years
Business solutions	3 to 10 years
Client relationships	5 to 7 years

IMPAIRMENT OF PP&E, RIGHT-OF-USE ASSETS, INTANGIBLE ASSETS AND GOODWILL

Timing of impairment testing

The carrying values of PP&E, right-of-use assets, intangible assets and goodwill are reviewed for impairment when events or changes in circumstances indicate that the carrying value may be impaired. The Company assesses at each reporting date whether any such events or changes in circumstances exist. The carrying values of intangible assets not available for use are tested for impairment annually as at September 30. Goodwill is also tested for impairment annually during the fourth quarter of each fiscal year.

Impairment testing

If any indication of impairment exists or when annual impairment testing for an asset is required, the Company estimates the recoverable amount of the asset or cash-generating unit (CGU) to which the asset relates to determine the extent of any impairment loss. The recoverable amount is the higher of an asset’s or CGU’s fair value less costs of disposal and its value in use (VIU) to the Company. The Company mainly uses the VIU. In assessing the VIU, estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If the recoverable amount of an asset or a CGU is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statements of earnings.

3. Summary of material accounting policies (continued)

IMPAIRMENT OF PP&E, RIGHT-OF-USE ASSETS, INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

Impairment testing (continued)

Goodwill acquired through business combinations is allocated to the CGU or group of CGUs that are expected to benefit from acquired work force and synergies of the related business combination. The group of CGUs that benefit from the acquired work force and synergies correspond to the Company's operating segments. For goodwill impairment testing purposes, the group of CGUs that represents the lowest level within the Company at which management monitors goodwill is the operating segment level.

The recoverable amount of each operating segment has been determined based on the VIU calculation which includes estimates about their future financial performance based on cash flows approved by management covering a period of five years. Key assumptions used in the VIU calculations are the pre-tax discount rate applied and the long-term growth rate of net operating cash flows. In determining these assumptions, management has taken into consideration the current economic environment and its resulting impact on expected growth and discount rates. The cash flow projections reflect management's expectations of the operating segment's operating performance and growth prospects in the operating segment's market. The pre-tax discount rate applied to an operating segment is derived from the weighted average cost of capital (WACC). Management considers factors such as country risk premium, risk-free rate, size premium and cost of debt to derive the WACC. Impairment losses relating to goodwill cannot be reversed in future periods.

For impaired assets, other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the recoverable amount of the asset. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the recoverable amount of the asset since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements of earnings.

LONG-TERM FINANCIAL ASSETS

Long-term financial assets are comprised mainly of long-term investments bonds which are presented as long-term based on management's intentions.

BUSINESS COMBINATIONS

The Company accounts for its business combinations using the acquisition method. Under this method, the consideration transferred is measured at fair value. Acquisition-related and integration costs associated with the business combination are expensed as incurred or when a present legal or constructive obligation exists. The Company recognizes goodwill as the excess of the cost of the acquisition over the net identifiable tangible and intangible assets acquired and liabilities assumed at their acquisition-date fair values. The goodwill recognized is composed of the future economic value associated to acquired work force and synergies with the Company's operations which are primarily due to reduction of costs and new business opportunities. Management makes assumptions when determining the acquisition-date fair values of the identifiable tangible and intangible assets acquired and liabilities assumed which involve estimates, such as the forecasting of future cash flows, discount rates and the useful lives of the assets acquired. Subsequent changes in fair values are recorded as part of the purchase price allocation and therefore result in corresponding goodwill adjustments if they qualify as measurement period adjustments. The measurement period is the period between the date of acquisition and the date where all significant information necessary to determine the fair values is available, not to exceed 12 months. All other subsequent changes in judgements and estimates are recognized in the consolidated statements of earnings.

3. Summary of material accounting policies (continued)

EARNINGS PER SHARE

Basic earnings per share is based on the weighted average number of shares outstanding during the period. Diluted earnings per share is determined using the treasury stock method to evaluate the dilutive effect of stock options and performance share units (PSUs).

RESEARCH AND SOFTWARE DEVELOPMENT COSTS

Research costs are charged to earnings in the period in which they are incurred, net of related tax credits. Development costs related to software and business solutions are charged to earnings in the year they are incurred, net of related tax credits, unless they meet specific capitalization criteria related to technical, market and financial feasibility as described in the Intangible assets section above.

TAX CREDITS

The Company follows the income approach to account for research and development (R&D) and other tax credits, whereby tax credits are recorded when there is a reasonable assurance that the assistance will be received and that the Company will comply with all relevant conditions. Under this method, tax credits related to operating expenditures are recorded as a reduction of the related expenses and recognized in the period in which the related expenditures are charged to earnings. Tax credits related to capital expenditures are recorded as a reduction of the cost of the related assets. The tax credits recorded are based on management's best estimates of amounts expected to be received and are subject to audit by the taxation authorities.

INCOME TAXES

Income taxes are accounted for using the liability method of accounting.

Current income taxes are recognized with respect to the amounts expected to be paid or recovered under the tax rates and laws that have been enacted or substantively enacted at the balance sheets date.

Deferred tax assets and liabilities are determined based on deductible or taxable temporary differences between the amounts reported for consolidated financial statement purposes and tax values of the assets and liabilities using enacted or substantively enacted tax rates that will be in effect for the year in which the differences are expected to be recovered or settled. Deferred tax assets and liabilities are recognized in earnings, in other comprehensive income or in equity based on the classification of the item to which they relate.

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Once this assessment is made, the Company considers the analysis of forecasts and future tax planning strategies. Estimates of taxable profit are made based on the forecast by jurisdiction on an undiscounted basis. In addition, management considers factors such as substantively enacted tax rates, the history of the taxable profits and availability of tax strategies.

The Company is subject to income tax laws in numerous jurisdictions. Judgement is required in determining the worldwide provision for income taxes as the determination of tax liabilities and assets involves uncertainties in the interpretation of complex tax regulations and requires estimates and assumptions considering the existing facts and circumstances. The Company provides for potential tax liabilities based on the most likely amount of the possible outcomes. Estimates are reviewed each reporting period and updated, based on new information available, and could result in changes to the income tax liabilities and deferred tax liabilities in the period in which such determinations are made.

3. Summary of material accounting policies (continued)

PROVISIONS

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The Company's provisions consist of liabilities for litigation and claims provisions arising in the ordinary course of business, decommissioning liabilities for leases of office buildings, onerous revenue-generating contracts and onerous supplier contracts. The Company also records severance provisions related to specific initiatives such as cost optimization programs and the integration of its business acquisitions.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are discounted using a current pre-tax rate when the impact of the time value of money is material. The increase in the provisions due to the passage of time is recognized as finance costs.

The accrued litigation and legal claims provisions are based on historical experience, current trends and other assumptions that are believed to be reasonable under the circumstances. Estimates include the period in which the underlying cause of the claim occurred and the degree of probability of an unfavourable outcome.

Decommissioning liabilities pertain to leases of buildings where certain arrangements require premises to be returned to their original state at the end of the lease term. The provision is determined using the present value of the estimated future cash outflows.

Provisions for onerous revenue-generating contracts are recorded when remaining unavoidable costs of fulfilling the contract exceed the remaining estimated revenue from the contract. Management regularly reviews arrangement profitability and the underlying estimates.

Provisions for onerous supplier contracts are recorded when the unavoidable net cash flows from honoring the contract are negative. The provision represents the lowest of the costs to fulfill the contract and the penalties to exit the contract. Those are generally related to non-lease components of vacated leased premises that can be incurred under specific initiatives.

Severance provisions are recognized when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, appropriate timelines and has been communicated to those affected by it.

TRANSLATION OF FOREIGN CURRENCIES

The Company's consolidated financial statements are presented in Canadian dollars, which is also the parent company's functional currency. Each entity in the Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Functional currency is the currency of the primary economic environment in which the entity operates.

Foreign currency transactions and balances

Revenue, expenses and non-monetary assets and liabilities denominated in foreign currencies are recorded at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing at the balance sheets date. Unrealized and realized translation gains and losses are reflected in the consolidated statements of earnings.

Foreign operations

For foreign operations that have functional currencies different from the Company, assets and liabilities denominated in a foreign currency are translated at exchange rates in effect at the balance sheets date. Revenue and expenses are translated at average exchange rates prevailing during the period. Resulting unrealized gains or losses on translating financial statements of foreign operations are reported in other comprehensive income.

For foreign operations with the same functional currency as the Company, monetary assets and liabilities are translated at the exchange rates in effect at the balance sheets date and non-monetary assets and liabilities are translated at historical exchange rates. Revenue and expenses are translated at average exchange rates during the period. Translation exchange gains or losses of such operations are reflected in the consolidated statements of earnings.

3. Summary of material accounting policies (continued)

SHARE-BASED PAYMENTS

Equity-settled plans

The Company operates PSU and equity-settled stock option plans under which the Company receives services from employees, officers and directors as consideration for equity instruments.

The fair value of those share-based payments is established on the closing price of Class A subordinate voting shares of the Company on the Toronto Stock Exchange (TSX) for the PSUs and the grant date using the Black-Scholes option pricing model for the stock options. The number of PSUs and stock options expected to vest are estimated on the grant date and subsequently revised on each reporting date. For stock options, the estimation of fair value requires making assumptions for the most appropriate inputs to the valuation model including the expected life of the option and expected stock price volatility. The fair value of share-based payments, adjusted for expectations related to performance conditions and forfeitures, are recognized as share-based payment costs over the vesting period in earnings with a corresponding credit to contributed surplus on a graded-vesting basis if they vest annually or on a straight-line basis if they vest at the end of the vesting period.

When PSUs are exercised, the recorded fair value of PSUs is removed from contributed surplus and credited to capital stock. When stock options are exercised, any consideration paid is credited to capital stock and the recorded fair value of the stock options is removed from contributed surplus and credited to capital stock.

Share purchase plan

The Company operates a share purchase plan for eligible employees. Under this plan, the Company matches the contributions made by employees up to a maximum percentage of the employee's salary. The Company's contributions to the plan are recognized in salaries and other employee costs within costs of services, selling and administrative.

Cash-settled deferred share units

The Company operates a deferred share unit (DSU) plan to compensate the external members of the Board of Directors. The expense is recognized within costs of services, selling and administrative for each DSU granted equal to the closing price of Class A subordinate voting shares of the Company on the TSX at the date on which DSUs are awarded and a corresponding liability is recorded in accrued compensation and employee-related liabilities. After the grant date, the DSU liability is remeasured for subsequent changes in the fair value of the Company's shares.

FINANCIAL INSTRUMENTS

All financial instruments are initially measured at their fair value and are subsequently classified either at amortized cost, at fair value through earnings (FVTE) or at fair value through other comprehensive income (FVOCI). Financial assets are classified based on the Company’s management model of such instruments and their contractual cash flows they generate. Financial liabilities are classified and measured at amortized cost, unless they are held for trading and classified as FVTE.

The Company has made the following classifications:

FVTE

Cash and cash equivalents, cash included in funds held for clients, derivative financial instruments and deferred compensation plan assets within long-term financial assets are measured at fair value at the end of each reporting period and the resulting gains or losses are recorded in the consolidated statements of earnings.

Amortized Cost

Trade accounts receivable, long-term receivables within long-term financial assets, short-term investments in funds held for clients, accounts payable and accrued liabilities, accrued compensation and employee-related liabilities, long-term debt and clients’ funds obligations are measured at amortized cost using the effective interest method. Financial assets classified at amortized cost are subject to impairment. For trade accounts receivable and work in progress, the Company applies the simplified approach to measure expected credit losses, which requires lifetime expected loss allowance to be recorded upon initial recognition of the financial assets.

3. Summary of material accounting policies (continued)

FINANCIAL INSTRUMENTS (CONTINUED)

FVOCI

Short-term investments included in current financial assets, long-term bonds included in funds held for clients and long-term investments within long-term financial assets are measured at fair value through other comprehensive income and are subject to impairment for which the Company uses the low credit risk exemption.

The unrealized gains and losses, net of applicable income taxes, are recorded in other comprehensive income. Interest income measured using the effective interest method and realized gains and losses on derecognition are recorded in the consolidated statements of earnings.

Transaction costs are comprised primarily of legal, accounting and other costs directly attributable to the acquisition or issuance of financial instruments. Transaction costs related to financial instruments other than FVTE are included in the initial recognition of the corresponding asset or liability and are amortized using effective interest method. Transaction costs related to the unsecured committed revolving credit facility are included in other long-term assets and are amortized using the straight-line method over the expected life of the underlying agreement.

Financial assets are derecognized if the contractual rights to the cash flows from the financial asset expire or the asset is transferred and the transfer qualifies for derecognition as substantially all the risks and rewards of ownership of the financial asset have been transferred.

Fair value hierarchy

Fair value measurements recognized on the balance sheets are classified in accordance with the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1, but that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs for the asset or liability that are not based on observable market data.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING TRANSACTIONS

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency exchange risks.

Derivative financial instruments are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting date. The resulting gain or loss is recognized in the consolidated statements of earnings, unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the consolidated statements of earnings depends on the nature of the hedge relationship. The cash flows of the hedging instruments are classified in the same manner as the cash flows of the item being hedged.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management's objective and strategy for undertaking the hedge. The documentation includes the identification of the nature of the risk being hedged, the economic relationship between the hedged item and the hedging instruments which should not be dominated by credit risk, the hedge ratio consistent with the risk management strategy pursued and how the Company will assess the effectiveness of the hedging relationship on an ongoing basis.

Management evaluates hedge effectiveness at inception of the hedge instrument and quarterly thereafter generally based on a managed hedge ratio of 1 for 1. Hedge effectiveness is measured prospectively as the extent to which changes in the fair value or cash flows of the derivative offsets the changes in the fair value or cash flows of the underlying hedged instrument or risk when there is a significant mismatch between the terms of the hedging instrument and the hedged item. Any meaningful imbalance is considered ineffectiveness in the hedge and accounted for accordingly in the consolidated statements of earnings.

3. Summary of material accounting policies (continued)

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING TRANSACTIONS (CONTINUED)

Hedges of net investments in foreign operations

The Company uses cross-currency swaps and foreign currency denominated long-term debt to hedge portions of the Company's net investments in its U.S. and European operations. Foreign exchange translation gains or losses on the net investments and the effective portions of gains or losses on instruments hedging the net investments are recorded in other comprehensive income. Gains or losses relating to the ineffective portion are recognized in consolidated statements of earnings. When the hedged net investment is disposed of, the relevant amount in other comprehensive income is transferred to earnings as part of the gain or loss on disposal.

Cash flow hedges of future revenue and long-term debt

The majority of the Company's revenue and costs are denominated in a currency other than the Canadian dollar. The risk of foreign exchange fluctuations impacting the results is substantially mitigated by matching the Company's costs with revenue denominated in the same currency. In certain cases where there is a substantial imbalance for a specific currency, the Company enters into foreign currency forward contracts to hedge the variability in the foreign currency exchange rates.

The Company also uses interest rate and cross-currency swaps to hedge either the cash flow exposure or the foreign exchange exposure of the long-term debt.

The effective portion of the change in fair value of the derivative financial instruments is recognized in other comprehensive income and the ineffective portion, if any, in the consolidated statements of earnings. The effective portion of the change in fair value of the derivatives is reclassified out of other comprehensive income into the consolidated statements of earnings when the hedged item is recognized in the consolidated statements of earnings.

Cost of hedging

The Company has elected to account for forward element and foreign currency basis spread of forward contracts and cross-currency swaps as costs of hedging. In such cases, the deferred costs (gains) of hedging, net of applicable income taxes, are recognized as a separate component of the accumulated other comprehensive income and reclassified in the consolidated statements of earnings when the hedged item is derecognized.

EMPLOYEE BENEFITS

The Company operates both defined benefit and defined contribution post-employment benefit plans.

The cost of defined contribution plans is charged to the consolidated statements of earnings on the basis of contributions payable by the Company during the year.

For defined benefit plans, the defined benefit obligations are calculated by independent actuaries using the projected unit credit method. The retirement benefits obligations in the consolidated balance sheets represent the present value of the defined benefit obligations as reduced by the fair value of plan assets. The retirement benefits assets are recognized to the extent that the Company can benefit from refunds or a reduction in future contributions. Retirement benefits plans that are funded by the payment of insurance premiums are treated as defined contribution plans unless the Company has an obligation either to pay the benefits directly when they fall due or to pay further amounts if assets accumulated with the insurer do not cover all future employee benefits. In such circumstances, the plan is treated as a defined benefit plan.

Insurance policies are treated as plan assets of a defined benefit plan if the proceeds of the policy:

- Can only be used to fund employee benefits;
- Are not available to the Company's creditors; and
- Either cannot be paid to the Company unless the proceeds represent surplus assets not needed to meet all the benefit obligations or are a reimbursement for benefits already paid by the Company.

Insurance policies that do not meet the above criteria are treated as non-current investments and are held at fair value as long-term financial assets in the consolidated balance sheets.

3. Summary of material accounting policies (continued)

EMPLOYEE BENEFITS (CONTINUED)

The actuarial valuations used to determine the cost of defined benefit pension plans and their present value involve making assumptions such as discount rates, future salary and pension increases, inflation rates and mortality. Any changes in assumptions will impact the carrying amount of pension obligations. In determining the appropriate discount rate, management considers the interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

The current service cost is recognized in the consolidated statements of earnings under costs of services, selling and administrative. The net interest cost calculated by applying the discount rate to the net defined benefit liabilities or assets is recognized as net finance cost or income. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past services or the gains or losses on curtailment is recognized immediately in the consolidated statements of earnings. The gains or losses on the settlement of a defined benefit plan are recognized when the settlement occurs.

Remeasurements on defined benefit plans include actuarial gains and losses, changes in the effect of the asset ceiling and the return on plan assets, excluding the amount included in net interest on the net defined liabilities or assets. Remeasurements are charged or credited to other comprehensive income in the period in which they arise.

ADOPTION OF ACCOUNTING STANDARD

The following standard amendments have been adopted by the Company on October 1, 2022:

Onerous contracts – Cost of Fulfilling a Contract - Amendments to IAS 37

In May 2020, the IASB amended IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The standard amendments clarify that for assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental cost of fulfilling that contract and an allocation of other costs that relates directly to fulfilling the contract.

The implementation of these standard amendments resulted in no significant impact on the Company's consolidated financial statements.

The following standard amendments have been adopted by the Company on May 23, 2023:

International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

On May 23, 2023, the IASB issued standard amendments to IAS 12 *Income Taxes*, to address the Pillar Two model rules for domestic implementation of a 15% global minimum tax. The standard amendments introduce a temporary recognition exception in relation to accounting and disclosure for deferred taxes, which was immediately applied, arising from the implementation of the international tax reform. Remaining target disclosure requirements for affected entities such as current tax expense (income) related to Pillar Two income taxes, as well as, qualitative and quantitative information about an entity's exposure to Pillar Two income taxes will only be effective as for the interim reporting period ending March 31, 2024.

At September 30, 2023, the application of the new standard amendments had no impact on the Company's consolidated financial statements.

The following standard amendments have been early adopted and applied retrospectively by the Company for the year ended September 30, 2023:

Disclosure of Accounting Policy Information – Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB amended IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements* to require the Company to disclose its material accounting policies rather than its significant accounting policies.

The implementation of these standard amendments resulted in no significant impact on the Company's consolidated financial statements.

3. Summary of material accounting policies (continued)

FUTURE ACCOUNTING STANDARD CHANGES

The following standard amendments are effective as of October 1, 2023:

Definition of Accounting Estimates – Amendments to IAS 8

In February 2021, the IASB amended IAS 8 *Accounting Policies, Changes in Accounting estimates and Errors* to introduce a definition of accounting estimates and to help entities distinguish changes in accounting policies from changes in accounting estimates. This distinction is important because changes in accounting policies must be applied retrospectively while changes in accounting estimates are accounted for prospectively.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

In May 2021, the IASB amended IAS 12 *Income Taxes*, to narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The implementation of these standard amendments will result in no impact on the Company's consolidated financial statements.

The following standard amendments have been issued and will be effective as of October 1, 2024 for the Company, with earlier application permitted. The Company is currently evaluating the impact of these standard amendments on its consolidated financial statements.

Classification of Liabilities as Current or Non-current and Information about long-term debt with covenants – Amendments to IAS 1

In January 2020, the IASB amended IAS 1 *Presentation of Financial Statements*, clarifying that the classification of liabilities as current or non-current is based on existing rights at the end of the reporting period, independent of whether the Company will exercise its right to defer settlement of a liability. Subsequently, in October 2022, the IASB introduced additional amendments to IAS 1, emphasizing that covenants for long-term debt, regardless whether the covenants were compliant after the reporting date, should not affect debt classification; instead, companies are required to disclose information about these covenants in the notes accompanying their financial statements.

Supplier finance arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB amended IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* to introduce new disclosure requirements to enhance the transparency on supplier finance arrangements and their impact on the Company’s liabilities, cash flows and liquidity exposure. The new disclosure requirements will include information such as terms and conditions, the carrying amount of liabilities, the range of payment due dates, non-cash changes and liquidity risk information around supplier finance arrangements.

(tabular amounts only are in thousands of Canadian dollars, except per share data)

4. Accounts receivable

	As at September 30, 2023	As at September 30, 2022
	$	$
Trade (Note 32)	**1,152,880**	1,106,187
R&D and other tax credits[1]	**157,668**	163,608
Discount incentives	**57,714**	47,906
Other	**56,855**	45,844
	1,425,117	1,363,545

[1] R&D and other tax credits were related to government programs mainly in Canada, the United States, and France.

5. Funds held for clients

	As at September 30, 2023	As at September 30, 2022
	$	$
Cash (Note 32)	**269,792**	504,726
Short-term investments	**80,000**	—
Long-term bonds (Note 32)	**138,935**	94,113
	488,727	598,839

(tabular amounts only are in thousands of Canadian dollars, except per share data)

6. Property, plant and equipment

	Land and buildings	**Leasehold improvements**	**Furniture, fixtures and equipment**	**Computer equipment**	**Total**
	$	**$**	**$**	**$**	**$**
Cost					
As at September 30, 2022	77,371	262,972	152,083	598,725	1,091,151
Additions	1,933	29,301	16,145	111,011	158,390
Disposals/retirements	(167)	(39,269)	(20,477)	(100,769)	(160,682)
Foreign currency translation adjustment	2,244	3,800	1,520	11,404	18,968
As at September 30, 2023	**81,381**	**256,804**	**149,271**	**620,371**	**1,107,827**
Accumulated depreciation					
As at September 30, 2022	23,467	170,647	101,302	426,127	721,543
Depreciation expense (Note 24)	3,234	28,697	12,675	98,759	143,365
Impairment (Note 24)	—	2,163	423	—	2,586
Disposals/retirements	(167)	(39,269)	(20,477)	(100,769)	(160,682)
Foreign currency translation adjustment	445	3,022	787	7,485	11,739
As at September 30, 2023	**26,979**	**165,260**	**94,710**	**431,602**	**718,551**
Net carrying amount as at September 30, 2023	**54,402**	**91,544**	**54,561**	**188,769**	**389,276**

	Land and buildings	Leasehold improvements	Furniture, fixtures and equipment	Computer equipment	Total
	$	$	$	$	$
Cost					
As at September 30, 2021	78,907	244,824	150,617	592,892	1,067,240
Additions	5,202	24,040	9,344	117,196	155,782
Additions - business acquisitions (Note 27c)	—	4,776	984	2,404	8,164
Disposals/retirements	(4,116)	(6,997)	(6,466)	(88,261)	(105,840)
Foreign currency translation adjustment	(2,622)	(3,671)	(2,396)	(25,506)	(34,195)
As at September 30, 2022	77,371	262,972	152,083	598,725	1,091,151
Accumulated depreciation					
As at September 30, 2021	21,961	156,012	97,693	439,482	715,148
Depreciation expense (Note 24)	2,888	24,127	11,815	94,821	133,651
Impairment (Note 24)	—	858	—	—	858
Disposals/retirements	(893)	(6,958)	(6,424)	(88,261)	(102,536)
Foreign currency translation adjustment	(489)	(3,392)	(1,782)	(19,915)	(25,578)
As at September 30, 2022	23,467	170,647	101,302	426,127	721,543
Net carrying amount as at September 30, 2022	53,904	92,325	50,781	172,598	369,608

(tabular amounts only are in thousands of Canadian dollars, except per share data)

7. Right-of-use assets

	Properties	Motor vehicles and others	Computer equipment	Total
	$	$	$	$
Cost				
As at September 30, 2022	1,049,445	180,164	40,689	1,270,298
Additions	32,772	48,883	1,030	82,685
Change in estimates and lease modifications	13,940	—	—	13,940
Disposals/retirements	(101,670)	(36,792)	(3,121)	(141,583)
Foreign currency translation adjustment	28,423	7,246	345	36,014
As at September 30, 2023	**1,022,910**	**199,501**	**38,943**	**1,261,354**
Accumulated depreciation				
As at September 30, 2022	610,007	88,923	36,247	735,177
Depreciation expense (Note 24)	103,249	36,988	2,793	143,030
Impairment (Note 24)	9,649	—	—	9,649
Disposals/retirements	(94,676)	(31,700)	(3,121)	(129,497)
Foreign currency translation adjustment	15,792	4,589	293	20,674
As at September 30, 2023	**644,021**	**98,800**	**36,212**	**779,033**
Net carrying amount as at September 30, 2023	**378,889**	**100,701**	**2,731**	**482,321**

	Properties	Motor vehicles and others	Computer equipment	Total
	$	$	$	$
Cost				
As at September 30, 2021	1,080,867	174,354	39,093	1,294,314
Additions	90,830	25,554	3,683	120,067
Additions - business acquisitions (Note 27c)	21,622	492	—	22,114
Change in estimates and lease modifications	(7,946)	—	—	(7,946)
Disposals/retirements	(88,546)	(11,704)	—	(100,250)
Foreign currency translation adjustment	(47,382)	(8,532)	(2,087)	(58,001)
As at September 30, 2022	1,049,445	180,164	40,689	1,270,298
Accumulated depreciation				
As at September 30, 2021	606,558	67,975	33,574	708,107
Depreciation expense (Note 24)	103,489	33,260	4,546	141,295
Impairment (Note 24)	3,858	—	—	3,858
Disposals/retirements	(74,973)	(7,749)	—	(82,722)
Foreign currency translation adjustment	(28,925)	(4,563)	(1,873)	(35,361)
As at September 30, 2022	610,007	88,923	36,247	735,177
Net carrying amount as at September 30, 2022	439,438	91,241	4,442	535,121

(tabular amounts only are in thousands of Canadian dollars, except per share data)

8. Contract costs

	As at September 30, 2023			As at September 30, 2022		
	Cost	**Accumulated amortization and impairment**	**Net carrying amount**	Cost	Accumulated amortization and impairment	Net carrying amount
	$	**$**	**$**	$	$	$
Transition costs	**549,848**	**250,847**	**299,001**	481,836	225,468	256,368
Incentives	**52,331**	**42,886**	**9,445**	50,331	45,087	5,244
	602,179	**293,733**	**308,446**	532,167	270,555	261,612

9. Intangible assets

	Software	**Software internally developed**	**Business solutions acquired**	**Business solutions internally developed**	**Client relationships**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Cost						
As at September 30, 2022	238,940	104,486	78,580	734,021	1,231,393	2,387,420
Additions	33,963	9,130	19,811	111,894	—	174,798
Business acquisitions (Note 27c)	—	—	—	—	(8,951)	(8,951)
Disposals/retirements	(49,103)	(3,900)	(9,002)	—	—	(62,005)
Foreign currency translation adjustment	4,873	509	750	(4,175)	25,627	27,584
As at September 30, 2023	**228,673**	**110,225**	**90,139**	**841,740**	**1,248,069**	**2,518,846**
Accumulated amortization and impairment						
As at September 30, 2022	189,639	65,323	73,094	408,298	1,035,107	1,771,461
Amortization expense (Note 24)	30,475	13,421	3,274	69,053	47,824	164,047
Disposals/retirements	(49,103)	(3,900)	(9,002)	—	—	(62,005)
Foreign currency translation adjustment	4,227	343	588	(2,889)	19,971	22,240
As at September 30, 2023	**175,238**	**75,187**	**67,954**	**474,462**	**1,102,902**	**1,895,743**
Net carrying amount as at September 30, 2023	**53,435**	**35,038**	**22,185**	**367,278**	**145,167**	**623,103**

	Software	Software internally developed	Business solutions acquired	Business solutions internally developed	Client relationships	Total
	$	$	$	$	$	$
Cost						
As at September 30, 2021	246,584	98,891	78,641	624,850	1,154,620	2,203,586
Additions	23,400	10,111	1,160	103,309	—	137,980
Additions - business acquisitions (Note 27c)	3,479	—	1,630	—	105,538	110,647
Disposals/retirements	(29,419)	(2,647)	(2,007)	(28,932)	—	(63,005)
Foreign currency translation adjustment	(5,104)	(1,869)	(844)	34,794	(28,765)	(1,788)
As at September 30, 2022	238,940	104,486	78,580	734,021	1,231,393	2,387,420
Accumulated amortization and impairment						
As at September 30, 2021	196,504	53,834	72,731	365,597	1,008,127	1,696,793
Amortization expense (Note 24)	26,603	14,711	3,201	48,211	47,214	139,940
Impairment (Note 24)	—	519	—	2,840	—	3,359
Disposals/retirements	(29,419)	(2,647)	(2,007)	(28,932)	—	(63,005)
Foreign currency translation adjustment	(4,049)	(1,094)	(831)	20,582	(20,234)	(5,626)
As at September 30, 2022	189,639	65,323	73,094	408,298	1,035,107	1,771,461
Net carrying amount as at September 30, 2022	49,301	39,163	5,486	325,723	196,286	615,959

(tabular amounts only are in thousands of Canadian dollars, except per share data)

10. Other long-term assets

	As at September 30, 2023	As at September 30, 2022
	$	$
Long-term prepaid services	**28,674**	28,720
Insurance contracts held to fund defined benefit pension and life assurance arrangements - reimbursement rights (Note 17)	**19,458**	18,877
Retirement benefits assets (Note 17)	**836**	47,071
Deposits	**15,634**	17,189
Deferred financing fees	**2,531**	2,827
Other	**17,643**	24,982
	84,776	139,666

11. Long-term financial assets

	As at September 30, 2023	As at September 30, 2022
	$	$
Deferred compensation plan assets (Notes 17 and 32)	**88,076**	71,863
Long-term investments (Note 32)	**17,113**	16,826
Long-term receivables	**20,774**	10,590
Long-term derivative financial instruments (Note 32)	**22,005**	237,877
	147,968	337,156

(tabular amounts only are in thousands of Canadian dollars, except per share data)

12. Goodwill

The following tables present information on the Company's operations which are managed through the following nine operating segments: Western and Southern Europe (primarily France, Portugal and Spain); United States (U.S.) Commercial and State Government; Canada; U.S. Federal; Scandinavia and Central Europe (Germany, Sweden and Norway); United Kingdom (U.K.) and Australia; Finland, Poland and Baltics; Northwest and Central-East Europe (primarily Netherlands, Denmark and Czech Republic); and Asia Pacific Global Delivery Centers of Excellence (mainly India and Philippines) (Asia Pacific).

The operating segments reflect the current management structure and the way that the chief operating decision-maker, who is the President and Chief Executive Officer of the Company, evaluates the business.

The Company completed the annual impairment test during the fourth quarter of the fiscal year 2023 and did not identify any impairment.

The movements in goodwill were as follows:

	Western and Southern Europe	U.S. Commercial and State Government	Canada	U.S. Federal	Scandinavia and Central Europe	U.K. and Australia	Finland, Poland and Baltics	Northwest and Central-East Europe	Asia Pacific	Total
	$	$	$	$	$	$	$	$	$	$
As at September 30, 2022	1,440,019	1,278,176	1,142,148	1,108,267	1,345,346	834,960	567,628	501,307	263,605	8,481,456
Business acquisitions (Note 27)	21,001	—	—	—	—	(67)	—	—	—	20,934
Foreign currency translation adjustment	94,710	(19,799)	—	(17,564)	37,970	61,916	37,257	30,822	(3,252)	222,060
As at September 30, 2023	**1,555,730**	**1,258,377**	**1,142,148**	**1,090,703**	**1,383,316**	**896,809**	**604,885**	**532,129**	**260,353**	**8,724,450**

Key assumptions in goodwill impairment testing

The key assumptions for the CGUs are disclosed in the following tables for the years ended September 30:

2023	**Western and Southern Europe**	**U.S. Commercial and State Government**	**Canada**	**U.S. Federal**	**Scandinavia and Central Europe**	**U.K. and Australia**	**Finland, Poland and Baltics**	**Northwest and Central-East Europe**	**Asia Pacific**
	%	%	%	%	%	%	%	%	%
Pre-tax WACC	**11.7**	**11.9**	**11.0**	**10.3**	**12.1**	**13.7**	**12.2**	**12.1**	**20.3**
Long-term growth rate of net operating cash flows[1]	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**

2022	Western and Southern Europe	U.S. Commercial and State Government	Canada	U.S. Federal	Scandinavia and Central Europe	U.K. and Australia	Finland, Poland and Baltics	Northwest and Central-East Europe	Asia Pacific
	%	%	%	%	%	%	%	%	%
Pre-tax WACC	10.0	10.6	10.7	9.2	10.5	10.6	10.7	10.7	19.2
Long-term growth rate of net operating cash flows[1]	1.8	2.0	2.0	2.0	2.0	1.9	2.0	1.9	2.0

[1] The long-term growth rate is based on the lower of published industry research growth and 2.0%.

(tabular amounts only are in thousands of Canadian dollars, except per share data)

13. Provisions

	Severances[1]	Decommissioning liabilities[2]	Others[3]	Total
	$	**$**	**$**	**$**
As at September 30, 2022	10,644	22,930	17,011	50,585
Additional provisions	25,839	1,771	18,608	46,218
Utilized amounts	(30,038)	(4,337)	(15,237)	(49,612)
Reversals of unused amounts	(1,322)	(1,680)	(2,634)	(5,636)
Discount rate adjustment and imputed interest	—	186	—	186
Foreign currency translation adjustment	596	1,102	724	2,422
As at September 30, 2023	**5,719**	**19,972**	**18,472**	**44,163**
Current portion	**5,719**	**3,717**	**15,529**	**24,965**
Non-current portion	**—**	**16,255**	**2,943**	**19,198**

1 See Note 25, Cost optimization program and Note 27d), Investments in subsidiaries.

2 As at September 30, 2023, the decommissioning liabilities were based on the expected cash flows of $20,573,000 and were discounted at a weighted average rate of 0.98%. The timing of settlements of these obligations ranges between one and seventeen years as at September 30, 2023. The reversals of unused amounts are mostly due to favourable settlements.

3 As at September 30, 2023, others included provisions on revenue-generating contracts, litigation and claims as well as onerous supplier contracts, mainly under the cost optimization program (Note 25) and acquisition-related and integration costs (Note 27d).

(tabular amounts only are in thousands of Canadian dollars, except per share data)

14. Long-term debt

	As at September 30, 2023	As at September 30, 2022
	$	$
2014 U.S. Senior unsecured notes repayable, in two tranches, totaling $473,830 (U.S. $350,000) in September 2024[1]	**473,808**	550,177
2021 U.S. Senior unsecured notes of $812,280 (U.S.$600,000) repayable in September 2026 and of $541,520 (U.S.$400,000) repayable in September 2031[2]	**1,342,714**	1,361,974
2021 CAD Senior unsecured notes of $600,000 repayable in September 2028[3]	**596,550**	595,900
Unsecured committed term loan credit facility[4]	**676,886**	687,705
Other long-term debt	**10,363**	71,278
	3,100,321	3,267,034
Current portion	**1,158,971**	93,447
	1,941,350	3,173,587

1 As at September 30, 2023, an amount of $473,830,000 was borrowed, less financing fees. The private placement is comprised of two tranches of Senior U.S. unsecured notes with a maturity of 1 year and a weighted average interest rate of 4.01% (3.98% in 2022) (2014 U.S. Senior Notes). In September 2023, the Company repaid the sixth of the seven yearly scheduled repayments of U.S.$50,000,000 on a tranche of the Senior U.S. unsecured notes for a total amount of $67,765,000 and settled the related cross-currency swaps (Note 32). The Senior unsecured notes contain covenants that require the Company to maintain certain financial ratios (Note 33). As at September 30, 2023, the Company was in compliance with these covenants.

2 As at September 30, 2023, an amount of $1,353,800,000 was borrowed less financing fees. The 2021 U.S. Senior Notes are comprised of two series of Senior U.S. unsecured notes with a weighted average maturity of 5 years and a weighted average interest rate of 1.79%.

3 As at September 30, 2023, an amount of $600,000,000 was borrowed, less financing fees. The 2021 CAD Senior Notes are due in September 2028, with an interest rate of 2.10%.

4 As at September 30, 2023, an amount of $676,900,000 was borrowed, less financing fees. This facility bears interest based on the 1 month Secured Overnight Financing Rate (SOFR) rate, plus a variable margin that is determined based on the Company's leverage ratio. The unsecured committed term loan credit facility is due in December 2023, with an interest rate of 6.43%. The unsecured committed term loan credit facility contains covenants that require the Company to maintain certain financial ratios (Note 33). As at September 30, 2023, the Company was in compliance with these covenants.

As a result of the interbank offered rates (IBORs) reform and the related expiry of the USD London Interbank Offered Rate (Libor) rate effective June 30, 2023, the Company renegotiated the unsecured committed term loan credit facility and the related cross-currency interest rate swaps (the hedging instruments) both expiring in December 2023 to transition to the 1 month Secured Overnight Financing Rate (SOFR) rate from the 1 month USD Libor rate. The change in rate resulted in no significant impact on the Company’s consolidated financial statements.

The Company has an unsecured committed revolving credit facility available for an amount of $1,500,000,000 that expires in November 2027. This facility bears interest at variable reference rate benchmarks, plus a variable margin that is determined based on the Company's leverage ratio. As at September 30, 2023, there was no amount drawn upon this facility. An amount of $4,142,000 has been committed against this facility to cover various letters of credit issued for clients and other parties. On November 6, 2023, the unsecured committed revolving credit facility was extended by one year to November 6, 2028 and can be further extended. There were no material changes in the terms and conditions including interest rates and banking covenants. The unsecured committed revolving credit facility contains covenants that require the Company to maintain certain financial ratios (Note 33). As at September 30, 2023, the Company was in compliance with these covenants.

(tabular amounts only are in thousands of Canadian dollars, except per share data)

15. Other long-term liabilities

	As at September 30, 2023	As at September 30, 2022
	$	$
Deferred revenue	**112,370**	90,371
Deferred compensation plan liabilities (Note 17)	**97,745**	81,452
Other	**33,477**	20,285
	243,592	192,108

16. Income taxes

	Year ended September 30	
	2023	2022
	$	$
Current income tax expense		
Current income tax expense in respect of the current year	**697,402**	506,608
Adjustments recognized in the current year in relation to the income tax expense of prior years	**(21,242)**	1,705
Total current income tax expense	**676,160**	508,313
Deferred income tax recovery		
Deferred income tax (recovery) expense relating to the origination and reversal of temporary differences	**(119,249)**	359
Adjustments recognized in the current year in relation to the deferred income tax recovery of prior years	**9,753**	(7,855)
Total deferred income tax recovery	**(109,496)**	(7,496)
Total income tax expense	**566,664**	500,817

The Company's effective income tax rate differs from the combined Federal and Provincial Canadian statutory tax rate as follows:

	Year ended September 30	
	2023	2022
	%	%
Company's statutory tax rate	**26.5**	26.5
Effect of foreign tax rate differences	**(0.6)**	(1.0)
Final determination from agreements with tax authorities and expirations of statutes of limitations	**(0.5)**	(0.4)
Non-deductible and tax exempt items	**0.1**	—
Minimum income tax charge	**0.3**	0.4
Effective income tax rate	**25.8**	25.5

(tabular amounts only are in thousands of Canadian dollars, except per share data)

16. Income taxes (continued)

The continuity schedule of deferred tax balances is as follows:

	As at September 30, 2022	**Additions from business acquisitions**	**Recognized in earnings**	**Recognized in other comprehensive income**	**Recognized in equity**	**Foreign currency translation adjustment and other**	**As at September 30, 2023**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Accounts payable and accrued liabilities, provisions and other long-term liabilities	40,214	—	4,007	—	—	(548)	**43,673**
Tax benefits on losses carried forward	51,963	—	2,928	—	—	1,187	**56,078**
Accrued compensation and employee-related liabilities	51,136	—	14,531	—	2,623	636	**68,926**
Retirement benefits obligations	19,517	—	(5,601)	13,078	—	249	**27,243**
Capitalized research and development[1]		—	92,880	—	—	—	**92,880**
Lease liabilities	171,072	—	(5,750)	—	—	3,966	**169,288**
PP&E, contract costs, intangible assets and other long-term assets	(151,054)	2,540	23,567	—	—	1,230	**(123,717)**
Right-of-use assets	(132,757)	—	(6,709)	—	—	(3,945)	**(143,411)**
Work in progress	(12,828)	—	(1,283)	—	—	(261)	**(14,372)**
Goodwill	(81,617)	—	(6,653)	—	—	1,011	**(87,259)**
Refundable tax credits on salaries	(20,049)	—	(2,517)	—	—	(2)	**(22,568)**
Cash flow hedges	(10,398)	—	(55)	6,445	—	(2)	**(4,010)**
Other	3,190	—	151	9,339	—	(1,080)	**11,600**
Deferred taxes, net	**(71,611)**	**2,540**	**109,496**	**28,862**	**2,623**	**2,441**	**74,351**

[1] As required by the *U.S. 2017 Tax Cuts and Jobs Act*, effective October 1, 2022, research and development expenditures are capitalized and amortized which resulted in higher current tax expense for 2023 with an equal amount of deferred tax recovery.

	As at September 30, 2021	Additions from business acquisitions	Recognized in earnings	Recognized in other comprehensive income	Recognized in equity	Foreign currency translation adjustment and other	As at September 30, 2022
	$	$	$	$	$	$	$
Accounts payable and accrued liabilities, provisions and other long-term liabilities	51,156	6,986	(20,232)	—	—	2,304	40,214
Tax benefits on losses carried forward	43,181	1,489	9,450	—	—	(2,157)	51,963
Accrued compensation and employee-related liabilities	40,108	141	17,724	—	(7,194)	357	51,136
Retirement benefits obligations	17,561	2,425	(2,082)	1,011	—	602	19,517
Lease liabilities	179,318	1,577	252	—	—	(10,075)	171,072
PP&E, contract costs, intangible assets and other long-term assets	(121,309)	(27,347)	5,912	—	—	(8,310)	(151,054)
Right-of-use assets	(134,808)	(1,405)	(6,179)	—	—	9,635	(132,757)
Work in progress	(22,190)	—	9,018	—	—	344	(12,828)
Goodwill	(70,845)	—	(5,619)	—	—	(5,153)	(81,617)
Refundable tax credits on salaries	(19,673)	—	(376)	—	—	—	(20,049)
Cash flow hedges	(5,626)	—	4,333	(9,146)	—	41	(10,398)
Other	7,447	180	(4,705)	(223)	—	491	3,190
Deferred taxes, net	(35,680)	(15,954)	7,496	(8,358)	(7,194)	(11,921)	(71,611)

(tabular amounts only are in thousands of Canadian dollars, except per share data)

16. Income taxes (continued)

The deferred tax balances are presented as follows in the consolidated balance sheets:

	As at September 30, 2023	As at September 30, 2022
	$	$
Deferred tax assets	**105,432**	85,795
Deferred tax liabilities	**(31,081)**	(157,406)
	74,351	(71,611)

As at September 30, 2023, the Company had $279,918,000 ($258,244,000 as at September 30, 2022) in operating tax losses carried forward, of which $104,113,000 ($110,918,000 as at September 30, 2022) expire at various dates from 2029 to 2043 and $175,805,000 ($147,326,000 as at September 30, 2022) have no expiry dates. As at September 30, 2023, a deferred income tax asset of $49,742,000 ($46,893,000 as at September 30, 2022) has been recognized on $187,865,000 ($179,329,000 as at September 30, 2022) of these losses. The deferred income tax assets are recognized only to the extent that it is probable that taxable income will be available against which the unused tax losses can be utilized. As at September 30, 2023, the Company had $7,314,000 ($12,450,000 as at September 30, 2022) of unrecognized operating tax losses that will expire at various dates from 2029 to 2032 and $84,739,000 ($66,466,000 as at September 30, 2022) that have no expiry date.

As at September 30, 2023, the Company had $424,736,000 ($421,218,000 as at September 30, 2022) in non-operating tax losses carried forward that have no expiry dates. As at September 30, 2023, a deferred income tax asset of $6,336,000 ($5,070,000 as at September 30, 2022) has been recognized on $24,806,000 ($20,295,000 as at September 30, 2022) of these losses. As at September 30, 2023, the Company had $399,930,000 ($400,923,000 as at September 30, 2022) of unrecognized non-operating tax losses.

As at September 30, 2023, the Company had $1,365,975,000 ($907,578,000 as at September 30, 2022) of cash and cash equivalents held by foreign subsidiaries. The tax implications of the repatriation of cash and cash equivalents not considered indefinitely reinvested have been accounted for and will not materially affect the Company’s liquidity. In addition, the Company has not recorded deferred tax liabilities on undistributed earnings of $8,262,337,000 ($7,100,148,000 as at September 30, 2022) coming from its foreign subsidiaries as they are considered indefinitely reinvested. Upon distribution of these earnings in the form of dividends or otherwise, the Company may be subject to taxation.

17. Employee benefits

The Company operates various post-employment plans, including defined benefit and defined contribution pension plans as well as other benefit plans for its employees.

DEFINED BENEFIT PLANS

The Company operates defined benefit pension plans primarily for the benefit of employees in the U.K., France and Germany, with smaller plans in other countries. The benefits are based on pensionable salary and years of service and most of them are funded with assets held in separate funds.

The defined benefit plans expose the Company to interest risk, inflation risk, longevity risk, currency risk and market investment risk.

The following description focuses mainly on plans registered in the U.K., France and Germany:

U.K.

In the U.K., the Company has three defined benefit pension plans, the CMG U.K. Pension Scheme, the Logica U.K. Pension & Life Assurance Scheme and the Logica Defined Benefit Pension Plan.

The CMG U.K. Pension Scheme is closed to new employees and is closed to further accrual of rights for existing employees. The Logica U.K. Pension & Life Assurance Scheme is still open but only for employees who come from the civil service with protected pensions. The Logica Defined Benefit Pension Plan was created to mirror the Electricity Supply Pension Scheme and was created for employees that worked for National Grid and Welsh Water with protected benefits.

Both the Logica U.K. Pension & Life Assurance Scheme and the Logica Defined Benefit Pension Plan are employer and employee based contribution plans.

The trustees are the custodians of the defined benefit pension plans and are responsible for the plan administration, including investment strategies. The trustees review periodically the investment and the asset allocation policies. As such, the CMG U.K. Pension Scheme policy is to target an allocation up to a maximum of 65% to return-seeking assets such as equities; the Logica U.K. Pension & Life Assurance Scheme policy is to invest 15% of the scheme assets in equities and 85% in bonds; and the Logica Defined Benefit Pension Plan policy is to invest 10% of the plan assets in equities and 90% in bonds.

The U.K. Pensions Act 2004 requires that full formal actuarial valuations are carried out at least every three years to determine the contributions that the Company should pay in order for the plan to meet its statutory objective, taking into account the assets already held. In the interim years, the trustees need to obtain estimated funding updates unless the scheme has less than 100 employees in total.

The latest funding actuarial valuations of the three defined benefit pension plans described above were being performed as at September 30, 2021 and the results were finalized during the year ended September 30, 2022 with the following recommendations:

- The actuarial valuation of the CMG U.K. Pension Scheme reported a surplus of $34,707,000. It specified that no supplementary contributions were required in order to reach the plan funding objectives. Since January 1, 2022, the Company did not contribute to the plan; and

- The actuarial valuation of the Logica U.K. Pension & Life Assurance Scheme reported a surplus of $85,000. It specified that no supplementary contributions were required in order to reach the plan funding objectives. During fiscal 2023, the Company contributed an amount of $339,000 to cover service costs; and

- The actuarial valuation of the Logica Defined Benefit Pension Plan reported a surplus of $17,819,000. It specified that no supplementary contributions were required in order to reach the plan funding objectives. Since November 30, 2019, the Company did not contribute to the plan.

(tabular amounts only are in thousands of Canadian dollars, except per share data)

17. Employee benefits (continued)

DEFINED BENEFIT PLANS (CONTINUED)

France

In France, the retirement indemnities are provided in accordance with the Labour Code. Upon retirement, employees receive an indemnity, depending on the salary and seniority in the Company, in the form of a lump-sum payment.

Germany

In Germany, the Company has numerous defined benefit pension plans which are all closed to new employees. In the majority of the plans, upon retirement of employees, the benefits are in the form of a monthly pension and in a few plans, the employees receive an indemnity in the form of a lump-sum payment. There are no mandatory funding requirements. The plans are funded by the contributions made by the Company. In some plans, insurance policies are taken out to fund retirement benefit plans. These do not qualify as plan assets and are presented as reimbursement rights, unless they are part of a reinsured support fund or are pledged to the employees.

The following tables present amounts for post-employment benefits plans included in the consolidated balance sheets:

As at September 30, 2023	**U.K.**	**France**	**Germany**	**Other**	**Total**
	$	**$**	**$**	**$**	**$**
Defined benefit obligations	**(535,633)**	**(78,612)**	**(67,706)**	**(92,703)**	**(774,654)**
Fair value of plan assets	**536,226**	**—**	**11,747**	**64,138**	**612,111**
	593	**(78,612)**	**(55,959)**	**(28,565)**	**(162,543)**
Fair value of reimbursement rights	**—**	**—**	**19,082**	**376**	**19,458**
Net asset (liability) recognized in the balance sheet	**593**	**(78,612)**	**(36,877)**	**(28,189)**	**(143,085)**
Presented as:					
Other long-term assets (Note 10)					
Insurance contracts held to fund defined benefit pension and life assurance arrangements - reimbursement rights	**—**	**—**	**19,082**	**376**	**19,458**
Retirement benefits assets	**593**	**—**	**—**	**243**	**836**
Retirement benefits obligations	**—**	**(78,612)**	**(55,959)**	**(28,808)**	**(163,379)**
	593	**(78,612)**	**(36,877)**	**(28,189)**	**(143,085)**

As at September 30, 2022	U.K.	France	Germany	Other	Total
	$	$	$	$	$
Defined benefit obligations	(525,262)	(77,477)	(61,420)	(85,784)	(749,943)
Fair value of plan assets	571,909	—	11,028	59,032	641,969
	46,647	(77,477)	(50,392)	(26,752)	(107,974)
Fair value of reimbursement rights	—	—	18,495	382	18,877
Net asset (liability) recognized in the balance sheet	46,647	(77,477)	(31,897)	(26,370)	(89,097)
Presented as:					
Other long-term assets (Note 10)					
Insurance contracts held to fund defined benefit pension and life assurance arrangements - reimbursement rights	—	—	18,495	382	18,877
Retirement benefits assets	46,647	—	—	424	47,071
Retirement benefits obligations	—	(77,477)	(50,392)	(27,176)	(155,045)
	46,647	(77,477)	(31,897)	(26,370)	(89,097)

(tabular amounts only are in thousands of Canadian dollars, except per share data)

17. Employee benefits (continued)

DEFINED BENEFIT PLANS (CONTINUED)

Defined benefit obligations	**U.K.**	**France**	**Germany**	**Other**	**Total**
	$	**$**	**$**	**$**	**$**
As at September 30, 2022	525,262	77,477	61,420	85,784	749,943
Current service cost	997	6,106	379	6,251	13,733
Interest cost	27,445	3,093	2,600	4,414	37,552
Past service cost	—	(288)	—	—	(288)
Actuarial (gains) losses due to change in financial assumptions[1]	(54,598)	(4,575)	65	(1,581)	(60,689)
Actuarial (gains) losses due to change in demographic assumptions[1]	(12,077)	88	—	2	(11,987)
Actuarial losses (gains) due to experience[1]	33,349	(6,035)	2,571	3,496	33,381
Plan participant contributions	76	—	—	170	246
Benefits paid from the plan	(26,527)	—	(229)	(4,359)	(31,115)
Benefits paid directly by employer	—	(2,565)	(2,992)	(747)	(6,304)
Foreign currency translation adjustment[1]	41,706	5,311	3,892	(727)	50,182
As at September 30, 2023	**535,633**	**78,612**	**67,706**	**92,703**	**774,654**
Defined benefit obligations of unfunded plans	—	78,612	—	18,132	96,744
Defined benefit obligations of funded plans	535,633	—	67,706	74,571	677,910
As at September 30, 2023	**535,633**	**78,612**	**67,706**	**92,703**	**774,654**

Defined benefit obligations	U.K.	France	Germany	Other	Total
	$	$	$	$	$
As at September 30, 2021	881,008	77,006	94,381	108,561	1,160,956
Current service cost	1,114	5,673	531	5,735	13,053
Interest cost	16,877	740	768	2,969	21,354
Business acquisitions (Note 27c)	—	10,192	—	—	10,192
Actuarial gains due to change in financial assumptions[1]	(285,653)	(20,586)	(25,735)	(10,104)	(342,078)
Actuarial losses (gains) due to change in demographic assumptions[1]	7,882	921	—	(520)	8,283
Actuarial losses due to experience[1]	4,081	12,112	2,214	4,682	23,089
Plan participant contributions	80	—	—	186	266
Benefits paid from the plan	(24,018)	(622)	(647)	(6,421)	(31,708)
Benefits paid directly by employer	—	(1,318)	(2,848)	(866)	(5,032)
Foreign currency translation adjustment[1]	(76,109)	(6,641)	(7,244)	(6,444)	(96,438)
Other	—	—	—	(11,994)	(11,994)
As at September 30, 2022	525,262	77,477	61,420	85,784	749,943
Defined benefit obligations of unfunded plans	—	77,477	—	18,829	96,306
Defined benefit obligations of funded plans	525,262	—	61,420	66,955	653,637
As at September 30, 2022	525,262	77,477	61,420	85,784	749,943

[1] Amounts recognized in other comprehensive income.

(tabular amounts only are in thousands of Canadian dollars, except per share data)

17. Employee benefits (continued)

DEFINED BENEFIT PLANS (CONTINUED)

Plan assets and reimbursement rights	**U.K.**	**France**	**Germany**	**Other**	**Total**
	$	**$**	**$**	**$**	**$**
As at September 30, 2022	571,909	—	29,523	59,414	660,846
Interest income on plan assets	29,902	—	1,283	3,370	34,555
Employer contributions	339	2,565	2,983	6,744	12,631
Return on assets excluding interest income[1]	(84,003)	—	(1,668)	(12)	(85,683)
Plan participant contributions	76	—	—	170	246
Benefits paid from the plan	(26,527)	—	(229)	(4,359)	(31,115)
Benefits paid directly by employer	—	(2,565)	(2,992)	(747)	(6,304)
Administration expenses paid from the plan	(1,779)	—	—	(5)	(1,784)
Foreign currency translation adjustment[1]	46,309	—	1,929	(61)	48,177
As at September 30, 2023	**536,226**	**—**	**30,829**	**64,514**	**631,569**
Plan assets	536,226	—	11,747	64,138	612,111
Reimbursement rights	—	—	19,082	376	19,458
As at September 30, 2023	**536,226**	**—**	**30,829**	**64,514**	**631,569**

Plan assets and reimbursement rights	U.K.	France	Germany	Other	Total
	$	$	$	$	$
As at September 30, 2021	986,359	661	33,057	63,869	1,083,946
Interest income on plan assets	18,901	—	274	2,128	21,303
Employer contributions	1,007	1,318	2,638	4,449	9,412
Return on assets excluding interest income[1]	(324,003)	—	(214)	(1,003)	(325,220)
Plan participant contributions	80	—	—	578	658
Benefits paid from the plan	(24,018)	(622)	(647)	(6,421)	(31,708)
Benefits paid directly by employer	—	(1,318)	(2,848)	(866)	(5,032)
Administration expenses paid from the plan	(1,568)	—	—	(7)	(1,575)
Foreign currency translation adjustment[1]	(84,849)	(39)	(2,737)	(3,313)	(90,938)
As at September 30, 2022	571,909	—	29,523	59,414	660,846
Plan assets	571,909	—	11,028	59,032	641,969
Reimbursement rights	—	—	18,495	382	18,877
As at September 30, 2022	571,909	—	29,523	59,414	660,846

[1] Amounts recognized in other comprehensive income.

(tabular amounts only are in thousands of Canadian dollars, except per share data)

17. Employee benefits (continued)

DEFINED BENEFIT PLANS (CONTINUED)

The plan assets at the end of the years consist of:

As at September 30, 2023	**U.K.**	**Germany**	**Other**	**Total**
	$	**$**	**$**	**$**
Quoted equities	205,130	—	—	205,130
Quoted bonds	139,584	—	—	139,584
Cash	5,566	—	76	5,642
Other[1]	185,946	11,747	64,062	261,755
	536,226	**11,747**	**64,138**	**612,111**

As at September 30, 2022	U.K.	Germany	Other	Total
	$	$	$	$
Quoted equities	196,611	—	—	196,611
Quoted bonds	102,658	—	—	102,658
Cash	143,312	—	65	143,377
Other[1]	129,328	11,028	58,967	199,323
	571,909	11,028	59,032	641,969

[1] Other is mainly composed of quoted investment funds and various insurance policies to cover some of the defined benefit obligations.

Plan assets do not include any shares of the Company, property occupied by the Company or any other assets used by the Company.

The following table summarizes the expense[1] recognized in the consolidated statements of earnings:

	Year ended September 30	
	2023	2022
	$	$
Current service cost	**13,734**	13,053
Past service cost	**(288)**	—
Net interest on net defined benefit obligations or assets	**2,998**	51
Administration expenses	**1,784**	1,575
	18,228	14,679

[1] The expense was presented as costs of services, selling and administrative for an amount of $13,446,000 and as net finance costs for an amount of $4,782,000 (Note 26) ($13,053,000 and $1,626,000, respectively for the year ended September 30, 2022).

(tabular amounts only are in thousands of Canadian dollars, except per share data)

17. Employee benefits (continued)

DEFINED BENEFIT PLANS (CONTINUED)

Actuarial assumptions

The following are the principal actuarial assumptions calculated as weighted averages of the defined benefit obligations. The assumed discount rates, future salary and pension increases, inflation rates and mortality all have a significant effect on the accounting valuation.

As at September 30, 2023	**U.K**	**France**	**Germany**	**Other**
	%	**%**	**%**	**%**
Discount rate	**5.60**	**4.20**	**4.06**	**5.62**
Future salary increases	**0.33**	**4.15**	**2.50**	**2.76**
Future pension increases	**3.20**	**—**	**2.10**	**0.29**
Inflation rate	**3.39**	**2.10**	**2.00**	**3.46**

As at September 30, 2022	U.K.	France	Germany	Other
	%	%	%	%
Discount rate	4.95	3.75	4.07	5.43
Future salary increases	0.35	3.77	2.50	2.64
Future pension increases	3.30	—	2.10	0.42
Inflation rate	3.60	2.20	2.00	3.44

The average longevity over 65 of an employee presently at age 45 and 65 are as follows:

As at September 30, 2023	**U.K.**	**Germany**
	(in years)	
Longevity at age 65 for current employees		
Males	**22.0**	**21.0**
Females	**23.8**	**24.0**
Longevity at age 45 for current employees		
Males	**23.4**	**24.0**
Females	**25.3**	**26.0**

As at September 30, 2022	U.K.	Germany
	(in years)	
Longevity at age 65 for current employees		
Males	22.0	21.0
Females	23.8	24.0
Longevity at age 45 for current employees		
Males	23.3	23.0
Females	25.3	26.0

(tabular amounts only are in thousands of Canadian dollars, except per share data)

17. Employee benefits (continued)

DEFINED BENEFIT PLANS (CONTINUED)

Actuarial assumptions (continued)

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each country. Mortality assumptions for the most significant countries are based on the following post-retirement mortality tables for the year ended September 30, 2023: (1) U.K.: 100% S2PxA (year of birth) plus CMI_2020 projections with 1.25% p.a. minimum long term improvement rate, (2) Germany: Heubeck RT2018G and (3) France: INSEE TVTD 2017-2019.

The following tables show the sensitivity of the defined benefit obligations to changes in the principal actuarial assumptions:

As at September 30, 2023	**U.K.**	**France**	**Germany**
	$	**$**	**$**
Increase of 0.25% in the discount rate	**(15,631)**	**(2,370)**	**(1,596)**
Decrease of 0.25% in the discount rate	**16,416**	**2,473**	**1,663**
Salary increase of 0.25%	**137**	**2,572**	**23**
Salary decrease of 0.25%	**(132)**	**(2,474)**	**(21)**
Pension increase of 0.25%	**8,713**	**—**	**834**
Pension decrease of 0.25%	**(8,503)**	**—**	**(805)**
Increase of 0.25% in inflation rate	**12,348**	**5,660**	**834**
Decrease of 0.25% in inflation rate	**(11,948)**	**(5,110)**	**(805)**
Increase of one year in life expectancy	**12,614**	**943**	**1,702**
Decrease of one year in life expectancy	**(12,801)**	**(1,258)**	**(1,530)**

As at September 30, 2022	U.K.	France	Germany
	$	$	$
Increase of 0.25% in the discount rate	(19,249)	(2,294)	(1,512)
Decrease of 0.25% in the discount rate	20,234	2,500	1,578
Salary increase of 0.25%	193	2,584	20
Salary decrease of 0.25%	(188)	(2,388)	(19)
Pension increase of 0.25%	13,324	—	774
Pension decrease of 0.25%	(12,614)	—	(747)
Increase of 0.25% in inflation rate	21,301	2,584	774
Decrease of 0.25% in inflation rate	(16,005)	(2,388)	(747)
Increase of one year in life expectancy	12,957	281	1,511
Decrease of one year in life expectancy	(13,093)	(320)	(1,360)

The sensitivity analysis above has been based on a method that extrapolates the impact on the defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the year.

The weighted average duration of the defined benefit obligations are as follows:

	Year ended September 30	
	2023	2022
	(in years)	
U.K.	**13**	15
France	**13**	13
Germany	**10**	11
Other	**9**	10

17. Employee benefits (continued)

DEFINED BENEFIT PLANS (CONTINUED)

The Company expects to contribute $7,574,000 to defined benefit plans during the next year, of which $377,000 relates to the U.K. plans, and $7,197,000 relates to the other plans. The contributions will include new benefit accruals.

DEFINED CONTRIBUTION PLANS

The Company also operates defined contribution pension plans. In some countries, contributions are made into the state pension plans. The pension cost for defined contribution plans amounted to $282,284,000 in 2023 ($241,405,000 in 2022).

In addition, in Sweden, the Company contributes to a multi-employer plan, Alecta SE (Alecta) pension plan, which is a defined benefit pension plan. This pension plan is classified as a defined contribution plan as sufficient information is not available to use defined benefit accounting. Alecta lacks the possibility of establishing an exact distribution of assets and provisions to the respective employers. The Company's proportion of the total contributions to the plan is 0.57% and the Company's proportion of the total number of active employees in the plan is 0.48%.

Alecta uses a collective funding ratio to determine the surplus or deficit in the pension plan. Any surplus or deficit in the plan will affect the amount of future contributions payable. The collective funding is the difference between Alecta's assets and the commitments to the policy holders and insured individuals. The collective funding ratio is normally allowed to vary between 125% and 175%. As at September 30, 2023, Alecta collective funding ratio was 178% (189% in 2022). The plan expense was $25,311,000 in 2023 ($28,868,000 in 2022). The Company expects to contribute $14,867,000 to the plan during the next year.

OTHER BENEFIT PLANS

As at September 30, 2023, the deferred compensation liability totaled $97,745,000 ($81,452,000 as at September 30, 2022) (Note 15) and the deferred compensation assets totaled $88,076,000 ($71,863,000 as at September 30, 2022) (Note 11). The deferred compensation liability is mainly related to plans covering some of its U.S. management. Some of the plans include assets that will be used to fund the liabilities.

For the deferred compensation plan in the U.S., a trust was established so that the plan assets could be segregated; however, the assets are subject to the Company's general creditors in the case of bankruptcy. The assets composed of investments vary with employees' contributions and changes in the value of the investments. The change in liabilities associated with the plan is equal to the change of the assets. The assets in the trust and the associated liabilities totaled $88,076,000 as at September 30, 2023 ($71,863,000 as at September 30, 2022).

(tabular amounts only are in thousands of Canadian dollars, except per share data)

18. Accumulated other comprehensive income

	As at September 30, 2023	As at September 30, 2022
	$	$
Items that will be reclassified subsequently to net earnings:		
Net unrealized gains on translating financial statements of foreign operations, net of accumulated income tax expense of $44,867 ($45,419 as at September 30, 2022)	**534,321**	291,532
Net losses on cross-currency swaps and on translating long-term debt designated as hedges of net investments in foreign operations, net of accumulated income tax recovery of $49,991 ($43,936 as at September 30, 2022)	**(325,649)**	(271,690)
Deferred gains of hedging on cross-currency swaps, net of accumulated income tax expense of $1,754 ($4,664 as at September 30, 2022)	**13,541**	28,274
Net unrealized gains on cash flow hedges, net of accumulated income tax expense of $3,953 ($10,398 as at September 30, 2022)	**11,524**	30,274
Net unrealized losses on financial assets at fair value through other comprehensive income, net of accumulated income tax recovery of $1,189 (net of accumulated income tax expense of $1,367 as at September 30, 2022)	**(3,412)**	(4,072)
Items that will not be reclassified subsequently to net earnings:		
Net remeasurement losses on defined benefit plans, net of accumulated income tax recovery of $25,173 ($12,095 as at September 30, 2022)	**(71,350)**	(34,572)
	158,975	39,746

For the year ended September 30, 2023, $17,937,000 of the net unrealized gains on cash flow hedges, net of income tax expense of $6,278,000, previously recognized in other comprehensive income were reclassified in the consolidated statements of earnings ($4,151,000 and $998,000, respectively, were reclassified for the year ended September 30, 2022).

For the year ended September 30, 2023, $12,244,000 of the deferred gains of hedging on cross-currency swaps, net of income tax expense of $1,870,000, were also reclassified in the consolidated statements of earnings ($10,746,000 and $3,876,000, respectively for the year ended September 30, 2022).

19. Capital stock

The Company's authorized share capital is comprised of an unlimited number, all without par value, of:

- First preferred shares, issuable in series, carrying one vote per share, each series ranking equal with other series, but prior to second preferred shares, Class A subordinate voting shares and Class B multiple voting shares with respect to the payment of dividends;
- Second preferred shares, issuable in series, non-voting, each series ranking equal with other series, but prior to Class A subordinate voting shares and Class B multiple voting shares with respect to the payment of dividends;
- Class A subordinate voting shares, carrying one vote per share, participating equally with Class B multiple voting shares with respect to the payment of dividends and convertible into Class B multiple voting shares under certain conditions in the event of certain takeover bids on Class B multiple voting shares; and
- Class B multiple voting shares, carrying ten votes per share, participating equally with Class A subordinate voting shares with respect to the payment of dividends and convertible at any time at the option of the holder into Class A subordinate voting shares.

(tabular amounts only are in thousands of Canadian dollars, except per share data)

19. Capital stock (continued)

For the fiscal years 2023 and 2022, the number of issued and outstanding Class A subordinate voting shares and Class B multiple voting shares varied as follows:

	Class A subordinate voting shares		Class B multiple voting shares		Total	
	Number	Carrying value	Number	Carrying value	Number	Carrying value
		$		$		$
As at September 30, 2021	219,171,329	1,595,811	26,445,706	36,894	245,617,035	1,632,705
Release of shares held in trusts[1]	—	15,821	—	—	—	15,821
Purchased and held in trusts[1]	—	(70,303)	—	—	—	(70,303)
Issued upon exercise of stock options[2]	941,059	50,236	—	—	941,059	50,236
Purchased and cancelled[3]	(8,809,839)	(134,409)	—	—	(8,809,839)	(134,409)
Purchased and not cancelled[3]	—	(881)	—	—	—	(881)
As at September 30, 2022	211,302,549	1,456,275	26,445,706	36,894	237,748,255	1,493,169
Release of shares held in trusts[1]	—	13,680	—	—	—	13,680
Purchased and held in trusts[1]	—	(74,455)	—	—	—	(74,455)
Issued upon exercise of stock options[2]	1,646,044	106,051	—	—	1,646,044	106,051
Purchased and cancelled[3]	(6,234,096)	(61,265)	—	—	(6,234,096)	(61,265)
As at September 30, 2023	**206,714,497**	**1,440,286**	**26,445,706**	**36,894**	**233,160,203**	**1,477,180**

1 During the year ended September 30, 2023, 172,018 shares held in trust were released (235,441 during the year ended September 30, 2022) with a recorded value of $13,680,000 ($15,821,000 during the year ended September 30, 2022) that was removed from contributed surplus.

During the year ended September 30, 2023, the Company settled the withholding tax obligations of the employees under the performance share units (PSU) plans for a cash payment of $13,879,000 (nil during the year ended September 30, 2022).

During the year ended September 30, 2023, the trustees, in accordance with the terms of the PSU plans and Trust Agreements, purchased 640,052 Class A subordinate voting shares of the Company on the open market (643,629 during the year ended September 30, 2022) for a cash consideration of $74,455,000 ($70,303,000 during the year ended September 30, 2022).

As at September 30, 2023, 2,309,743 Class A subordinate voting shares were held in trusts under the PSU plans (1,841,709 as at September 30, 2022).

2 The carrying value of Class A subordinate voting shares includes $17,735,000 ($8,549,000 during the year ended September 30, 2022), which corresponds to a reduction in contributed surplus representing the value of accumulated compensation costs associated with the stock options exercised during the year ended September 30, 2023.

3 On January 31, 2023, the Company's Board of Directors authorized and subsequently received regulatory approval from the Toronto Stock Exchange (TSX), for the renewal of the Normal Course Issuer Bid (NCIB) for the purchase for cancellation of up to 18,769,394 Class A subordinate voting shares on the open market through the TSX, the New York Stock Exchange (NYSE) and/or alternative trading systems or otherwise pursuant to exemption orders issued by securities regulators. The Class A subordinate voting shares are available for purchase for cancellation commencing on February 6, 2023, until no later than February 5, 2024, or on such earlier date when the Company has either acquired the maximum number of Class A subordinate voting shares allowable under the NCIB or elects to terminate the bid.

During the year ended September 30, 2023, the Company purchased for cancellation 2,857,550 Class A subordinate voting shares (3,866,171 during the year ended September 30, 2022) under its current NCIB for a cash consideration of $386,906,000 ($408,656,000 during the year ended September 30, 2022) and the excess of the purchase price over the carrying value in the amount of $363,747,000 ($378,340,000 during the year ended September 30, 2022) was charged to retained earnings. Of the purchased Class A subordinate voting shares, 68,550 shares with a carrying value of $558,000 and a purchase value of $9,177,000 were held by the Company and were paid and cancelled subsequent to September 30, 2023.

In addition, during the year ended September 30, 2023, the Company purchased for cancellation 3,344,996 Class A subordinate voting shares from the Caisse de dépôt et placement du Québec for a total cash consideration of $400,000,000 (4,907,073 and $500,000,000, respectively during the year ended September 30, 2022). The excess of the purchase price over the carrying value in the amount of $361,791,000 was charged to retained earnings ($395,026,000 during the year ended September 30, 2022). The purchase was made pursuant to an exemption order issued by the Autorité des marchés financiers and is considered within the annual aggregate limit that the Company is entitled to purchase under its current NCIB.

During the year ended September 30, 2023, the Company also paid for and cancelled 100,100 Class A subordinate voting shares under its previous NCIB, with a carrying value of $778,000 and for a total cash consideration of $10,291,000, which were purchased, or committed to be purchased, but not cancelled as at September 30, 2022.

(tabular amounts only are in thousands of Canadian dollars, except per share data)

20. Share-based payments

a) Performance share units

The Company operates two PSU plans with similar terms and conditions. Under both plans, the Board of Directors may grant PSUs to certain employees and officers which entitle them to receive one Class A subordinate voting share for each PSU. The vesting performance conditions are determined by the Board of Directors at the time of each grant. PSUs expire on the business day preceding December 31 of the third calendar year following the end of the fiscal year during which the PSU award was made, except in the event of retirement, termination of employment or death. Conditionally upon achievement of performance objectives, granted PSUs under the second plan vest at the end of the four-year period while granted PSUs under the first plan vest annually over a period of four years from the date of the grant.

Class A subordinate voting shares purchased in connection with the PSU plans are held in trusts for the benefit of the participants. The trusts, considered as structured entities, are consolidated in the Company's consolidated financial statements with the cost of the purchased shares recorded as a reduction of capital stock (Note 19).

The following table presents information concerning the number of outstanding PSUs granted by the Company:

Outstanding as at September 30, 2021	1,416,203
Granted[1]	805,699
Exercised (Note 19)	(237,294)
Forfeited	(175,017)
Outstanding as at September 30, 2022	1,809,591
Granted[1]	899,511
Exercised (Note 19)	(294,203)
Forfeited	(162,449)
Outstanding as at September 30, 2023	**2,252,450**

[1] The PSUs granted in 2023 had a weighted average grant date fair value of $112.49 per unit ($109.07 in 2022).

b) Stock options

Under the Company's stock option plan, the Board of Directors may grant, at its discretion, stock options to purchase Class A subordinate voting shares to certain employees, officers and directors of the Company and its subsidiaries. The exercise price is established by the Board of Directors and is equal to the closing price of the Class A subordinate voting shares on the TSX on the day preceding the date of the grant. Stock options generally vest over four years from the date of grant conditionally upon achievement of performance objectives and must be exercised within a ten-year period, except in the event of retirement, termination of employment or death. As at September 30, 2023, 15,353,015 Class A subordinate voting shares were reserved for issuance under the stock option plan.

The following table presents information concerning the outstanding stock options granted by the Company:

		2023		2022
	Number of options	**Weighted average exercise price per share**	Number of options	Weighted average exercise price per share
		$		$
Outstanding, beginning of year	**6,882,845**	**66.36**	8,012,077	64.49
Granted	**—**	**—**	11,940	110.10
Exercised (Note 19)	**(1,646,044)**	**53.65**	(941,059)	44.30
Forfeited	**(23,626)**	**99.78**	(188,130)	97.55
Expired	**(1,703)**	**102.70**	(11,983)	104.36
Outstanding, end of year	**5,211,472**	**70.21**	6,882,845	66.36
Exercisable, end of year	**4,772,088**	**67.46**	5,837,921	61.02

The weighted average share price at the date of exercise for stock options exercised in 2023 was $123.25 ($107.09 in 2022).

(tabular amounts only are in thousands of Canadian dollars, except per share data)

20. Share-based payments (continued)

b) Stock options (continued)

The following table summarizes information about the outstanding stock options granted by the Company as at September 30, 2023:

	Options outstanding			Options exercisable	
Range of exercise price	**Number of options**	**Weighted average remaining contractual life**	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
$		(in years)	$		$
34.68 to 41.63	550,083	0.90	38.36	550,083	38.36
47.36 to 52.63	590,495	1.98	48.39	590,495	48.39
55.51 to 63.23	2,052,950	3.22	63.19	2,052,950	63.19
67.04 to 85.62	1,078,428	4.94	84.51	1,078,428	84.51
97.84 to 115.01	939,516	6.93	101.51	500,132	102.73
	5,211,472	3.86	70.21	4,772,088	67.46

The weighted average fair value of stock options granted in the year and the weighted average assumptions used in the calculation of their fair value on the date of grant using the Black-Scholes option pricing model were as follows:

	Year ended September 30	
	2023	2022
Grant date fair value ($)	—	20.94
Dividend yield (%)	—	—
Expected volatility (%)[1]	—	21.27
Risk-free interest rate (%)	—	1.28
Expected life (years)	—	4.00
Exercise price ($)	—	110.10
Share price ($)	—	110.10

[1] Expected volatility was determined using statistical formulas and based on the weekly historical average of closing daily share prices over the period of the expected life of stock options.

c) Share purchase plan

Under the share purchase plan, the Company contributes an amount equal to a percentage of the employee's basic contribution, up to a maximum of 3.50%. An employee may make additional contributions in excess of the basic contribution. However, the Company does not match contributions in the case of such additional contributions. The employee and Company's contributions are remitted to an independent plan administrator who purchases Class A subordinate voting shares on the open market on behalf of the employee through either the TSX or NYSE.

d) Deferred share unit plan

External members of the Board of Directors (participants) are entitled to receive part or their entire retainer fee in DSUs. DSUs are granted with immediate vesting and must be exercised no later than December 15 of the calendar year immediately following the calendar year during which the participant ceases to act as a director. Each DSU entitles the holder to receive a cash payment equal to the closing price of Class A subordinate voting shares on the TSX on the payment date. As at September 30, 2023, the number of outstanding DSUs was 122,969 (119,090 DSUs as at September 30, 2022).

(tabular amounts only are in thousands of Canadian dollars, except per share data)

20. Share-based payments (continued)

e) Share-based payment costs

The share-based payment expense recorded in costs of services, selling and administrative is as follows:

	Year ended September 30	
	2023	2022
	$	$
PSUs	**55,847**	42,148
Stock options	**2,367**	6,848
Share purchase plan	**169,418**	136,275
DSUs	**5,332**	1,455
	232,964	186,726

21. Earnings per share

The following table sets forth the computation of basic and diluted earnings per share for the years ended September 30:

	2023			2022		
	Net earnings	**Weighted average number of shares outstanding[1]**	**Earnings per share**	Net earnings	Weighted average number of shares outstanding[1]	Earnings per share
	$		**$**	$		$
Basic	**1,631,249**	**234,041,041**	**6.97**	1,466,142	239,262,004	6.13
Net effect of dilutive stock options and PSUs[2]		**3,661,040**			3,605,441	
Diluted	**1,631,249**	**237,702,081**	**6.86**	1,466,142	242,867,445	6.04

[1] During the year ended September 30, 2023, 6,302,646 Class A subordinate voting shares purchased for cancellation and 2,309,743 Class A subordinate voting shares held in trust were excluded from the calculation of weighted average number of shares outstanding as of the date of transaction (8,839,439 and 1,841,709, respectively during the year ended September 30, 2022).

[2] The calculation of the diluted earnings per share excluded nil stock options for the year ended September 30, 2023 (307,272 for the year ended September 30, 2022, as they were anti-dilutive).

22. Remaining performance obligations

Remaining performance obligations relates to Company's performance obligations that are partially or fully unsatisfied under fixed-fee arrangements recognized using the percentage-of-completion method.

The amount of the selling price allocated to remaining performance obligations as at September 30, 2023 is $982,531,000 ($919,664,000 as at September 30, 2022) and is expected to be recognized as revenue within a weighted average of 2 years (1.9 years as at September 30, 2022).

(tabular amounts only are in thousands of Canadian dollars, except per share data)

23. Costs of services, selling and administrative

	Year ended September 30	
	2023	2022
	$	$
Salaries and other employee costs[1]	**8,870,235**	7,798,407
Professional fees and other contracted labour	**1,500,613**	1,459,295
Hardware, software and data center related costs	**827,613**	790,447
Property costs	**213,962**	214,430
Amortization, depreciation and impairment (Note 24)	**506,122**	468,334
Other operating expenses	**63,876**	45,651
	11,982,421	10,776,564

[1] Net of R&D and other tax credits of $159,390,000 in 2023 ($155,856,000 in 2022).

24. Amortization, depreciation and impairment

	Year ended September 30	
	2023	2022
	$	$
Depreciation of PP&E (Note 6)	**142,653**	133,651
Depreciation of right-of-use assets (Note 7)	**143,030**	141,295
Impairment of right-of-use assets (Note 7)	**2,274**	1,495
Amortization of contract costs related to transition costs	**55,194**	48,594
Amortization of intangible assets (Note 9)	**162,971**	139,940
Impairment of intangible assets (Note 9)	**—**	3,359
Included in costs of services, selling and administrative (Note 23)	**506,122**	468,334
Amortization of contract costs related to incentives (presented as a reduction of revenue)	**2,793**	2,201
Amortization of deferred financing fees (presented in finance costs)	**816**	829
Amortization of premiums and discounts on investments related to funds held for clients (presented net as a reduction (increase) of revenue)	**(1,832)**	37
Depreciation of PP&E (presented in integration costs) (Note 6)	**712**	—
Impairment of PP&E (presented in integration costs) (Note 6)	**648**	858
Impairment of PP&E (presented in cost optimization program) (Note 6 and 25)	**1,938**	—
Impairment of right-of-use assets (presented in integration costs) (Note 7)	**5,143**	2,363
Impairment of right-of-use assets (presented in cost optimization program) (Note 7 and 25)	**2,232**	—
Amortization of intangible assets (presented in integration costs) (Note 9)	**1,076**	—
	519,648	474,622

25. Cost optimization program

During the year ended September 30, 2023, the Company initiated a cost optimization program to accelerate actions to rightsize its real estate portfolio globally and improve operational efficiencies, including the increased use of automation and global delivery, focused on administrative activities for which the Company recorded $8,964,000 of costs. This amount includes costs for terminations of employment of $2,613,000, accounted for in severance provisions (Note 13), and costs of vacating leased premises of $6,351,000, composed of impairment of right-of-use assets of $2,232,000 (Note 24), onerous supplier contract costs of $2,181,000 as well as impairment of PP&E of $1,938,000 (Note 24) related to leasehold improvements and furniture, fixtures and equipment.

(tabular amounts only are in thousands of Canadian dollars, except per share data)

26. Net finance costs

	Year ended September 30	
	2023	2022
	$	$
Interest on long-term debt	**53,871**	57,752
Interest on lease liabilities	**29,115**	27,426
Net interest costs on net defined benefit obligations or assets (Note 17)	**4,782**	1,626
Other finance costs	**6,192**	8,413
Finance costs	**93,960**	95,217
Finance income	**(41,497)**	(3,194)
	52,463	92,023

27. Investments in subsidiaries

a) Acquisitions and disposals

There were no significant acquisitions or disposals for the year ended September 30, 2023.

b) Subsequent event

On October 10, 2023, the Company acquired all of the outstanding units of Momentum Industries Holdings, LLC. (Momentum), for a purchase price of $50,492,000. Momentum is an IT and business consulting firm specializing in digital transformation, data and analytics and managed services, based in the U.S. and headquartered in Miami, Florida. The acquisition will be reported under the U.S. Commercial and State Government operating segment. The purchase price is mainly allocated to goodwill, representing the future economic value associated with acquired workforce and synergies with the Company’s operations, as well as customer relationships. The purchase price allocation is preliminary and is expected to be completed as soon as management will have gathered all the significant information available and considered necessary in order to finalize this allocation.

This acquisition was made to further expand CGI’s footprint in the region and to complement CGI's proximity model.

c) Business acquisitions realized in the prior fiscal year

The Company made the following acquisitions during the year ended September 30, 2022:

- On October 1, 2021, the Company acquired all of the outstanding shares of Array Holding Company, Inc. (Array), for a purchase price of $60,337,000. Based in the United States, Array is a digital services provider that optimizes mission performance for the U.S. Department of Defense and other government organizations and is headquartered in Greenbelt, Maryland.
- On October 28, 2021, the Company acquired all of the outstanding shares of Cognicase Management Consulting (CMC), for a purchase price of $90,900,000. Based in Spain, CMC is a provider of technology and management consulting services and solutions, headquartered in Madrid.
- On February 28, 2022, the Company acquired all of the outstanding shares of Unico Computer Systems Pty Ltd (Unico), for a purchase price of $39,814,000. Based in Australia, Unico is a technology consultancy and systems integrator, headquartered in Melbourne.
- On May 25, 2022, the Company acquired all of the outstanding shares of Harwell Management (Harwell), for a purchase price of $47,309,000. Based in France, Harwell is a management consulting firm specializing in the financial services industry, headquartered in Paris.
- On May 31, 2022, the Company acquired control of Umanis SA (Umanis) through the acquisition of 72.4% of its outstanding shares (excluding treasury shares), for a purchase price of $303,896,000, and filed with the French financial markets authority (Autorité des Marchés Financiers) the draft mandatory tender offer to purchase all remaining outstanding shares.

  By July 18, 2022, the Company acquired an aggregate total interest of more than 90.0% of the outstanding shares (excluding treasury shares) and launched a statutory squeeze-out process through which the remaining shares were acquired on July 29, 2022, for a total cash consideration of $116,362,000. Based in France, Umanis is a digital company specializing in data, digital and business solutions, headquartered in Paris.

These acquisitions were made to further expand CGI’s footprint in their respective regions and to complement CGI's proximity model.

(tabular amounts only are in thousands of Canadian dollars, except per share data)

27. Investments in subsidiaries (continued)

c) Business acquisitions realized in prior fiscal year (continued)

The following table presents the fair value of assets acquired and liabilities assumed for all acquisitions based on the acquisition-date fair values of the identifiable tangible and intangible assets acquired and liabilities assumed as at September 30, 2022:

	CMC	Umanis	Others	Total
	$	$	$	$
Current assets	46,900	106,102	18,267	171,269
PP&E (Note 6)	1,556	5,179	1,429	8,164
Right-of-use assets (Note 7)	3,353	12,855	5,906	22,114
Contract costs	979	—	—	979
Intangible assets[1] (Note 9)	20,657	62,337	27,653	110,647
Other long-term assets	2,336	16,362	—	18,698
Goodwill[2]	93,638	391,026	146,184	630,848
Current liabilities	(41,055)	(96,141)	(26,904)	(164,100)
Long-term debt	(37,937)	(77,973)	(46,730)	(162,640)
Lease liabilities	(3,920)	(12,919)	(6,342)	(23,181)
Deferred tax liabilities	(2,706)	(12,688)	(560)	(15,954)
Retirement benefits obligations (Note 17)	—	(9,743)	(449)	(10,192)
	83,801	384,397	118,454	586,652
Cash acquired	7,099	35,861	29,006	71,966
Net assets acquired	90,900	420,258	147,460	658,618
Consideration paid	79,291	420,258	139,643	639,192
Consideration payable	11,609	—	7,817	19,426

[1] Intangible assets are mainly composed of client relationships.

[2] The goodwill arising from the acquisitions mainly represents the future economic value associated to acquired work force and synergies with the Company's operations. The goodwill is not deductible for tax purposes.

During the year ended September 30, 2023, the Company finalized the fair value assessment of assets acquired and liabilities assumed for Umanis with adjustments resulting in an increase in goodwill of $19,060,000 mainly due to a decrease in intangible assets and accounts receivable.

During the year ended September 30, 2023, the Company finalized the fair value assessment of assets acquired and liabilities assumed for Unico and Harwell with no significant adjustments.

During the year ended September 30, 2023, the Company paid $13,039,000 related to acquisitions realized in prior fiscal years.

d) Acquisition-related and integration costs

During the year ended September 30, 2023, the Company incurred $53,401,000 of integration costs, which mainly include costs of rationalizing the redundancy of employment of $23,226,000, accounted for in severance provisions (Note 13), and costs of vacating leased premises of $10,774,000.

During the year ended September 30, 2022, the Company incurred $27,654,000, of acquisition-related and integration costs. This amount included acquisition-related costs of $3,094,000, and integration costs of $24,560,000. The acquisition-related costs consisted mainly of professional fees incurred for the acquisitions. The integration costs mainly included costs of rationalizing the redundancy of employment of $10,948,000, accounted for in severance provisions (Note 13), and costs of vacating leased premises of $3,496,000.

(tabular amounts only are in thousands of Canadian dollars, except per share data)

28. Supplementary cash flow information

a) Net change in non-cash working capital items and others is as follows for the years ended September 30:

	2023	2022
	$	$
Accounts receivable	**(31,120)**	(33,703)
Work in progress	**76,554**	(116,260)
Prepaid expenses and other assets	**3,547**	(10,907)
Long-term financial assets	**(9,911)**	8,843
Accounts payable and accrued liabilities	**(130,172)**	108,188
Accrued compensation and employee-related liabilities	**(57,644)**	(43,429)
Deferred revenue	**45,681**	43,656
Income taxes	**105,577**	(2,626)
Provisions	**(10,129)**	(41,561)
Long-term liabilities	**18,893**	(28,074)
Derivative financial instruments	**(682)**	(70)
Retirement benefits obligations	**5,871**	5,050
	16,465	(110,893)

b) Non-cash operating and investing activities are as follows for the years ended September 30:

	2023	2022
	$	$
Operating activities		
Accounts payable and accrued liabilities	**32,392**	7,720
Provisions	**1,088**	262
Other long-term liabilities	**4,768**	—
	38,248	7,982
Investing activities		
Purchase of PP&E	**(14,374)**	(16,732)
Additions, disposals/retirements, change in estimates and lease modifications of right-of-use assets	**(86,691)**	(101,180)
Additions to intangible assets	**(28,944)**	(1,127)
	(130,009)	(119,039)

(tabular amounts only are in thousands of Canadian dollars, except per share data)

28. Supplementary cash flow information (continued)

c) Changes arising from financing activities are as follows for the years ended September 30:

	2023			2022		
	Long-term debt	**Derivative financial instruments to hedge long-term debt**	**Lease liabilities**	Long-term debt	Derivative financial instruments to hedge long-term debt	Lease liabilities
	$	**$**	**$**	$	$	$
Balance, beginning of year	**3,267,034**	**(146,215)**	**709,201**	3,401,656	17,187	776,940
Cash used in financing activities excluding equity						
Increase of long-term debt	**948**	**—**	**—**	—	—	—
Repayment of long-term debt and lease liabilities	**(79,150)**	**—**	**(161,211)**	(401,654)	—	(160,583)
Repayment of debt assumed in business acquisitions that occurred in prior year	**(56,994)**	**—**	**—**	(113,036)	—	—
Settlement of derivative financial instruments (Note 32)	**—**	**2,921**	**—**	—	6,258	—
Non-cash financing activities						
Additions, disposals/retirements and change in estimates and lease modifications of right-of-use assets	**—**	**—**	**81,656**	—	—	95,547
Additions through business acquisitions (Note 27)	**—**	**—**	**—**	162,640	—	23,181
Changes in foreign currency exchange rates	**(38,218)**	**45,719**	**15,997**	207,561	(169,660)	(25,153)
Other	**6,701**	**—**	**(3,680)**	9,867	—	(731)
Balance, end of year	**3,100,321**	**(97,575)**	**641,963**	3,267,034	(146,215)	709,201

d) Interest paid and received and income taxes paid are classified within operating activities and are as follows for the years ended September 30:

	2023	2022
	$	$
Interest paid	**130,570**	115,408
Interest received	**87,239**	28,247
Income taxes paid	**480,607**	435,558

e) Cash and cash equivalents consisted of unrestricted cash as at September 30, 2023 and 2022.

(tabular amounts only are in thousands of Canadian dollars, except per share data)

29. Segmented information

The following tables present information on the Company's operations based on its current management structure. Segment results are based on the location from which the services are delivered - the geographic delivery model (Note 12).

Year ended September 30, 2023

	Western and Southern Europe	U.S. Commercial and State Government	Canada	U.S. Federal	Scandinavia and Central Europe	U.K. and Australia	Finland, Poland and Baltics	Northwest and Central-East Europe	Asia Pacific	Eliminations	Total
	$	$	$	$	$	$	$	$	$	$	$
Segment revenue	2,605,926	2,277,996	2,064,659	1,935,238	1,648,356	1,455,529	828,951	755,901	918,056	(194,252)	14,296,360
Segment earnings before acquisition-related and integration costs, cost optimization program, net finance costs and income tax expense[1]	355,578	339,410	477,502	306,362	127,320	216,517	110,583	101,871	277,598	—	2,312,741
Acquisition-related and integration costs (Note 27d)											(53,401)
Cost optimization program (Note 25)											(8,964)
Net finance costs (Note 26)											(52,463)
Earnings before income taxes											**2,197,913**

[1] Total amortization and depreciation of $507,087,000 included in the Western and Southern Europe, U.S. Commercial and State Government, Canada, U.S. Federal, Scandinavia and Central Europe, U.K. and Australia, Finland, Poland and Baltics, Northwest and Central-East Europe and Asia Pacific segments is $85,049,000, $83,359,000, $55,589,000, $59,334,000, $90,098,000, $38,423,000, $38,345,000, $31,616,000 and $25,274,000, respectively, for the year ended September 30, 2023.

Year ended September 30, 2022

	Western and Southern Europe	U.S. Commercial and State Government	Canada	U.S. Federal	Scandinavia and Central Europe	U.K. and Australia	Finland, Poland and Baltics	Northwest and Central-East Europe	Asia Pacific	Eliminations	Total
	$	$	$	$	$	$	$	$	$	$	$
Segment revenue	2,152,113	2,075,321	1,981,380	1,750,902	1,571,118	1,291,125	729,024	692,859	799,661	(176,302)	12,867,201
Segment earnings before acquisition-related and integration costs, net finance costs and income tax expense[1]	289,730	304,767	463,289	276,395	125,728	200,117	96,651	88,287	241,672	—	2,086,636
Acquisition-related and integration costs (Note 27d)											(27,654)
Net finance costs (Note 26)											(92,023)
Earnings before income taxes											1,966,959

[1] Total amortization and depreciation of $470,572,000 included in the Western and Southern Europe, U.S. Commercial and State Government, Canada, U.S. Federal, Scandinavia and Central Europe, U.K. and Australia, Finland, Poland and Baltics, Northwest and Central-East Europe and Asia Pacific segments is $62,922,000, $70,417,000, $57,528,000, $54,073,000, $91,435,000, $40,765,000, $33,219,000, $34,323,000 and $25,890,000, respectively, for the year ended September 30, 2022. Amortization in intangible assets of $3,359,000 includes impairments mainly from a business solution in Northwest and Central-East Europe for $2,131,000. These assets were no longer expected to generate future economic benefits.

The accounting policies of each operating segment are the same as those described in Note 3, Summary of material accounting policies. Intersegment revenue is priced as if the revenue was from third parties.

(tabular amounts only are in thousands of Canadian dollars, except per share data)

29. Segmented information (continued)

GEOGRAPHIC INFORMATION

The following table provides external revenue information based on the client's location which is different from the revenue presented under operating segments, due to the intersegment revenue, for the years ended September 30:

	2023	2022
	$	$
Western and Southern Europe		
France	**2,277,088**	1,846,832
Portugal	**116,928**	105,225
Spain	**114,341**	111,515
Others	**55,519**	52,510
	2,563,876	2,116,082
U.S.[1]	**4,404,982**	3,987,025
Canada	**2,232,091**	2,143,211
Scandinavia and Central Europe		
Germany	**925,679**	811,458
Sweden	**691,240**	697,941
Norway	**123,366**	143,259
	1,740,285	1,652,658
U.K. and Australia		
U.K.	**1,588,665**	1,397,161
Australia	**90,576**	75,746
	1,679,241	1,472,907
Finland, Poland and Baltics		
Finland	**820,886**	727,853
Others	**49,564**	34,676
	870,450	762,529
Northwest and Central-East Europe		
Netherlands	**571,757**	494,227
Denmark	**95,758**	114,849
Czech Republic	**72,559**	54,621
Others	**61,854**	64,632
	801,928	728,329
Asia Pacific		
Others	**3,507**	4,460
	3,507	4,460
	14,296,360	12,867,201

[1] External revenue included in the U.S Commercial and State Government and U.S. Federal operating segments was $2,461,366,000 and $1,943,616,000, respectively in 2023 ($2,226,473,000 and $1,760,552,000, respectively in 2022).

(tabular amounts only are in thousands of Canadian dollars, except per share data)

29. Segmented information (continued)

GEOGRAPHIC INFORMATION (CONTINUED)

The following table provides information for PP&E, right-of-use assets, contract costs and intangible assets based on their location:

	As at September 30, 2023	As at September 30, 2022
	$	$
U.S.	**557,381**	556,075
Canada	**427,811**	374,757
France	**200,842**	217,261
U.K.	**115,560**	112,924
Finland	**100,212**	97,486
Sweden	**94,801**	100,088
Germany	**85,013**	89,527
India	**65,664**	71,942
Netherlands	**49,570**	47,274
Rest of the world	**106,292**	114,966
	1,803,146	1,782,300

INFORMATION ABOUT SERVICES

The following table provides revenue information based on services provided by the Company for the year ended September 30:

	2023	2022
	$	$
Managed IT and business process services	**7,674,460**	6,980,988
Business and strategic IT consulting and systems integration services	**6,621,900**	5,886,213
	14,296,360	12,867,201

MAJOR CLIENT INFORMATION

Contracts with the U.S. federal government and its various agencies, included within the U.S. Federal operating segment, accounted for $1,923,977,000 and 13.5% of revenues for the year ended September 30, 2023 ($1,705,173,000 and 13.3% for the year ended September 30, 2022).

30. Related party transactions

a) Transactions with subsidiaries and other related parties

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation. The Company owns 100% of the equity interests of its principal subsidiaries.

The Company's principal subsidiaries whose revenues, based on the geographic delivery model, represent more than 3% of the consolidated revenues are as follows:

Name of subsidiary	Country of incorporation
CGI Technologies and Solutions Inc.	United States
CGI France SAS	France
CGI Federal Inc.	United States
CGI IT UK Limited	United Kingdom
CGI Information Systems and Management Consultants Inc.	Canada
Conseillers en gestion et informatique CGI Inc.	Canada
CGI Deutschland B.V. & Co KG	Germany
CGI Sverige AB	Sweden
CGI Suomi OY	Finland
CGI Information Systems and Management Consultants Private Limited	India
CGI Nederland BV	Netherlands

b) Compensation of key management personnel

Compensation of key management personnel, currently defined as the executive officers and the Board of Directors of the Company, was as follows for the year ended September 30:

	2023	2022
	$	$
Short-term employee benefits	**36,049**	34,430
Share-based payments	**30,701**	23,819

(tabular amounts only are in thousands of Canadian dollars, except per share data)

31. Commitments, contingencies and guarantees

a) Commitments

As at September 30, 2023, the Company entered into long-term service agreements representing a total commitment of $323,957,000. Minimum payments under these agreements are due as follows:

	$
Less than one year	151,720
Between one and three years	141,768
Between three and five years	30,469
Beyond five years	—

b) Contingencies

From time to time, the Company is involved in legal proceedings, audits, litigation and claims which primarily relate to tax exposure, contractual disputes and employee claims arising in the ordinary course of its business. Certain of these matters seek damages in significant amounts and will ultimately be resolved when one or more future events occur or fail to occur. Although the outcome of such matters is not predictable with assurance, the Company has no reason to believe that the disposition of any such current matter could reasonably be expected to have a materially adverse impact on the Company's financial position, results of operations or the ability to carry on any of its business activities. Claims for which there is a probable unfavourable outcome are recorded in provisions.

In addition, the Company is engaged to provide services under contracts with various government agencies. Some of these contracts are subject to extensive legal and regulatory requirements and, from time to time, government agencies investigate whether the Company's operations are being conducted in accordance with these requirements. Generally, the governments agencies have the right to change the scope of, or terminate, these projects at its convenience. The termination or reduction in the scope of a major government contract or project could have a materially adverse effect on the results of operations and the financial condition of the Company.

c) Guarantees

Sale of assets and business divestitures

In connection with the sale of assets and business divestitures, the Company may be required to pay counterparties for costs and losses incurred as the result of breaches in contractual obligations, representations and warranties, intellectual property right infringement and litigation against counterparties, among others. While some of the agreements specify a maximum potential exposure, others do not specify a maximum amount or a maturity date. It is not possible to reasonably estimate the maximum amount that may have to be paid under such guarantees. The amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. No amount has been accrued in the consolidated balance sheets relating to this type of indemnification as at September 30, 2023. The Company does not expect to incur any potential payment in connection with these guarantees that could have a materially adverse effect on its consolidated financial statements.

Other transactions

In the normal course of business, the Company may provide certain clients, principally governmental entities, with bid and performance bonds. In general, the Company would only be liable for the amount of the bid bonds if the Company refuses to perform the project once the bid is awarded. The Company would also be liable for the performance bonds in the event of default in the performance of its obligations. As at September 30, 2023, the Company had committed a total of $34,323,000 of these bonds. To the best of its knowledge, the Company is in compliance with its performance obligations under all service contracts for which there is a bid or performance bond, and the ultimate liability, if any, incurred in connection with these guarantees, would not have a materially adverse effect on the Company's consolidated results of operations or financial condition.

Moreover, the Company has letters of credit for a total of $75,888,000 in addition to the letters of credit covered by the unsecured committed revolving credit facility (Note 14). These guarantees are required in some of the Company's contracts with customers.

(tabular amounts only are in thousands of Canadian dollars, except per share data)

32. Financial instruments

FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Valuation techniques used to value financial instruments are as follows:

- The fair value of the 2014 U.S. Senior Notes, the 2021 U.S. Senior Notes, the 2021 CAD Senior Notes, the unsecured committed revolving credit facility, the unsecured committed term loan credit facility and the other long-term debt is estimated by discounting expected cash flows at rates currently offered to the Company for debts of the same remaining maturities and conditions;
- The fair value of long-term bonds included in funds held for clients and in long-term investments is determined by discounting the future cash flows using observable inputs, such as interest rate yield curves or credit spreads, or according to similar transactions on an arm's-length basis;
- The fair value of foreign currency forward contracts is determined using forward exchange rates at the end of the reporting period;
- The fair value of cross-currency swaps is determined based on market data (primarily yield curves, exchange rates and interest rates) to calculate the present value of all estimated cash flows;
- The fair value of cash, cash equivalents and cash included in funds held for clients and short-term investments included in current financial assets is determined using observable quotes; and
- The fair value of deferred compensation plan assets within long-term financial assets is based on observable price quotations and net assets values at the reporting date.

As at September 30, 2023, there were no changes in valuation techniques.

The following table presents the financial liabilities included in the long-term debt (Note 14) measured at amortized cost categorized using the fair value hierarchy.

		As at September 30, 2023		As at September 30, 2022	
	Level	**Carrying amount**	**Fair value**	Carrying amount	Fair value
		$	**$**	$	$
2014 U.S. Senior Notes	Level 2	**473,808**	**464,806**	550,177	539,752
2021 U.S. Senior Notes	Level 2	**1,342,714**	**1,132,649**	1,361,974	1,127,739
2021 CAD Senior Notes	Level 2	**596,550**	**503,984**	595,900	503,227
Other long-term debt	Level 2	**10,363**	**9,839**	71,278	68,991
		2,423,435	**2,111,278**	2,579,329	2,239,709

For the remaining financial assets and liabilities measured at amortized cost, the carrying values approximate the fair values of the financial instruments given their short term maturity.

(tabular amounts only are in thousands of Canadian dollars, except per share data)

32. Financial instruments (continued)

FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents financial assets and liabilities measured at fair value categorized using the fair value hierarchy:

	Level	As at September 30, 2023	As at September 30, 2022
		$	$
Financial assets			
FVTE			
Cash and cash equivalents	Level 2	**1,568,291**	966,458
Cash included in funds held for clients (Note 5)	Level 2	**269,792**	504,726
Deferred compensation plan assets (Note 11)	Level 1	**88,076**	71,863
		1,926,159	1,543,047
Derivative financial instruments designated as hedging instruments			
Current derivative financial instruments included in current financial assets	Level 2		
Cross-currency swaps		**83,626**	8,740
Foreign currency forward contracts		**12,505**	18,934
Long-term derivative financial instruments (Note 11)	Level 2		
Cross-currency swaps		**16,130**	222,246
Foreign currency forward contracts		**5,875**	15,631
		118,136	265,551
FVOCI			
Short-term investments included in current financial assets	Level 2	**7,332**	6,184
Long-term bonds included in funds held for clients (Note 5)	Level 2	**138,935**	94,113
Long-term investments (Note 11)	Level 2	**17,113**	16,826
		163,380	117,123
Financial liabilities			
Derivative financial instruments designated as hedging instruments			
Current derivative financial instruments	Level 2		
Cross-currency swaps		**2,183**	599
Foreign currency forward contracts		**2,330**	5,710
Long-term derivative financial instruments	Level 2		
Cross-currency swaps		**—**	1,086
Foreign currency forward contracts		**1,700**	4,795
		6,213	12,190

There have been no transfers between Level 1 and Level 2 for the years ended September 30, 2023 and 2022.

32. Financial instruments (continued)

MARKET RISK

Market risk incorporates a range of risks. Movements in risk factors, such as interest rate risk and currency risk, affect the fair values of financial assets and liabilities.

Interest rate risk

To cover the risk of changes in both interest rates and foreign exchange rates of its 2014 U.S. Senior Notes as described below, the Company designates cross-currency interest rate swaps as cash flow hedges for this long term debt.

The Company is also exposed to interest rate risk on its unsecured committed revolving credit facility carrying amount.

The Company analyzes its interest rate risk exposure on an ongoing basis using various scenarios to simulate refinancing or the renewal of existing positions. Based on these scenarios, a change in the interest rate of 1% would not have had a significant impact on net earnings.

Currency risk

The Company operates internationally and is exposed to risk from changes in foreign currency exchange rates. The Company mitigates this risk principally through foreign currency denominated debt and derivative financial instruments, which includes foreign currency forward contracts and cross-currency swaps.

The Company hedges a portion of the translation of the Company's net investments in its U.S. operations into Canadian dollar, with Senior U.S. unsecured notes. As of September 30, 2023, the Senior U.S. unsecured notes of a carrying value of $1,525,519,000 and a nominal amount of $1,536,563,000 have been designated as hedging instruments to hedge portions of the Company's net investments in its U.S. operations.

The Company also hedges a portion of the translation of the Company's net investments in its European operations with cross-currency swaps.

(tabular amounts only are in thousands of Canadian dollars, except per share data)

32. Financial instruments (continued)

MARKET RISK (CONTINUED)

Currency risk (continued)

The following tables summarize the cross-currency swap agreements that the Company had entered into in order to manage its currency:

					As at September 30, 2023	As at September 30, 2022
Receive Notional	**Receive Rate**	**Pay Notional**	**Pay rate**	**Maturity**	**Fair value**	Fair value
					$	$
Hedges of net investments in European operations						
$690,100	From 1.62% to 3.81%	€476,737	From (0.14)% to 2.51%	From September 2024 to 2028	**22,966**	78,647
$136,274	From 3.57% to 3.63%	£75,842	From 2.67% to 2.80%	September 2024	**11,972**	24,247
$58,419	From 3.57% to 3.68%	kr371,900	From 2.12% to 2.18%	September 2024	**12,087**	12,625
Hedges of net investments in European operations and cash flow hedges on unsecured committed term loan credit facility						
U.S.$500,000	SOFR 1 month + 1.10%	€443,381	From 1.14% to 1.22%	December 2023	**44,386**	104,330
Cash flow hedges of 2014 U.S. Senior Notes						
U.S.$215,000	From 3.74% to 4.06%	$284,793	From 3.49% to 3.81%	September 2024	**6,163**	9,452
Total					**97,574**	229,301

During the year ended September 30, 2023, the Company settled cross-currency swaps with a notional amount of $69,300,000 for a net amount of $2,921,000. The related amounts recognized in accumulated other comprehensive income will be transferred to earnings when the net investment is disposed of.

The Company enters into foreign currency forward contracts to hedge the variability in various foreign currency exchange rates on future revenues. Hedging relationships are designated and documented at inception and quarterly effectiveness assessments are performed during the year.

As at September 30, 2023, the Company held foreign currency forward contracts to hedge exposures to changes in foreign currency, which have the following notional, average contract rates and maturities:

		Average contract rates		**As at September 30, 2023**	As at September 30, 2022
Foreign currency forward contracts	**Notional**	**Less than one year**	**More than one year**	**Fair value**	Fair value
				$	$
USD/INR	U.S.$278,814	83.27	87.32	**(973)**	(7,803)
CAD/INR	$292,047	63.77	65.32	**4,497**	7,865
EUR/INR	€78,476	95.01	96.54	**5,076**	11,690
GBP/INR	£67,507	107.07	106.76	**3,501**	12,753
SEK/INR	kr15,000	7.48	—	**(33)**	1,047
GBP/EUR	£77,610	1.16	—	**649**	—
EUR/MAD	€24,466	10.94	—	**135**	(201)
EUR/CZK	€15,062	24.80	24.55	**(92)**	611
Others	$78,027			**1,590**	(1,902)
Total				**14,350**	24,060

(tabular amounts only are in thousands of Canadian dollars, except per share data)

32. Financial instruments (continued)

MARKET RISK (CONTINUED)

Currency risk (continued)

The following table details the Company's sensitivity to a 10% strengthening of the euro, the U.S. dollar, the British pound and the Swedish krona, foreign currency rates on net earnings and on other comprehensive income (loss). The sensitivity analysis on net earnings presents the impact of foreign currency denominated financial instruments and adjusts their translation at period end for a 10% strengthening in foreign currency rates. The sensitivity analysis on other comprehensive income (loss) presents the impact of a 10% strengthening in foreign currency rates on the fair value of foreign currency forward contracts designated as cash flow hedges and on net investment hedges.

				2023				2022
	euro impact	**U.S. dollar impact**	**British pound impact**	**Swedish krona impact**	euro impact	U.S. dollar impact	British pound impact	Swedish krona impact
	$	**$**	**$**	**$**	$	$	$	$
Increase in net earnings	**1,384**	**3,598**	**692**	**466**	2,835	3,604	622	883
Decrease in other comprehensive income (loss)	**(155,000)**	**(190,539)**	**(29,436)**	**(7,005)**	(183,986)	(179,780)	(31,700)	(8,577)

LIQUIDITY RISK

Liquidity risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. The Company’s activities are financed through a combination of the cash flows from operations, borrowing under existing unsecured committed revolving credit facility, the issuance of debt and the issuance of equity. One of management’s primary goals is to maintain an optimal level of liquidity through the active management of the assets and liabilities as well as the cash flows. The Company regularly monitors its cash forecasts to ensure it has sufficient flexibility under its available liquidity to meet its obligations.

(tabular amounts only are in thousands of Canadian dollars, except per share data)

32. Financial instruments (continued)

LIQUIDITY RISK (CONTINUED)

The following tables summarize the carrying amount and the contractual maturities of both the interest and principal portion of financial liabilities. All amounts contractually denominated in foreign currency are presented in Canadian dollar equivalent amounts using the period-end spot rate or floating rate.

As at September 30, 2023	**Carrying amount**	**Contractual cash flows**	**Less than one year**	**Between one and three years**	**Between three and five years**	**Beyond five years**
	$	$	$	$	$	$
Non-derivative financial liabilities						
Accounts payable and accrued liabilities	**924,659**	924,659	924,659	—	—	—
Accrued compensation and employee-related liabilities	**1,100,566**	1,100,566	1,100,566	—	—	—
2014 U.S. Senior Notes	**473,808**	492,722	492,722	—	—	—
2021 U.S. Senior Notes	**1,342,714**	1,488,774	24,233	860,746	24,910	578,885
2021 CAD Senior Notes	**596,550**	663,000	12,600	25,200	625,200	—
Unsecured committed term loan credit facility	**676,886**	687,419	687,419	—	—	—
Lease liabilities	**641,963**	722,284	221,877	238,009	139,275	123,123
Other long-term debt	**10,363**	10,448	8,353	1,328	449	318
Clients' funds obligations	**493,638**	493,638	493,638	—	—	—
Derivative financial liabilities						
Cash flow hedges of future revenue	**4,030**					
Outflow		328,455	155,450	163,091	9,914	—
(Inflow)		(331,954)	(154,116)	(166,967)	(10,871)	—
Cross-currency swaps	**2,183**					
Outflow		93,311	93,311	—	—	—
(Inflow)		(91,353)	(91,353)	—	—	—
	6,267,360	6,581,969	3,969,359	1,121,407	788,877	702,326

As at September 30, 2022	Carrying amount	Contractual cash flows	Less than one year	Between one and three years	Between three and five years	Beyond five years
	$	$	$	$	$	$
Non-derivative financial liabilities						
Accounts payable and accrued liabilities	1,016,407	1,016,407	1,016,407	—	—	—
Accrued compensation and employee-related liabilities	1,130,726	1,130,726	1,130,726	—	—	—
2014 U.S. Senior Notes	550,177	591,467	90,680	500,787	—	—
2021 U.S. Senior Notes	1,361,974	1,537,370	24,623	49,246	862,639	600,862
2021 CAD Senior Notes	595,900	675,600	12,600	25,200	25,200	612,600
Unsecured committed term loan credit facility	687,705	721,807	27,053	694,754	—	—
Lease liabilities	709,201	808,445	182,815	295,017	166,848	163,765
Other long-term debt	71,278	80,324	25,843	11,919	42,557	5
Clients' funds obligations	604,431	604,431	604,431	—	—	—
Derivative financial liabilities						
Cash flow hedges of future revenue	10,505					
Outflow		304,698	110,827	193,871	—	—
(Inflow)		(311,446)	(109,319)	(202,127)	—	—
Cross-currency swaps	1,685					
Outflow		168,213	74,902	93,311	—	—
(Inflow)		(167,586)	(74,762)	(92,824)	—	—
	6,739,989	7,160,456	3,116,826	1,569,154	1,097,244	1,377,232

(tabular amounts only are in thousands of Canadian dollars, except per share data)

32. Financial instruments (continued)

LIQUIDITY RISK (CONTINUED)

As at September 30, 2023, the Company held cash and cash equivalents, funds held for clients, short-term investments and long-term investments of $2,081,463,000 ($1,588,307,000 as at September 30, 2022). The Company also had available $1,495,858,000 in unsecured committed revolving credit facility ($1,495,730,000 as at September 30, 2022). As at September 30, 2023, trade accounts receivable amounted to $1,152,880,000 (Note 4) ($1,106,187,000 as at September 30, 2022). Given the Company's available liquid resources as compared to the timing of the payments of liabilities, management assesses the Company's liquidity risk to be low.

CREDIT RISK

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, accounts receivable, work in progress, long-term investments and derivative financial instruments with a positive fair value. The maximum exposure of credit risk is generally represented by the carrying amount of these items reported on the consolidated balance sheets.

The Company is exposed to credit risk in connection with long-term investments through the possible inability of borrowers to meet the terms of their obligations. The Company mitigates this risk by investing primarily in high credit quality corporate and government bonds with a credit rating of A^{-} or higher. The application of the low credit exemption had no material impact on the Company's consolidated financial statements.

The Company has accounts receivable derived from clients engaged in various industries including government; financial services; manufacturing, retail and distribution; communications and utilities; and health that are not concentrated in any specific geographic area. These specific industries may be affected by economic factors that may impact trade accounts receivable. However, management does not believe that the Company is subject to any significant credit risk in view of the Company's large and diversified client base and that any single industry or geographic region represents a significant credit risk to the Company. Historically, the Company has not made any significant write-offs and had low bad debt ratios. The application of the simplified approach to measure expected credit losses for trade accounts receivable and work in progress had no material impact on the Company's consolidated financial statements.

The following table sets forth details of the age of trade accounts receivable that are past due:

	2023	2022
	$	$
Not past due	**1,034,795**	950,928
Past due 1-30 days	**82,536**	81,000
Past due 31-60 days	**17,630**	25,694
Past due 61-90 days	**9,925**	12,142
Past due more than 90 days	**10,913**	39,883
	1,155,799	1,109,647
Allowance for doubtful accounts	**(2,919)**	(3,460)
	1,152,880	1,106,187

In addition, the exposure to credit risk of cash, cash equivalents and cash included in funds held for clients and derivatives financial instruments is limited given that the Company deals mainly with a diverse group of high-grade financial institutions and that derivatives agreements are generally subject to master netting agreements, such as the International Swaps and Derivatives Association, which provide for net settlement of all outstanding contracts with the counterparty in case of an event of default.

33. Capital risk management

The Company is exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth. The main objectives of the Company's risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to these risks.

The Company manages its capital to ensure that there are adequate capital resources while maximizing the return to shareholders through the optimization of the debt and equity balance. As at September 30, 2023, total managed capital was $13,645,314,000 ($12,238,427,000 as at September 30, 2022). Managed capital consists of long-term debt, including the current portion (Note 14), lease liabilities, cash and cash equivalents, short-term investments, long-term investments (Note 11) and shareholders' equity. The basis for the Company's capital structure is dependent on the Company's expected business growth and changes in the business environment. When capital needs have been specified, the Company's management proposes capital transactions for the approval of the Company's Audit and Risk Management Committee and Board of Directors. The capital risk policy remains unchanged from prior periods.

The Company monitors its capital by reviewing various financial metrics, including the following:

- Net Debt/Capitalization
- Debt/Adjusted EBITDA

Net debt, capitalization and adjusted EBITDA are additional measures. Net debt represents debt (including the current portion and the fair value of foreign currency derivative financial instruments related to debt) and lease liabilities less cash and cash equivalents, short-term investments and long-term investments. Capitalization is shareholders' equity plus net debt. Adjusted EBITDA is calculated as earnings from continuing operations before finance costs, income taxes, depreciation, amortization, cost optimization program and acquisition-related and integration costs. The Company believes that the results of the current internal ratios are consistent with its capital management credit facility and unsecured committed revolving credit facilities. The ratios are as follows:

- Leverage ratios, which are the ratio of total debt to adjusted EBITDA for its 2014 U.S. Senior Notes and the ratio of total debt net of cash and cash equivalent investments to adjusted EBITDA for its unsecured committed revolving credit facility and unsecured committed term loan credit facility for the four most recent quarters[1].
- An interest and rent coverage ratio, which is the ratio of the EBITDAR for the four most recent quarters to the total finance costs and the operating rentals in the same periods. EBITDAR is calculated as adjusted EBITDA before rent expense[1].
- In the case of the 2014 U.S. Senior Notes, a minimum net worth is required, whereby shareholders' equity, excluding foreign exchange translation adjustments included in accumulated other comprehensive income, cannot be less than a specified threshold.

These ratios are calculated on a consolidated basis.

The Company is in compliance with these covenants and monitors them on an ongoing basis. The ratios are also reviewed quarterly by the Company's Audit and Risk Management Committee. The Company is not subject to any other externally imposed capital requirements.

[1] In the event of an acquisition, the available historical financial information of the acquired company will be used in the computation of the ratios.

Exhibit 99.3

Management's Discussion and Analysis

For the years ended September 30, 2023 and 2022

CGI

November 8, 2023

BASIS OF PRESENTATION

This Management's Discussion and Analysis of the Financial Position and Results of Operations (MD&A) is a responsibility of management and has been reviewed and approved by the Board of Directors. This MD&A has been prepared in accordance with the rules and regulations of the Canadian Securities Administrators. The Board of Directors is ultimately responsible for reviewing and approving the MD&A. The Board of Directors carries out this responsibility mainly through its Audit and Risk Management Committee, which is appointed by the Board of Directors and is comprised entirely of independent and financially literate directors.

Throughout this document, CGI Inc. is referred to as "CGI", "we", "us", "our" or "Company". This MD&A provides information management believes is relevant to an assessment and understanding of the consolidated results of operations and financial condition of the Company. This document should be read in conjunction with the audited consolidated financial statements and the notes thereto for the years ended September 30, 2023 and 2022. CGI's accounting policies are in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). All dollar amounts are in Canadian dollars unless otherwise noted.

MATERIALITY OF DISCLOSURES

This MD&A includes information we believe is material to investors. We consider something to be material if it results in, or would reasonably be expected to result in, a significant change in the market price or value of our shares, or if it is likely that a reasonable investor would consider the information to be important in making an investment decision.

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of Canadian securities laws and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and other applicable United States safe harbours. All such forward-looking information and statements are made and disclosed in reliance upon the safe harbour provisions of applicable Canadian and United States securities laws. Forward-looking information and statements include all information and statements regarding CGI's intentions, plans, expectations, beliefs, objectives, future performance, and strategy, as well as any other information or statements that relate to future events or circumstances and which do not directly and exclusively relate to historical facts. Forward-looking information and statements often but not always use words such as "believe", "estimate", "expect", "intend", "anticipate", "foresee", "plan", "predict", "project", "aim", "seek", "strive", "potential", "continue", "target", "may", "might", "could", "should", and similar expressions and variations thereof. These information and statements are based on our perception of historic trends, current conditions and expected future developments, as well as other assumptions, both general and specific, that we believe are appropriate in the circumstances. Such information and statements are, however, by their very nature, subject to inherent risks and uncertainties, of which many are beyond the control of the Company, and which give rise to the possibility that actual results could differ materially from our expectations expressed in, or implied by, such forward-looking information or forward-looking statements. These risks and uncertainties include but are not restricted to: risks related to the market such as the level of business activity of our clients, which is affected by economic and political conditions, additional external risks (such as pandemics, armed conflict, climate-related issues and inflation) and our ability to negotiate new contracts; risks related to our industry such as competition and our ability to develop and expand our services, to penetrate new markets, and to protect our intellectual property rights; risks related to our business such as risks associated with our growth strategy, including the integration of new operations, financial and operational risks inherent in worldwide operations, foreign exchange risks, income tax laws and other tax programs, the termination, modification, delay or suspension of our contractual agreements, our expectations regarding future revenue resulting from bookings and backlog, our ability to attract and retain qualified employees, to negotiate favourable contractual terms, to deliver our services and to collect receivables, to disclose, manage and implement environmental, social and governance (ESG) initiatives and standards, and to achieve ESG commitments and targets, including without limitation, our commitment to net-zero carbon emissions by 2030, as well as the reputational and financial risks attendant to cybersecurity breaches and other incidents, and financial risks such as liquidity needs and requirements, maintenance of financial ratios, interest rate fluctuations and the discontinuation of major interest rate benchmarks and changes in creditworthiness and credit ratings; as well as other risks identified or incorporated by reference in this MD&A and in other documents that we make public, including our filings with the Canadian Securities Administrators (on SEDAR+ at www.sedarplus.ca) and the U.S. Securities and Exchange Commission (on EDGAR at www.sec.gov). Unless otherwise stated, the forward-looking information and statements contained in this MD&A are made as of the date hereof and CGI disclaims any intention or obligation to publicly update or revise any forward-looking information or forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. While we believe that our assumptions on which these forward-looking information and forward-looking statements are based were reasonable as at the date of this MD&A, readers are cautioned not to place undue reliance on these forward-looking information or statements. Furthermore, readers are reminded that forward-looking information and statements are presented for the sole purpose of assisting investors and others in understanding our objectives, strategic priorities and business outlook as well as our anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes. Further information on the risks that could cause our actual results to differ significantly from our current expectations may be found in section 10 - Risk Environment, which is incorporated by reference in this cautionary statement. We also caution readers that the risks described in the previously mentioned section and in other sections of this MD&A are not the only ones that could affect us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial could also have a material adverse effect on our financial position, financial performance, cash flows, business or reputation.

KEY PERFORMANCE MEASURES

The reader should note that the Company reports its financial results in accordance with IFRS. However, we use a combination of GAAP, non-GAAP and supplementary financial measures and ratios to assess the Company's performance. The non-GAAP measures used in this MD&A do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. These measures should be considered as supplemental in nature and not as a substitute for the related financial information prepared in accordance with IFRS.

The table below summarizes our most relevant key performance measures :

Growth	**Revenue prior to foreign currency impact** (non-GAAP) – is a measure of revenue before foreign currency translation impacts. This is calculated by translating current period results in local currency using the conversion rates in the equivalent period from the prior year. Given that we have a strong presence globally and are affected by most major international currencies, management believes that it is helpful to adjust revenue to exclude the impact of currency fluctuations to facilitate period-to-period comparisons of business performance and that this measure is useful for investors for the same reason. A reconciliation of the revenue prior to foreign currency impact to its closest IFRS measure can be found in sections 3.4. and 5.4. of the present document. **Constant currency revenue growth** (non-GAAP) – is a measure of revenue growth before foreign currency translation impacts. This is calculated by translating current period results in local currency using the conversion rates in the equivalent period from the prior year. Management believes its use of this measure is helpful for investors to facilitate period-to-period comparisons of our business growth. **Bookings** – are new binding contractual agreements including wins, extensions and renewals. In addition, our bookings are comprised of committed spend and estimates from management that are subject to change, including demand-driven usage, such as volume based and time and material contracts, as well as price indexation and options years and services. Management evaluates factors such as prices and past history to support its estimates. Management believes that it is a key indicator of the volume of our business over time and potential future revenue and that it is useful trend information to investors for the same reason. Information regarding our bookings is not comparable to, nor should it be substituted for, an analysis of our revenue. Additional information on bookings can be found in sections 3.1. and 5.1. of the present document. **Backlog** – includes bookings, backlog acquired through business acquisitions, backlog consumed during the period as a result of client work performed as well as the impact of foreign currencies to our existing contracts. Backlog incorporates estimates from management that are subject to change and are mainly driven from bookings. Backlog is reduced when a client decision which decreases contractual commitment such as through contract cancellation. Management tracks this measure as it is a key indicator of our best estimate of contracted revenue to be realized in the future and believes that this measure is useful trend information to investors for the same reason. **Book-to-bill ratio** – is a measure of the proportion of the value of our bookings to our revenue in the quarter. This metric allows management to monitor the Company's business development efforts during the quarter to ensure we grow our backlog and our business over time and management believes that this measure is useful for investors for the same reason. **Book-to-bill ratio trailing twelve months** – is a measure of the proportion of the value of our bookings to our revenue over the last trailing twelve-month period as management believes that monitoring the Company's bookings over a longer period is a more representative measure as the services and contract type, size and timing of bookings could cause this measurement to fluctuate significantly if taken for only a three-month period and as such is useful for investors for the same reason. Management's objective is to maintain a target ratio greater than 100% over a trailing twelve-month period.

Profitability	**Specific items** – includes cost optimization program and acquisition-related and integration costs. Cost optimization program mainly includes cost related to vacated leased premises and termination of employment. Acquisition-related costs mainly include third-party professional fees incurred to close acquisitions. Integration costs are mainly comprised of expenses due to redundancy of employment and contractual agreements, cancellation of acquired leased premises and costs related to the integration towards the CGI operating model such as training activities. **Earnings before income taxes** – is a measure of earnings generated for shareholders before income taxes. **Earnings before income taxes margin** – is obtained by dividing our earnings before income taxes by our revenues. Management believes a percentage of revenue measure is meaningful for better comparability from period-to-period. **Adjusted EBIT** (non-GAAP) – is a measure of earnings excluding specific items, net finance costs and income tax expense. Management believes its use of this measure which excludes items that are non-related to day-to-day operations, such as the impact of specific items, capital structure and income taxes, is helpful to investors to better evaluate the Company's core operating performance. This measure also allows for better comparability from period-to-period and trend analysis. A reconciliation of the adjusted EBIT to its closest IFRS measure can be found in sections 3.7. and 5.6. of the present document. **Adjusted EBIT margin** (non-GAAP) – is obtained by dividing our adjusted EBIT by our revenues. Management believes its use of this measure which evaluates our core operating performance before specific items, capital structure and income taxes when compared to the growth of our revenues is relevant to investors for better comparability from period-to-period. This measure demonstrates the Company's ability to grow in a cost-effective manner, executing on our Build and Buy strategy. A reconciliation of the adjusted EBIT to its closest IFRS measure can be found in sections 3.7. and 5.6. of the present document. **Net earnings** – is a measure of earnings generated for shareholders. **Net earnings margin** – is obtained by dividing our net earnings by our revenues. Management believes a percentage of revenue measure is meaningful for better comparability from period-to-period. **Diluted earnings per share** (diluted EPS) – is a measure of net earnings generated for shareholders on a per share basis, assuming all dilutive elements are exercised. Please refer to note 21 of our audited consolidated financial statements for additional information on earnings per share. **Net earnings excluding specific items** (non-GAAP) – is a measure of net earnings excluding the cost optimization program and acquisition-related and integration costs. Management believes its use of this measure best demonstrates to investors the net earnings generated from our day-to-day operations by excluding specific items, for better comparability from period-to-period. A reconciliation of the net earnings excluding specific items to its closest IFRS measure can be found in sections 3.8.3. and 5.6.1. of the present document. **Net earnings margin excluding specific items** (non-GAAP) – is obtained by dividing our net earnings excluding specific items by our revenues. Management believes its use of this measure which evaluates our core operating performance when compared to the growth of our revenues is relevant to investors to assess their returns and for better comparability from period-to-period. This measure demonstrates the Company's ability to grow in a cost-effective manner, executing on our Build and Buy strategy. A reconciliation of the net earnings excluding specific items to its closest IFRS measure can be found in sections 3.8.3. and 5.6.1. of the present document.

	Diluted earnings per share excluding specific items (non-GAAP) – is defined as the net earnings excluding specific items on a per share basis. Management believes its use of this measure is useful for investors as excluding specific items best reflects the Company's ongoing operating performance on a per share basis and allows for better comparability from period-to-period. The diluted earnings per share reported in accordance with IFRS can be found in sections 3.8. and 5.6. of the present document while the basic and diluted earnings per share excluding specific items can be found in sections 3.8.3. and 5.6.1. of the present document. **Effective tax rate excluding specific items** (non-GAAP) – is obtained by dividing our income tax expense by earnings before income taxes, before specific items. Management uses this measure to analyze the impact of changes in income tax rate and profitability mix from day-to-day operations on its effective tax rate and is useful for investors for the same reason. A reconciliation of the effective tax rate excluding specific items to its closest IFRS measure can be found in sections 3.8.3. and 5.6.1. of the present document.
Liquidity	**Cash provided by operating activities** – is a measure of cash generated from managing our day-to-day business operations. Management believes strong operating cash flow is indicative of financial flexibility, allowing us to execute the Company's strategy. **Cash provided by operating activities as a percentage of revenue** – is obtained by dividing our cash provided by operating activities by our revenues. Management believes strong operating cash flow compared to our revenues is a key indicator of our financial flexibility to execute the Company's growth strategy. **Days sales outstanding** (DSO) – is the average number of days needed to convert our trade receivables and work in progress into cash. DSO is obtained by subtracting deferred revenue from trade accounts receivable and work in progress; the result is divided by our most recent quarter's revenue over 90 days. Management tracks this metric closely to ensure timely collection and healthy liquidity. Management believes that this measure is useful for investors as it demonstrates the Company's ability to timely convert its trade receivables and work in progress into cash.
Capital Structure	**Net debt** (non-GAAP) – is obtained by subtracting from our debt and lease liabilities, our cash and cash equivalents, short-term investments, long-term investments and adjusting for fair value of foreign currency derivative financial instruments related to debt. Management believes its use of the net debt metric to monitor the Company's financial leverage is useful for investors as it provides insight into its financial strength. A reconciliation of net debt to its closest IFRS measure can be found in section 4.5. of the present document. **Net debt to capitalization ratio** (non-GAAP) – is a measure of our level of financial leverage and is obtained by dividing the net debt by the sum of shareholders' equity and net debt. Management believes its use of the net debt to capitalization ratio is useful for investors as it monitors the proportion of debt versus capital used to finance the Company's operations. **Return on invested capital** (ROIC) (non-GAAP) – is a measure of the Company's efficiency at allocating the capital under its control to profitable investments and is calculated as the proportion of the net earnings excluding net finance costs after-tax for the last twelve months, over the last four quarters' average invested capital, which is defined as the sum of shareholders' equity and net debt. Management believes its use of this ratio is useful for investors as it assesses how well it is using its capital to generate returns.

REPORTING SEGMENTS

The Company is managed through the following nine operating segments: Western and Southern Europe (primarily France, Spain and Portugal); United States (U.S.) Commercial and State Government; Canada; U.S. Federal; Scandinavia and Central Europe (Germany, Sweden and Norway); United Kingdom (U.K.) and Australia; Finland, Poland and Baltics; Northwest and Central-East Europe (primarily Netherlands, Denmark and Czech Republic); and Asia Pacific Global Delivery Centers of Excellence (mainly India and Philippines) (Asia Pacific). Please refer to sections 3.4., 3.6., 5.4. and 5.5. of the present document and to note 29 of our audited consolidated financial statements for additional information on our segments.

MD&A OBJECTIVES AND CONTENTS

In this document, we:

- Provide a narrative explanation of the audited consolidated financial statements through the eyes of management;
- Provide the context within which the audited consolidated financial statements should be analyzed, by giving enhanced disclosure about the dynamics and trends of the Company's business; and
- Provide information to assist the reader in ascertaining the likelihood that past performance may be indicative of future performance.

In order to achieve these objectives, this MD&A is presented in the following main sections:

1. Corporate Overview

1.1. ABOUT CGI

Founded in 1976 and headquartered in Montréal, Canada, CGI is a leading IT and business consulting services firm with approximately 91,500 consultants and professionals worldwide. We use the power of technology to help clients accelerate their holistic digital transformation.

CGI has a people-centered culture, operating where our clients live and work to build trusted relationships and to advance our shared communities. Our consultants and professionals are committed to providing actionable insights that help clients achieve business outcomes. They leverage global delivery centers that deliver scale, innovation and delivery excellence for every engagement.

End-to-end services and solutions

CGI delivers end-to-end services that help clients achieve the highest returns on their digital investments. We call this ROI-led digitization. Our insights-driven end-to-end services and solutions work together to help clients design, implement, run and operate the technology critical to achieving their business strategies. Our portfolio encompasses:

i. **Business and strategic IT consulting, and systems integration services:** CGI helps clients drive sustainable value in critical consulting areas, including strategy, organization and change management, core operations and technology. Within each of these areas, our consultants also deliver a broad range of business offerings to address client executives' priorities, including designing and advancing strategies for the responsible use of artificial intelligence (AI), sustainable supply chain management, environmental, social and governance (ESG), mergers and acquisitions, and more. In the area of systems integration, we help clients accelerate the enterprise modernization of their legacy systems and adopt new technologies to drive innovation and deliver real-time and insight-driven customer and citizen services.

ii. **Managed IT and business process services:** Working as an extension of our clients' organizations, we take on full or partial responsibility for managing their IT functions, freeing them up to focus on their strategic business direction. Our services enable clients to reinvest, alongside CGI, in the successful execution of their digital transformation roadmaps. We help them increase agility, scalability and resilience; deliver operational efficiencies, innovations and reduced costs; and embed security and data privacy controls. Typical services include: application development, modernization and maintenance; holistic enterprise digitization, automation, hybrid and cloud management; and business process services.

iii. **Intellectual property (IP):** CGI's portfolio of IP solutions are highly configurable "business platforms as a service" that are embedded within our end-to-end service offerings and utilize integrated security, data privacy practices, provider-neutral cloud approaches, and advanced AI capabilities to provide immediate benefits to clients. We invest in, and deliver, market-leading IP to drive business outcomes within each of our target industries. We also collaborate with clients to build and evolve IP-based solutions while enabling a higher degree of flexibility and customization for their unique modernization and digitization needs.

Deep industry and technology expertise

CGI has long-standing and focused practices in all of its core industries, providing clients with a partner that is not only an expert in IT, but also an expert in their respective industries. This combination of business knowledge and digital technology expertise allows us to help our clients navigate complex challenges and focus on value creation. In the process, we evolve the services and solutions we deliver within our targeted industries and provide thought leadership, blueprints, frameworks and technical accelerators that help client evolve their ecosystems.

Our targeted industries include financial services (including banking and insurance), government (including space), manufacturing, retail and distribution (including consumer services, transportation and logistics), communications and utilities (including energy and media), and health (including life sciences). To help orchestrate our global posture across these industries, our leaders regularly participate in cabinet meetings and councils to advance the strategies, services and solutions we deliver to our clients.

Helping clients leverage technology to its fullest

Macro trends such as supply chain reconfiguration, climate change and energy transition, and demographic shifts including aging populations and talent shortages require new business models and ways of working. At the same time, technology is reshaping our future and creating new opportunities.

Accelerating digitization provides the inclusive, economically vibrant, and sustainable future our clients' customers and citizens demand. Leveraging technology to its fullest helps clients to lead within their industries. Our end-to-end digital services, industry and technology expertise, and operational excellence combine to help clients advance their holistic digital transformation.

Through our proprietary Voice of Our Clients research, we analyzed the characteristics of leading digital organizations and found three common attributes:

- They have highly agile business models to address digitization and integrate new technology, are better at operating as aligned teams between business and IT, and extend their digital strategy to their external ecosystem.
- They have been faster in modernizing the entire IT environment - including through automation - while assuring security and data privacy.
- They are addressing business transformation holistically, including culture change, ecosystem touchpoints, and the integration of sustainability objectives.

Digital leaders across industries seek new ways to evolve their strategy and operational models and use technology and information to improve how they operate, deliver products and services, and create value.

CGI helps clients adopt leading digital attributes and design, manage, protect and evolve their digital value chains to accelerate business outcomes.

Quality processes

Our clients expect consistent service wherever and whenever they engage us. We have an outstanding track record of on-time, within-budget delivery as a result of our commitment to excellence and our robust governance model - CGI's Management Foundation.

Our Management Foundation provides a common business language, frameworks and practices for managing operations consistently across the globe, driving continuous improvement. We also invest in rigorous quality and service delivery standards including the International Organization for Standardization (ISO) and Capability Maturity Model Integration (CMMI) certification programs, as well as a comprehensive Client Satisfaction Assessment Program, with signed client assessments, to ensure high satisfaction on an ongoing basis.

1.2. VISION AND STRATEGY

CGI is unique compared to most companies, as our vision is based on a dream: "To create an environment in which we enjoy working together and, as owners, contribute to building a company we can be proud of." This dream has motivated us since our founding in 1976 and drives our vision: "To be a global, world-class end-to-end IT and business consulting services leader helping our clients succeed."

In pursuing our dream and vision, CGI has been highly disciplined throughout its history in executing a Build and Buy profitable growth strategy comprised of four pillars that combine profitable organic growth (Build) and accretive acquisitions (Buy):

Pillar 1: Win, renew and extend contracts

Pillar 2: New large managed IT and business process services contracts

These first two pillars relate to driving profitable organic growth through the pursuit of contracts with new and existing clients in our targeted industries. As such, CGI engages with new and existing clients on four levers in our portfolio of end-to-end services and solutions: Business and Strategic IT Consulting, Systems Integration, Managed Services and IP-based services. Successes in these pillars reflect the strength of our end-to-end portfolio of capabilities, the depth of expertise of our consultants in business and IT, client satisfaction in our delivery excellence, and the appreciation of the proximity model by our clients, both existing and potential.

Pillar 3: Metro market acquisitions

Pillar 4: Large, transformational acquisitions

The third and fourth pillars focus on growth through accretive acquisitions. The third pillar for metro market acquisitions complements the proximity model and helps to provide a fuller range of end-to-end services. The fourth pillar for large transformational acquisitions helps to further expand our geographic footprint and reach the critical mass required to compete for large managed IT and business process services contracts and broaden our client relationships. Both the third and fourth pillars are supported by three levers. First, is our range of end-to-end services that allow us to consider a broad range of acquisitions. A second lever is CGI's industry sector mix that helps us mirror the IT spend of each metro market over time. A final lever across pillars three and four focuses on IP-based services firms that offer consulting services and managed services that leverage their solutions.

CGI will continue to be a consolidator in the IT and business consulting services industry by being active across these four pillars.

Executing our strategy

CGI's strategy is executed through a business model that combines client proximity with an extensive global delivery network to deliver the following benefits:

- **Local relationships and accountability:** We live and work near our clients to provide a high level of responsiveness, partnership, and innovation. Our local consultants and professionals speak our clients' language, understand their business and industries, and collaborate to meet their goals and advance their business.

- **Global reach:** Our local presence is complemented by an expansive global delivery network that ensures our clients have 24/7 access to best-fit digital capabilities and resources to meet their end-to-end needs. In addition, clients benefit from our unique combination of industry domain and technology expertise within our global delivery model.

- **Committed experts:** One of our key strategic goals is to be our clients' partner and expert of choice. To achieve this, we invest in developing and recruiting professionals with extensive industry, business and in-demand technology expertise. Individually and collectively, each of our experts embody partnership behaviors in all they do by being consultative and building trusted relationships with each other, our clients, shareholders, and within our communities. In addition, a majority of consultants and professionals are also owners through our Share Purchase Plan, which, combined with the Profit Participation Plan, provide an added level of commitment to the success of our clients.

- **Everyday innovation:** Our approach to client engagements is to continuously bring forward actionable insights that support clients' ROI-led digitization priorities. Through our client satisfaction program, we regularly assess the degree to which clients find that CGI introduced applicable innovation to the engagements we deliver for them, including through our ideas, processes, tools and offerings. We also scale innovative solutions co-created with clients through a global governance model.

- **Comprehensive quality processes:** CGI's investment in quality frameworks and rigorous client satisfaction assessments has resulted in a consistent track record of on-time and within-budget project delivery. With regular reviews of engagements and transparency at all levels, the Company ensures that client objectives and its own quality objectives are consistently followed at all times. This thorough process enables CGI to generate continuous improvements for all stakeholders by applying corrective measures as soon as they are required.

• **ESG strategy:** At CGI, our ESG strategy is key to contributing to our strategic goal to be recognized by our stakeholders as an engaged, ethical and responsible corporate citizen within our communities. Our commitments align with the United Nations (UN) Global Compact's 10 principles and we are recognized by leading international indices, including EcoVadis, Carbon Disclosure Project (CDP) and Dow Jones Sustainability Indices (DJSI). We prioritize partnerships with clients, while also collaborating with educational institutions and local organizations, on three global priorities: people, communities and climate. We demonstrate our commitment to a sustainable world through projects delivered in collaboration with clients and through operating practices, supply chain management, and community service activities.

1.3. COMPETITIVE ENVIRONMENT

As the market dynamics and industry trends continue to increase client demand for ROI-led digitization, CGI is well-positioned to serve as a digital partner and expert of choice. We work with clients across the globe to implement digital strategies, roadmaps and solutions that help clients transform the customer/citizen experience, drive the launch of new products and services, and deliver efficiencies and cost savings.

CGI's competition is comprised of a variety of firms, from local companies providing specialized services and software, government pure-plays to global business consulting and IT services providers. All of these players are competing to deliver some or all of the services we provide.

Many factors distinguish the industry leaders, including the following:

- Depth and breadth of industry and technology expertise;
- Local presence and strength of client relationships;
- Extensive and flexible global delivery network, including onshore, nearshore and offshore options;
- Breadth of digital IP solutions;
- Total cost of services and value delivered;
- Ability to deliver practical innovation for measurable results; and
- Consistent, on-time, within-budget delivery everywhere the client operates.

CGI is one of the leaders in the industry with respect to the combination of these factors. CGI is one of few firms with the scale, reach, and capabilities to meet clients' enterprise business and technology needs.

2. Highlights and Key Performance Measures

2.1. SELECTED YEARLY INFORMATION & KEY PERFORMANCE MEASURES

As at and for the years ended September 30,	2023	2022	2021	Change 2023 / 2022	Change 2022 / 2021
In millions of CAD unless otherwise noted					
Growth					
Revenue	**14,296.4**	12,867.2	12,126.8	**1,429.2**	740.4
Year-over-year revenue growth	**11.1%**	6.1%	(0.3%)		
Constant currency revenue growth	**8.0%**	10.5%	1.1%		
Backlog[1]	**26,059**	24,055	23,059	**2,004**	996
Bookings	**16,259**	13,966	13,843	**2,293**	123
Book-to-bill ratio	**113.7%**	108.5%	114.2%	**5.2%**	(5.7%)
Profitability					
Earnings before income taxes	**2,197.9**	1,967.0	1,838.0	**230.9**	129.0
Earnings before income taxes margin	***15.4%***	*15.3%*	*15.2%*	***0.1%***	*0.1%*
Adjusted EBIT[2]	**2,312.7**	2,086.6	1,952.2	**226.1**	134.4
Adjusted EBIT margin	***16.2%***	*16.2%*	*16.1%*	***—%***	*0.1%*
Net earnings	**1,631.2**	1,466.1	1,369.1	**165.1**	97.0
Net earnings margin	***11.4%***	*11.4%*	*11.3%*	***—%***	*0.1%*
Diluted EPS (in dollars)	**6.86**	6.04	5.41	**0.82**	0.63
Net earnings excluding specific items[2]	**1,680.0**	1,487.9	1,374.9	**192.1**	113.0
Net earnings margin excluding specific items	***11.8%***	*11.6%*	*11.3%*	***0.2%***	*0.3%*
Diluted EPS excluding specific items (in dollars)[2]	**7.07**	6.13	5.43	**0.94**	0.70
Liquidity					
Cash provided by operating activities	**2,112.2**	1,865.0	2,115.9	**247.2**	(250.9)
As a percentage of revenue	***14.8%***	*14.5%*	*17.4%*	***0.3%***	*(2.9%)*
Days sales outstanding	**44**	49	45	**(5)**	4
Capital structure					
Long-term debt and lease liabilities[3]	**3,742.3**	3,976.2	4,178.6	**(233.9)**	(202.4)
Net debt[2]	**2,134.6**	2,946.9	2,535.9	**(812.3)**	411.0
Net debt to capitalization ratio	**20.4%**	28.8%	26.6%	**(8.4%)**	2.2%
Return on invested capital	**16.0%**	15.7%	14.9%	**0.3%**	0.8%
Balance sheet					
Cash and cash equivalents, and short-term investments	**1,575.6**	972.6	1,700.2	**603.0**	(727.6)
Total assets	**15,799.5**	15,175.4	15,021.0	**624.1**	154.4
Long-term financial liabilities[4]	**2,386.2**	3,731.3	3,659.8	**(1,345.1)**	71.5

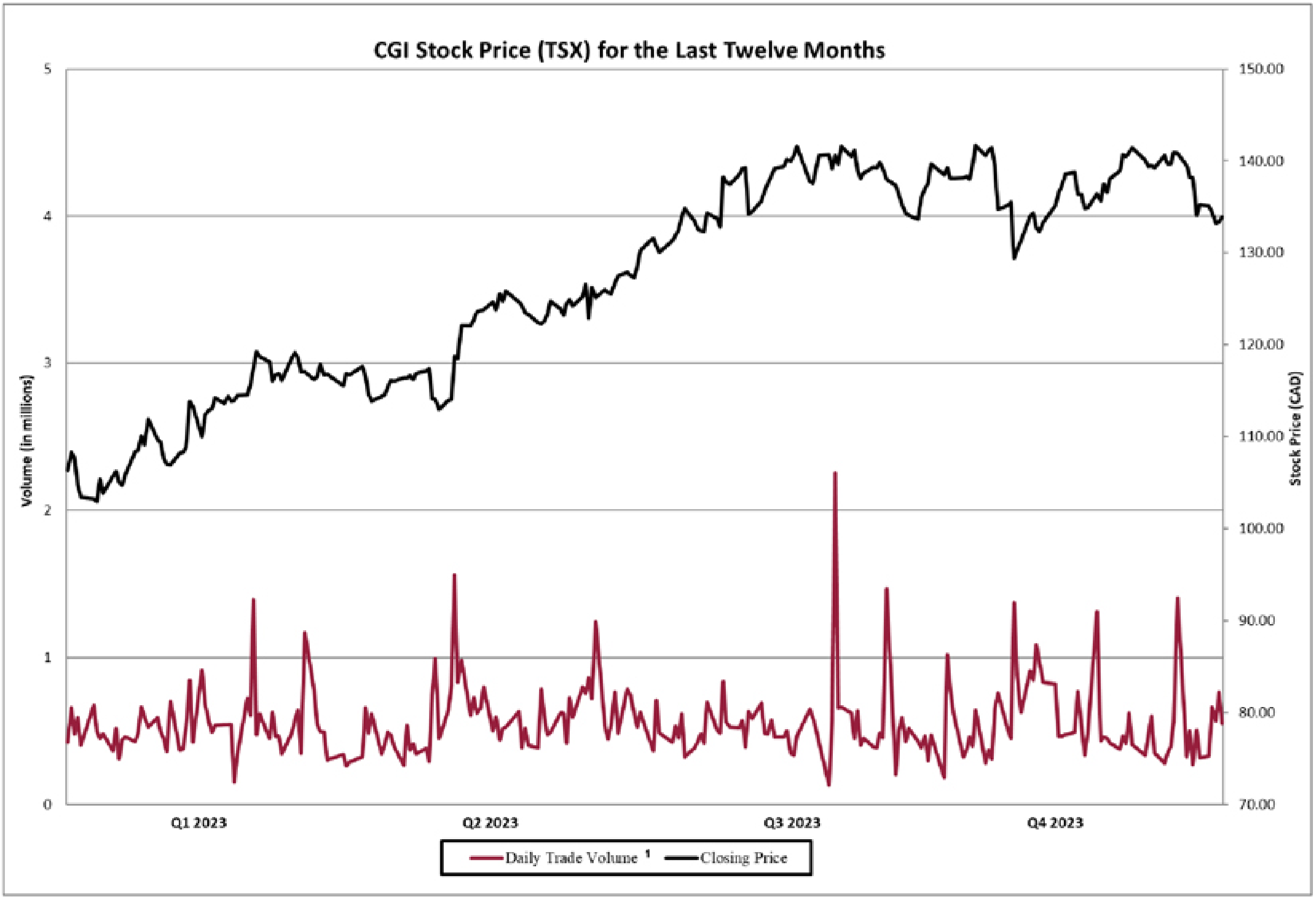
1 Approximately $10.0 billion of our backlog as at September 30, 2023 is expected to be converted into revenue within the next twelve months, $8.6 billion within one to three years, $3.1 billion within three to five years and $4.4 billion in more than five years.

2 Please refer to sections 3.7., 3.8.3. and 4.5. of the respective Fiscal years' MD&A for the reconciliation of non-GAAP financial measures.

3 Long-term debt and lease liabilities include both the current and long-term portions of the long-term debt and lease liabilities.

4 Long-term financial liabilities include the long-term portion of the debt, long-term portion of lease liabilities and the long-term derivative financial instruments.

2.2. STOCK PERFORMANCE



2.2.1. Fiscal 2023 Trading Summary

CGI's shares are listed on the Toronto Stock Exchange (TSX) (stock quote – GIB.A) and the New York Stock Exchange (NYSE) (stock quote – GIB) and are included in key indices such as the S&P/TSX 60 Index.

TSX	(CAD)	**NYSE**	(USD)
Open:	103.94	Open:	75.77
High:	142.31	High:	107.66
Low:	100.74	Low:	72.23
Close:	133.88	Close:	98.49
CDN average daily trading volumes[1]:	559,171	NYSE average daily trading volumes:	139,834

1 Includes the average daily volumes of both the TSX and alternative trading systems.

2.2.2. Normal Course Issuer Bid (NCIB)

On January 31, 2023, the Company's Board of Directors authorized and subsequently received regulatory approval from the TSX for the renewal of CGI's NCIB which allows for the purchase for cancellation of up to 18,769,394 Class A subordinate voting shares (Class A Shares) representing 10% of the Company's public float as of the close of business on January 24, 2023. Class A Shares may be purchased for cancellation under the NCIB commencing on February 6, 2023 until no later than February 5, 2024, or on such earlier date when the Company has either acquired the maximum number of Class A Shares allowable under the NCIB or elects to terminate the bid.

During the year ended September 30, 2023, the Company purchased for cancellation 6,202,546 Class A Shares under its current NCIB for a total consideration of $786.9 million, at a weighted average price of $126.87. The purchased shares included 3,344,996 Class A Shares purchased for cancellation from Caisse de dépôt et de placement du Québec, for a total consideration of $400.0 million. The purchase was made pursuant to an exemption order issued by the Autorité des marchés financiers and is considered within the annual aggregate limit that the Company is entitled to purchase under its current NCIB. In addition, during the year ended September 30, 2023, the Company paid for and cancelled 100,100 Class A Shares under its previous NCIB for a total consideration of $10.3 million, at a weighted average price of $102.81, which were purchased, or committed to be purchased, but not cancelled as at September 30, 2022.

As at September 30, 2023, of the 6,202,546 Class A Shares purchased for cancellation, 68,550 Class A Shares remain unpaid for $9.2 million.

As at September 30, 2023, the Company could purchase up to 12,566,848 Class A Shares for cancellation under the current NCIB.

2.2.3. Capital Stock and Options Outstanding

The following table provides a summary of the Capital Stock and Options Outstanding as at November 3, 2023:

Capital Stock and Options Outstanding	As at November 3, 2023
Class A subordinate voting shares	**205,872,778**
Class B multiple voting shares	**26,445,706**
Options to purchase Class A subordinate voting shares	**5,140,727**

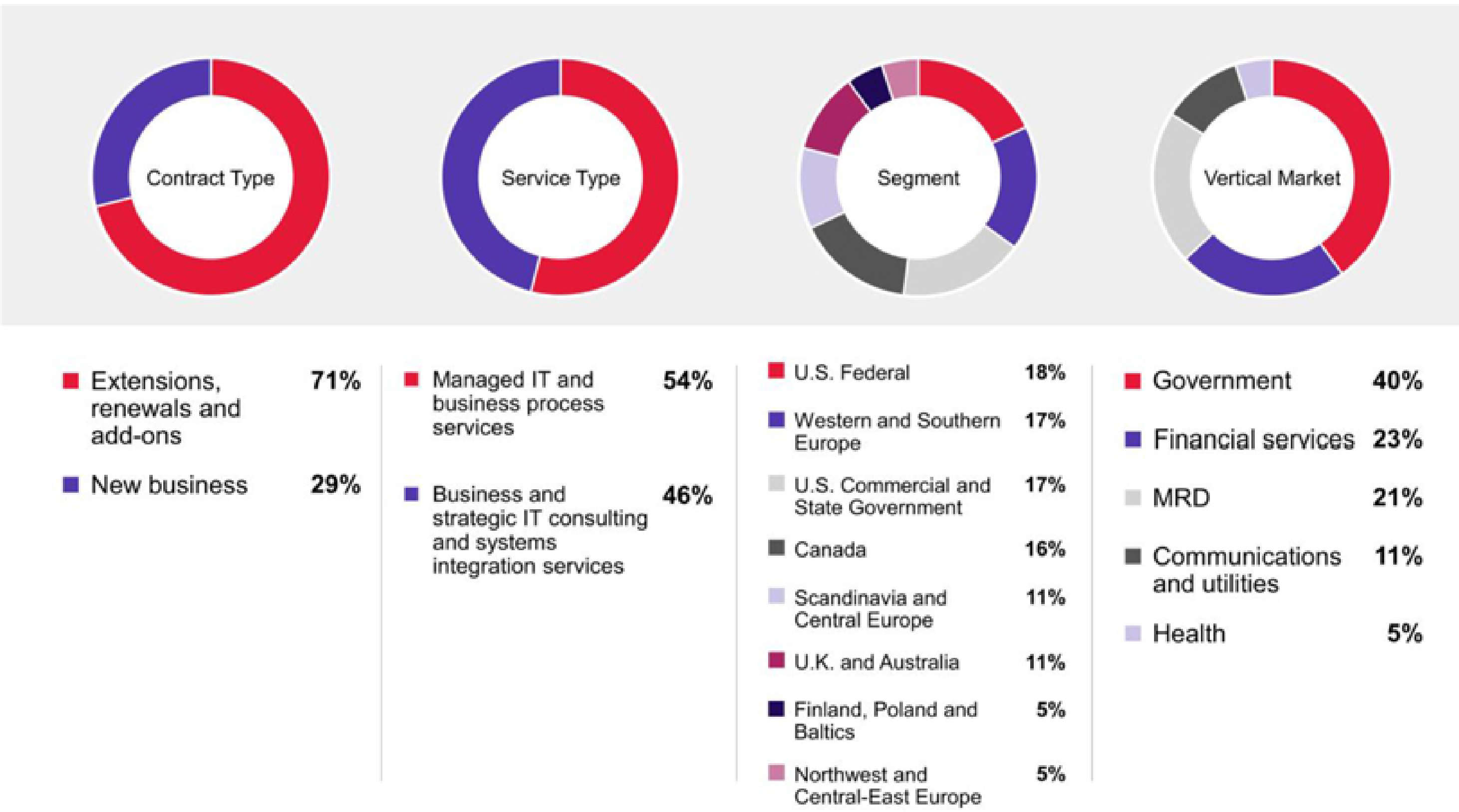
2.3. SUBSEQUENT EVENT

On October 10, 2023, the Company acquired Momentum Consulting Corp., an IT and business consulting firm specializing in digital transformation, data and analytics and managed services, based in the U.S. and headquartered in Miami, Florida for a total purchase price of $50.5 million. The acquisition added approximately 175 professionals to the Company.

3. Financial Review

3.1. BOOKINGS AND BOOK-TO-BILL RATIO

Bookings for the year were $16.3 billion representing a book-to-bill ratio of 113.7%. The breakdown of the new bookings signed during the year is as follows:



Information regarding our bookings is a key indicator of the volume of our business over time. Additional information on bookings can be found in the Key Performance Measures section of the present document. The following table provides a summary of the bookings and book-to-bill ratio by segment:

In thousands of CAD except for percentages	Bookings for the year ended September 30, 2023	Book-to-bill ratio for the year ended September 30, 2023
Total CGI	**16,259,144**	**113.7%**
U.S. Federal	**2,878,094**	**148.1%**
Western and Southern Europe	**2,829,306**	**110.3%**
U.S. Commercial and State Government	**2,734,687**	**110.9%**
Canada	**2,518,745**	**112.7%**
Scandinavia and Central Europe	**1,831,999**	**105.3%**
U.K. and Australia	**1,763,767**	**105.2%**
Finland, Poland and Baltics	**883,321**	**101.7%**
Northwest and Central-East Europe	**819,224**	**102.4%**

3.2. FOREIGN EXCHANGE

The Company operates globally and is exposed to changes in foreign currency rates. Accordingly, as prescribed by IFRS, we value assets, liabilities and transactions that are measured in foreign currencies using various exchange rates. We report all dollar amounts in Canadian dollars.

Closing foreign exchange rates

As at September 30,	2023	2022	Change
U.S. dollar	**1.3538**	**1.3756**	**(1.6%)**
Euro	**1.4327**	**1.3454**	**6.5%**
Indian rupee	**0.0162**	**0.0169**	**(4.1%)**
British pound	**1.6530**	**1.5310**	**8.0%**
Swedish krona	**0.1243**	**0.1236**	**0.6%**

Average foreign exchange rates

For the years ended September 30,	2023	2022	Change
U.S. dollar	**1.3485**	**1.2777**	**5.5%**
Euro	**1.4399**	**1.3833**	**4.1%**
Indian rupee	**0.0164**	**0.0166**	**(1.2%)**
British pound	**1.6544**	**1.6333**	**1.3%**
Swedish krona	**0.1270**	**0.1328**	**(4.4%)**

3.3. REVENUE DISTRIBUTION

The following charts provide additional information regarding our revenue mix for the year:

Service Type	
Managed IT and business process services	54%
Business and strategic IT consulting and systems integration services	46%

Client Geography	
U.S.	31%
France	16%
Canada	16%
U.K.	11%
Germany	6%
Finland	6%
Sweden	5%
Rest of the world	9%

Vertical Market	
Government	36%
Financial services	23%
MRD	22%
Communications and utilities	13%
Health	6%

3.3.1. Client Concentration

IFRS guidance on segment disclosures defines a single customer as a group of entities that are known to the reporting entity to be under common control. As a consequence, our work for the U.S. federal government including its various agencies represented 13.5% of our revenue for Fiscal 2023 as compared to 13.3% for Fiscal 2022.

3.4. REVENUE BY SEGMENT

Our segments are reported based on where the client's work is delivered from within our geographic delivery model.

The table below provides a summary of the year-over-year changes in our revenue, in total and by segment before eliminations, separately showing the impacts of foreign currency exchange rate variations between Fiscal 2023 and Fiscal 2022. The Fiscal 2022 revenue by segment was recorded reflecting the actual foreign exchange rates for that period. The foreign exchange impact is the difference between the current period's actual results and the same period's results converted with the prior year's foreign exchange rates.

For the years ended September 30,			Change	
	2023	2022	$	%
In thousands of CAD except for percentages				
Total CGI revenue	**14,296,360**	**12,867,201**	1,429,159	**11.1%**
Constant currency revenue growth	**8.0%**			
Foreign currency impact	**3.1%**			
Variation over previous period	**11.1%**			
Western and Southern Europe				
Revenue prior to foreign currency impact	**2,511,388**	2,152,113	359,275	**16.7%**
Foreign currency impact	**94,538**			
Western and Southern Europe revenue	**2,605,926**	2,152,113	453,813	**21.1%**
U.S. Commercial and State Government				
Revenue prior to foreign currency impact	**2,158,461**	2,075,321	83,140	**4.0%**
Foreign currency impact	**119,535**			
U.S. Commercial and State Government revenue	**2,277,996**	2,075,321	202,675	**9.8%**
Canada				
Revenue prior to foreign currency impact	**2,062,794**	1,981,380	81,414	**4.1%**
Foreign currency impact	**1,865**			
Canada revenue	**2,064,659**	1,981,380	83,279	**4.2%**
U.S. Federal				
Revenue prior to foreign currency impact	**1,831,839**	1,750,902	80,937	**4.6%**
Foreign currency impact	**103,399**			
U.S. Federal revenue	**1,935,238**	1,750,902	184,336	**10.5%**
Scandinavia and Central Europe				
Revenue prior to foreign currency impact	**1,652,995**	1,571,118	81,877	**5.2%**
Foreign currency impact	**(4,639)**			
Scandinavia and Central Europe revenue	**1,648,356**	1,571,118	77,238	**4.9%**
U.K. and Australia revenue				
Revenue prior to foreign currency impact	**1,436,525**	1,291,125	145,400	**11.3%**
Foreign currency impact	**19,004**			
U.K. and Australia revenue	**1,455,529**	1,291,125	164,404	**12.7%**
Finland, Poland and Baltics				
Revenue prior to foreign currency impact	**797,491**	729,024	68,467	**9.4%**
Foreign currency impact	**31,460**			
Finland, Poland and Baltics revenue	**828,951**	729,024	99,927	**13.7%**

For the years ended September 30,	2023	2022	Change $	Change %
In thousands of CAD except for percentages				
Northwest and Central-East Europe				
Revenue prior to foreign currency impact	**723,064**	692,859	30,205	**4.4%**
Foreign currency impact	**32,837**			
Northwest and Central-East Europe revenue	**755,901**	692,859	63,042	**9.1%**
Asia Pacific				
Revenue prior to foreign currency impact	**930,559**	799,661	130,898	**16.4%**
Foreign currency impact	**(12,503)**			
Asia Pacific revenue	**918,056**	799,661	118,395	**14.8%**
Eliminations	**(194,252)**	(176,302)	(17,950)	**10.2%**

For the year ended September 30, 2023, revenue was $14,296.4 million, an increase of $1,429.2 million or 11.1% over last year. On a constant currency basis, revenue increased by $1,025.5 million or 8.0%. The increase was mainly due to organic growth across all vertical markets, including an increase in IP-based revenues, as well as to prior year's business acquisitions. This was partly offset by less available days to bill, including the calendar impact of one less available day to bill in Q4 2023.

3.4.1. Western and Southern Europe

For the year ended September 30, 2023, revenue in the Western and Southern Europe segment was $2,605.9 million, an increase of $453.8 million or 21.1% over last year. On a constant currency basis, revenue increased by $359.3 million or 16.7%. The increase in revenue was mainly due to prior year's business acquisitions, as well as organic growth within all vertical markets. This was partly offset by less available days to bill, including the calendar impact of one less available day to bill in Q4 2023.

On a client geographic basis, the top two Western and Southern Europe vertical markets were MRD and financial services, generating combined revenues of approximately $1,609 million for the year ended September 30, 2023.

3.4.2. U.S. Commercial and State Government

For the year ended September 30, 2023, revenue in the U.S. Commercial and State Government segment was $2,278.0 million, an increase of $202.7 million or 9.8% over last year. On a constant currency basis, revenue increased by $83.1 million or 4.0%. The increase was mainly due to organic growth across most vertical markets, partially offset by increased use of our Asia Pacific offshore delivery centers for client work.

On a client geographic basis, the top two U.S. Commercial and State Government vertical markets were financial services and government, generating combined revenues of approximately $1,456 million for the year ended September 30, 2023.

3.4.3. Canada

For the year ended September 30, 2023, revenue in the Canada segment was $2,064.7 million, an increase of $83.3 million or 4.2% over last year. On a constant currency basis, revenue increased by $81.4 million or 4.1%. The increase was mainly due to organic growth across most vertical markets, primarily an increase in IP-based revenues in the financial services vertical market.

On a client geographic basis, the top two Canada vertical markets were financial services, and communications and utilities, generating combined revenues of approximately $1,437 million for the year ended September 30, 2023.

3.4.4. U.S. Federal

For the year ended September 30, 2023, revenue in the U.S. Federal segment was $1,935.2 million, an increase of $184.3 million or 10.5% over last year. On a constant currency basis, revenue increased by $80.9 million or 4.6%. The increase in revenue was mainly due to organic growth in managed services engagements, including higher transaction volumes related to our IP business process services.

For the year ended September 30, 2023, 90% of revenues within the U.S. Federal segment were federal civilian based.

3.4.5. Scandinavia and Central Europe

For the year ended September 30, 2023, revenue in the Scandinavia and Central Europe segment was $1,648.4 million, an increase of $77.2 million or 4.9% over last year. On a constant currency basis, revenue increased by $81.9 million or 5.2%. The increase was mainly driven by organic growth primarily within the government vertical market. This was partially offset by adjustments of cost to complete on certain projects and less available days to bill, including the calendar impact of one less available day to bill in Q4 2023.

On a client geographic basis, the top two Scandinavia and Central Europe vertical markets were MRD and government, generating combined revenues of approximately $1,215 million for the year ended September 30, 2023.

3.4.6. U.K. and Australia

For the year ended September 30, 2023, revenue in the U.K. and Australia segment was $1,455.5 million, an increase of $164.4 million or 12.7% over last year. On a constant currency basis, revenue increased by $145.4 million or 11.3%. The increase was mainly due to organic growth within the government vertical market as well as a prior year's business acquisition.

On a client geographic basis, the top two U.K. and Australia vertical markets were government and communications and utilities, generating combined revenues of $1,217 million for the year ended September 30, 2023.

3.4.7. Finland, Poland and Baltics

For the year ended September 30, 2023, revenue in the Finland, Poland and Baltics segment was $829.0 million, an increase of $99.9 million or 13.7% over last year. On a constant currency basis, revenue increased by $68.5 million or 9.4%. The increase was mainly due to organic growth across most vertical markets, including an increase in IP-based revenues. This was partially offset by less available days to bill, including the calendar impact of one less available day to bill in Q4 2023.

On a client geographic basis, the top two Finland, Poland and Baltics vertical markets were government and financial services, generating combined revenues of approximately $520 million for the year ended September 30, 2023.

3.4.8. Northwest and Central-East Europe

For the year ended September 30, 2023, revenue in the Northwest and Central-East Europe segment was $755.9 million, an increase of $63.0 million or 9.1% over last year. On a constant currency basis, revenue increased by $30.2 million or 4.4%. The increase was mainly due to organic growth within most vertical markets, partially offset by less available days to bill, including the calendar impact of one less available day to bill in Q4 2023.

On a client geographic basis, the top two Northwest and Central-East Europe vertical markets were MRD and government, generating combined revenues of approximately $503 million for the year ended September 30, 2023.

3.4.9. Asia Pacific

For the year ended September 30, 2023, revenue in the Asia Pacific segment was $918.1 million, an increase of $118.4 million or 14.8% over last year. On a constant currency basis, revenue increased by $130.9 million or 16.4%. The increase was mainly driven by the continued demand for our offshore delivery centers across all commercial vertical markets.

3.5. OPERATING EXPENSES

For the years ended September 30,	2023	% of Revenue	2022	% of Revenue	Change $	Change %
In thousands of CAD except for percentages						
Costs of services, selling and administrative	**11,982,421**	**83.8%**	10,776,564	83.8%	1,205,857	—%
Foreign exchange loss	**1,198**	**—%**	4,001	—%	(2,803)	—%

3.5.1. Costs of Services, Selling and Administrative

Costs of services include the costs of serving our clients, which mainly consist of salaries, performance based compensation and other direct costs, including travel expenses, net of tax credits. These also mainly include professional fees and other contracted labour costs, as well as hardware, software and delivery center related costs.

Costs of selling and administrative mainly include salaries, performance based compensation, office space, internal solutions, business development related costs such as travel expenses, and other administrative and management costs.

For the year ended September 30, 2023, costs of services, selling and administrative expenses amounted to $11,982.4 million, an increase of $1,205.9 million when compared to last year. As a percentage of revenue, costs of services, selling and administrative expenses remained stable at 83.8%.

As a percentage of revenue, costs of services increased compared to last year, mainly due to the impact of less available days to bill, including the calendar impact of one less available day to bill in Q4 2023, the expected increase in travel to support client delivery growth, adjustments due to reevaluation of costs to complete on certain projects, as well as a favourable supplier contract adjustment that did not repeat this year. This was partially offset by profitable growth within most vertical markets and lower performance based compensation accruals.

As a percentage of revenue, costs of selling and administrative decreased compared to last year, mainly due to lower performance based compensation accruals, which was partially offset by the increase in business development efforts, including the expected increase in travel to support growing our business.

During the year ended September 30, 2023, the translation of the results of our foreign operations from their local currencies to the Canadian dollar unfavourably impacted costs by $312.5 million, which was offset by the favourable translation impact of $403.6 million on our revenue.

3.5.2. Foreign Exchange Loss

During the year ended September 30, 2023, CGI incurred $1.2 million of foreign exchange losses, mainly driven by the timing of payments combined with the volatility of foreign exchange rates. The Company, in addition to its natural hedges, uses derivatives as a strategy to manage its exposure, to the extent possible.

3.6. ADJUSTED EBIT BY SEGMENT

For the years ended September 30,	2023	2022	Change $	Change %
In thousands of CAD except for percentages				
Western and Southern Europe	**355,578**	289,730	**65,848**	**22.7%**
As a percentage of segment revenue	***13.6%***	*13.5%*		
U.S. Commercial and State Government	**339,410**	304,767	**34,643**	**11.4%**
As a percentage of segment revenue	***14.9%***	*14.7%*		
Canada	**477,502**	463,289	**14,213**	**3.1%**
As a percentage of segment revenue	***23.1%***	*23.4%*		
U.S. Federal	**306,362**	276,395	**29,967**	**10.8%**
As a percentage of segment revenue	***15.8%***	*15.8%*		
Scandinavia and Central Europe	**127,320**	125,728	**1,592**	**1.3%**
As a percentage of segment revenue	***7.7%***	*8.0%*		
U.K. and Australia	**216,517**	200,117	**16,400**	**8.2%**
As a percentage of segment revenue	***14.9%***	*15.5%*		
Finland, Poland and Baltics	**110,583**	96,651	**13,932**	**14.4%**
As a percentage of segment revenue	***13.3%***	*13.3%*		
Northwest and Central East-Europe	**101,871**	88,287	**13,584**	**15.4%**
As a percentage of segment revenue	***13.5%***	*12.7%*		
Asia Pacific	**277,598**	241,672	**35,926**	**14.9%**
As a percentage of segment revenue	***30.2%***	*30.2%*		
Adjusted EBIT	**2,312,741**	2,086,636	**226,105**	**10.8%**
Adjusted EBIT margin	***16.2%***	*16.2%*		

Adjusted EBIT for the year was $2,312.7 million, an increase of $226.1 million from 2022. The adjusted EBIT margin remained stable at 16.2% when compared to last year, mainly due to profitable growth in all vertical markets and lower performance based compensation accruals. This was offset by less available days to bill, including the calendar impact of one less available day to bill in Q4 2023, the increase in business development efforts and the expected increase in travel, adjustments due to reevaluation of cost to complete on certain projects, as well as a favourable supplier contract adjustment that did not repeat this year.

3.6.1. Western and Southern Europe

For the year ended September 30, 2023, adjusted EBIT in the Western and Southern Europe segment was $355.6 million, an increase of $65.8 million when compared to last year. Adjusted EBIT margin increased to 13.6% from 13.5%. The increase in adjusted EBIT margin is mainly due to profitable organic growth within all vertical markets and lower performance based compensation accruals. This was partially offset by less available days to bill, including the calendar impact of one less available day to bill in Q4 2023, the planned temporary dilutive impact of the prior year's business acquisitions and the expected increase in travel to support growing our business.

3.6.2. U.S. Commercial and State Government

For the year ended September 30, 2023, adjusted EBIT in the U.S. Commercial and State Government segment was $339.4 million, an increase of $34.6 million when compared to last year. Adjusted EBIT margin increased to 14.9% from 14.7%. The increase in adjusted EBIT margin was mainly due to the impact of a favorable supplier contract settlement and lower performance based compensation accruals. This was partially offset by the impact of temporarily lower utilization due to successful completion of projects and lower proportion of IP revenue from license sales as our clients increasingly shift to a subscription fee-based model with a software-as-a-service delivery.

3.6.3. Canada

For the year ended September 30, 2023, adjusted EBIT in the Canada segment was $477.5 million, an increase of $14.2 million when compared to last year. Adjusted EBIT margin decreased to 23.1% from 23.4%. The change in adjusted EBIT margin was mainly due to a prior year's favorable supplier contract adjustment that did not repeat this year and the impact of temporarily lower utilization primarily within the financial services vertical market. This was partially offset by lower performance based compensation accruals.

3.6.4. U.S. Federal

For the year ended September 30, 2023, adjusted EBIT in the U.S. Federal segment was $306.4 million, an increase of $30.0 million when compared to last year. Adjusted EBIT margin remained stable at 15.8% due to increased margin from transaction volumes related to our IP business process services, offset by increased costs related to business development efforts, including the expected increase in travel.

3.6.5. Scandinavia and Central Europe

For the year ended September 30, 2023, adjusted EBIT in the Scandinavia and Central Europe segment was $127.3 million, an increase of $1.6 million when compared to last year. Adjusted EBIT margin decreased to 7.7% from 8.0%. The change in adjusted EBIT margin was mainly due to adjustments of cost to complete on certain projects and less available days to bill, including the calendar impact of one less available day to bill in Q4 2023. This was partially offset by profitable organic growth primarily within the government vertical market and lower performance based compensation accruals.

3.6.6. U.K. and Australia

For the year ended September 30, 2023, adjusted EBIT in the U.K. and Australia segment was $216.5 million, an increase of $16.4 million when compared to last year. Adjusted EBIT margin decreased to 14.9% from 15.5%. The change in adjusted EBIT margin was mainly due to the expected increase in travel to support growing our business.

3.6.7. Finland, Poland and Baltics

For the year ended September 30, 2023, adjusted EBIT in the Finland, Poland and Baltics segment was $110.6 million, an increase of $13.9 million when compared to last year. Adjusted EBIT margin remained stable at 13.3% due to profitable organic growth across most vertical markets, including an increase in IP-based revenues. This was offset by the costs associated with the ramp up of managed IT services contracts within the government vertical market, higher performance based compensation accruals as well as less available days to bill, including the calendar impact of one less available day to bill in Q4 2023.

3.6.8. Northwest and Central-East Europe

For the year ended September 30, 2023, adjusted EBIT in the Northwest and Central-East Europe segment was $101.9 million, an increase of $13.6 million when compared to last year. Adjusted EBIT margin increased to 13.5% from 12.7%. The increase in adjusted EBIT margin was mainly due to profitable organic growth within the communications and utilities and MRD vertical markets and lower performance based compensation accruals. This was partially offset by less available days to bill, including the calendar impact of one less available day to bill in Q4 2023.

3.6.9. Asia Pacific

For the year ended September 30, 2023, adjusted EBIT in the Asia Pacific segment was $277.6 million, an increase of $35.9 million when compared to last year. Adjusted EBIT margin held strong at 30.2% while gaining efficiencies.

3.7. EARNINGS BEFORE INCOME TAXES

The following table provides a reconciliation between our adjusted EBIT and earnings before income taxes, which is reported in accordance with IFRS:

For the years ended September 30,	2023	% of Revenue	2022	% of Revenue	Change $	Change %
In thousands of CAD except for percentage						
Adjusted EBIT	**2,312,741**	**16.2%**	2,086,636	16.2%	**226,105**	**—%**
Minus the following items:						
Acquisition-related and integration costs	**53,401**	**0.4%**	27,654	0.2%	**25,747**	**0.2%**
Cost optimization program	**8,964**	**0.1%**	—	—%	**8,964**	**0.1%**
Net finance costs	**52,463**	**0.4%**	92,023	0.7%	**(39,560)**	**(0.3%)**
Earnings before income taxes	**2,197,913**	**15.4%**	1,966,959	15.3%	**230,954**	**0.1%**

3.7.1. Acquisition-Related and Integration Costs

For the years ended September 30, 2023 and 2022, the Company incurred $53.4 million and $27.7 million, respectively, of acquisition-related and integration costs for the integration towards the CGI operating model.

For the year ended September 30, 2023, these costs mainly included $23.2 million of costs of rationalizing the redundancy of employment ($10.9 million for the year ended September 30, 2022), costs related to vacating leased premises for $10.8 million ($3.5 million for the year ended September 30, 2022) and acquisition-related costs of nil ($3.1 million for the year ended September 30, 2022).

3.7.2. Cost Optimization Program

In Q4, the Company initiated a cost optimization program to accelerate actions to rightsize its real estate portfolio globally and improve operational efficiencies, including the increased use of automation and global delivery, focused on administrative activities. In the quarter, $9.0 million was expensed and the Company plans to incur approximately $65 million of additional expenses over the first half of Fiscal 2024 related to this program.

3.7.3. Net Finance Costs

Net finance costs mainly include interest on our long-term debt, lease liabilities and financial assets. For the year ended September 30, 2023, the net finance costs decreased by $39.6 million, mainly due to additional interest income from our financial assets and lower interest charges related to our unsecured notes repaid in December 2021 as scheduled.

3.8. NET EARNINGS AND EARNINGS PER SHARE

The following table sets out the information supporting the earnings per share calculations:

For the years ended September 30,	2023	2022	Change $	Change %
In thousands of CAD except for percentage and shares data				
Earnings before income taxes	**2,197,913**	1,966,959	**230,954**	**11.7%**
Income tax expense	**566,664**	500,817	**65,847**	**13.1%**
Effective tax rate	***25.8%***	*25.5%*		
Net earnings	**1,631,249**	1,466,142	**165,107**	**11.3%**
Net earnings margin	***11.4%***	*11.4%*		
Weighted average number of shares outstanding				
Class A subordinate voting shares and Class B multiple voting shares (basic)	**234,041,041**	239,262,004	**(5,220,963)**	**(2.2%)**
Class A subordinate voting shares and Class B multiple voting shares (diluted)	**237,702,081**	242,867,445	**(5,165,364)**	**(2.1%)**
Earnings per share (in dollars)				
Basic	**6.97**	6.13	**0.84**	**13.7%**
Diluted	**6.86**	6.04	**0.82**	**13.6%**

3.8.1. Income Tax Expense

For the year ended September 30, 2023, income tax expense was $566.7 million compared to $500.8 million over last year, while our effective tax rate increased from 25.5% to 25.8% for the year ended September 30, 2023 compared to the year ended September 30, 2022.

When excluding tax effects from acquisition-related and integration costs, the effective tax rate increased from 25.4% to 25.7% for the year ended September 30, 2023 compared to the year ended September 30, 2022. The increase is mainly attributable to the increase in the U.K. statutory tax rate and a change in profitability mix in certain geographies, partly offset by the decrease in the France statutory tax rate.

The table in section 3.8.3. shows the year-over-year comparison of the tax rate with the impact of specific items removed.

Based on the enacted rates at the end of Fiscal 2023 and our current profitability mix, we expect our effective tax rate before specific items to be in the range of 25.0% to 26.5% in subsequent periods.

3.8.2. Weighted Average Number of Shares Outstanding

For Fiscal 2023, CGI's basic and diluted weighted average number of shares outstanding decreased compared to Fiscal 2022 due to the impact of the purchase for cancellation of Class A Shares, partly offset by the grant and the exercise of stock options. The table in section 3.8.3. shows the year-over-year comparison of the weighted average number of shares outstanding. Please refer to notes 19, 20 and 21 of our audited consolidated financial statements for additional information.

3.8.3. Net Earnings and Earnings per Share Excluding Specific Items

Below is a table showing the year-over-year comparison excluding specific items, namely cost optimization program and acquisition-related and integration costs.

For the years ended September 30,	2023	2022	Change $	Change %
In thousands of CAD except for percentages and shares data				
Earnings before income taxes	**2,197,913**	1,966,959	**230,954**	**11.7%**
Add back:				
Acquisition-related and integration costs	**53,401**	27,654	**25,747**	**93.1%**
Cost optimization program	**8,964**	—	**8,964**	**—%**
Earnings before income taxes excluding specific items	**2,260,278**	1,994,613	**265,665**	**13.3%**
Income tax expense	**566,664**	500,817	**65,847**	**13.1%**
Effective tax rate	***25.8%***	*25.5%*		
Add back:				
Tax deduction on acquisition-related and integration costs	**11,336**	5,942	**5,394**	**90.8%**
Impact on effective tax rate	***(0.1%)***	*(0.1%)*		
Tax deduction on cost optimization program	**2,240**	—	**2,240**	**—%**
Impact on effective tax rate	***—%***	*—%*		
Income tax expense excluding specific items	**580,240**	506,759	**73,481**	**14.5%**
Effective tax rate excluding specific items	***25.7%***	*25.4%*		
Net earnings excluding specific items	**1,680,038**	1,487,854	**192,184**	**12.9%**
Net earnings margin excluding specific items	***11.8%***	*11.6%*		
Weighted average number of shares outstanding				
Class A subordinate voting shares and Class B multiple voting shares (basic)	**234,041,041**	239,262,004		**(2.2%)**
Class A subordinate voting shares and Class B multiple voting shares (diluted)	**237,702,081**	242,867,445		**(2.1%)**
Earnings per share excluding specific items (in dollars)				
Basic	**7.18**	6.22	**0.96**	**15.4%**
Diluted	**7.07**	6.13	**0.94**	**15.3%**

4. Liquidity

4.1. CONSOLIDATED STATEMENTS OF CASH FLOWS

CGI's growth is financed through a combination of cash flow from operations, drawing on our unsecured committed revolving credit facility, the issuance of long-term debt, and the issuance of equity. One of our financial priorities is to maintain an optimal level of liquidity through the active management of our assets and liabilities as well as our cash flows.

As at September 30, 2023, cash and cash equivalents were $1,568.3 million. Cash included in funds held for clients was $269.8 million. The following table provides a summary of the generation and use of cash and cash equivalents for the years ended September 30, 2023 and 2022.

For the years ended September 30,	2023	2022	Change
In thousands of CAD			
Cash provided by operating activities	**2,112,249**	1,864,998	**247,251**
Cash used in investing activities	**(561,858)**	(911,947)	**350,089**
Cash used in financing activities	**(1,192,376)**	(1,591,098)	**398,722**
Effect of foreign exchange rate changes on cash, cash equivalents and cash included in funds held for clients	**8,884**	(46,500)	**55,384**
Net increase (decrease) in cash, cash equivalents and cash included in funds held for clients	**366,899**	**(684,547)**	**1,051,446**

4.1.1. Cash Provided by Operating Activities

For the year ended September 30, 2023, cash provided by operating activities was $2,112.2 million or 14.8% of revenue compared to $1,865.0 million or 14.5% of revenue for the same period last year.

The following table provides a summary of the generation and use of cash from operating activities:

For the years ended September 30,	2023	2022	Change
In thousands of CAD			
Net earnings	**1,631,249**	1,466,142	**165,107**
Amortization, depreciation and impairment	**519,648**	474,622	**45,026**
Other adjustments[1]	**(55,113)**	35,127	**(90,240)**
Cash flow from operating activities before net change in non-cash working capital items and others	**2,095,784**	1,975,891	**119,893**
Net change in non-cash working capital items and others:			
Accounts receivable, work in progress and deferred revenue	**91,115**	(106,307)	**197,422**
Accounts payable and accrued liabilities, accrued compensation and employee-related liabilities, provisions and long-term liabilities	**(179,052)**	(4,876)	**(174,176)**
Others[2]	**104,402**	290	**104,112**
Net change in non-cash working capital items and others	**16,465**	(110,893)	**127,358**
Cash provided by operating activities	**2,112,249**	**1,864,998**	**247,251**

1 Comprised of deferred income tax recovery, foreign exchange gain, share-based payment costs and gain on lease terminations.
2 Comprised of prepaid expenses and other assets, long-term financial assets (excluding long-term receivables), income taxes, derivative financial instruments and retirement benefits obligations.

The increase of $247.3 million from our cash provided by operating activities was mostly due to improved collections and higher net earnings, partially offset by the timing of accounts payable and accrued liabilities and the payment of integration costs.

The timing of our working capital inflows and outflows will always have an impact on the cash flow from operations.

4.1.2. Cash Used in Investing Activities

For the year ended September 30, 2023, $561.9 million was used in investing activities, while $911.9 million was used over last year.

The following table provides a summary of the use of cash from investing activities:

For the years ended September 30,	2023	2022	Change
In thousands of CAD			
Business acquisitions (considering bank overdraft assumed and cash acquired)	**(13,039)**	(571,911)	**558,872**
Loan receivable	**(15,846)**	—	**(15,846)**
Purchase of property, plant and equipment	**(159,769)**	(156,136)	**(3,633)**
Proceeds from sale of property, plant and equipment	**—**	3,790	**(3,790)**
Additions to contract costs	**(102,082)**	(84,283)	**(17,799)**
Additions to intangible assets	**(147,200)**	(137,621)	**(9,579)**
Net change in short-term investments and purchase of long-term investments	**(123,922)**	34,214	**(158,136)**
Cash used in investing activities	**(561,858)**	**(911,947)**	**350,089**

The decrease of $350.1 million in cash used in investing activities during the year ended September 30, 2023 was mainly due to the cash used in the prior year for the business acquisitions. This was partially offset by the purchase of investments for the funds held for clients.

4.1.3. Cash Used in Financing Activities

For the year ended September 30, 2023, $1,192.4 million was used in financing activities while $1,591.1 million was used over last year.

The following table provides a summary of the use of cash from financing activities:

For the years ended September 30,	2023	2022	Change
In thousands of CAD			
Increase of long-term debt	**948**	—	**948**
Repayment of long-term debt	**(79,150)**	(401,654)	**322,504**
Payment of lease liabilities	**(161,211)**	(153,996)	**(7,215)**
Repayment of debt assumed from business acquisitions	**(56,994)**	(113,036)	**56,042**
Settlement of derivative financial instruments	**2,921**	6,258	**(3,337)**
Withholding taxes remitted on the net settlement of performance share units	**(13,879)**	—	**(13,879)**
Purchase of Class A subordinate voting shares held in trusts	**(74,455)**	(70,303)	**(4,152)**
Purchase and cancellation of Class A subordinate voting shares	**(788,020)**	(913,388)	**125,368**
Issuance of Class A subordinate voting shares	**88,316**	41,691	**46,625**
Net change in clients' funds obligations	**(110,852)**	13,330	**(124,182)**
Cash used in financing activities	**(1,192,376)**	**(1,591,098)**	**398,722**

The decrease of $398.7 million was mainly driven by the scheduled repayment of senior unsecured notes in Q1 2022, the purchase for cancellation of 6,234,096 Class A Shares compared to 8,809,839 Class A Shares over last year and repayment of debt assumed from business acquisitions in the prior year. This was partially offset by the net change in clients' funds obligations.

4.1.4. Effect of Foreign Exchange Rate Changes on Cash, Cash Equivalents and Cash Included in Funds Held for Clients

For the year ended September 30, 2023, the effect of foreign exchange rate changes on cash, cash equivalents and cash included in funds held for clients had a favourable impact of $8.9 million. This amount had no effect on net earnings as it was recorded in other comprehensive income.

4.2. CAPITAL RESOURCES

As at September 30, 2023	Available
In thousands of CAD	
Cash and cash equivalents	1,568,291
Short-term investments	7,332
Long-term investments	17,113
Unsecured committed revolving credit facility[1]	1,495,858
Total[2]	**3,088,594**

1 As at September 30, 2023, letters of credit in the amount of $4.1 million were outstanding against the $1.5 billion unsecured committed revolving credit facility.
2 Excludes cash, term deposit and long-term bonds included in funds held for clients for $269.8 million, $80.0 million and $138.9 million, respectively.

As at September 30, 2023, cash and cash equivalents and investments represented $1,592.7 million.

Cash equivalents include term deposits, all with maturities of 90 days or less. Short-term and long-term investments include corporate bonds with maturities ranging from 91 days to five years, with a credit rating of A- or higher.

As at September 30, 2023, the aggregate amount of the capital resources available to the Company was $3,088.6 million. Certain long-term debt agreements contain covenants, which require us to maintain certain financial ratios. As at September 30, 2023, CGI was in compliance with these covenants.

As at September 30, 2023, CGI was showing a positive working capital (total current assets minus total current liabilities) of $287.9 million. The Company also had $1,495.9 million available under its unsecured committed revolving credit facility and is generating a significant level of cash, which CGI's management currently considers will allow the Company to fund its operations while maintaining adequate levels of liquidity.

The tax implications and impact related to the repatriation of cash will not materially affect the Company's liquidity.

4.3. CONTRACTUAL OBLIGATIONS

We are committed under the terms of contractual obligations which have various expiration dates, primarily related to long-term debt and the rental of premises, computer equipment used in outsourcing contracts and long-term service agreements.

Commitment type	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
In thousands of CAD					
Long-term debt	3,114,763	1,158,868	813,608	600,449	541,838
Estimated interest on long-term debt	227,600	66,459	73,666	50,110	37,365
Lease liabilities	641,963	198,857	206,898	123,022	113,186
Estimated interest on lease liabilities	80,321	23,020	31,111	16,253	9,937
Long-term service agreements	323,957	151,720	141,768	30,469	—
Total[1]	**4,388,604**	**1,598,924**	**1,267,051**	**820,303**	**702,326**

1 Excludes clients' funds obligations for an amount of $493.6 million payable in less than 1 year.

4.4. FINANCIAL INSTRUMENTS AND HEDGING TRANSACTIONS

We use various financial instruments to help us manage our exposure to fluctuations of foreign currency exchange rates and interest rates. Please refer to note 32 of our audited consolidated financial statements for additional information on our financial instruments and hedging transactions.

4.5. SELECTED MEASURES OF CAPITAL RESOURCES AND LIQUIDITY

As at September 30,	2023	2022
In thousands of CAD except for percentages		
Reconciliation between net debt and long-term debt and lease liabilities[1]:		
Net debt	**2,134,644**	2,946,908
Add back:		
Cash and cash equivalents	**1,568,291**	966,458
Short-term investments	**7,332**	6,184
Long-term investments	**17,113**	16,826
Fair value of foreign currency derivative financial instruments related to debt	**14,904**	39,859
Long-term debt and lease liabilities[1]	**3,742,284**	**3,976,235**
Net debt to capitalization ratio	**20.4%**	28.8%
Return on invested capital	**16.0%**	15.7%
Days sales outstanding	**44**	49

1 As at September 30, 2023, long-term debt and lease liabilities were $3,100.3 million ($3,267.0 million as at September 30, 2022) and $642.0 million ($709.2 million as at September 30, 2022), respectively, including their current portions.

During the year ended September 30, 2023, as a result of the interbank offered rates (IBORs) reform and the related expiry of the USD London Interbank Offered Rate (Libor) rate effective June 30, 2023, the Company renegotiated the unsecured committed term loan credit facility and the related cross-currency interest rate swaps (the hedging instruments) both expiring in December 2023 to transition to the one month Secured Overnight Financing Rate (SOFR) rate from the one month USD Libor rate. The change in rate resulted in no significant impact on the Company's audited consolidated financial statements for the year ended September 30, 2023.

During the year ended September 30, 2023, we have reclassified the unsecured committed term loan credit facility due in December 2023 under the current portion of long-term debt, within current liabilities, for a total amount of $676.9 million.

On November 6, 2023, the unsecured committed revolving credit facility was extended by one year to November 2028 and can be further extended. There were no material changes in the terms and conditions including interest rates and banking covenants.

We use the net debt to capitalization ratio as an indication of our financial leverage in order to realize our Build and Buy strategy (please refer to section 1.2. of the present document for additional information on our Build and Buy strategy). The net debt to capitalization ratio decreased to 20.4% in Fiscal 2023 from 28.8% in Fiscal 2022 mostly due to our cash generation, partially offset by the repurchase of shares during the last four quarters.

ROIC is a measure of the Company's efficiency in allocating the capital under our control to profitable investments. The return on invested capital ratio increased to 16.0% in Fiscal 2023 from 15.7% in Fiscal 2022. The increase in ROIC was mainly the result of higher net earnings excluding net finance costs after-tax over the last four quarters.

DSO decreased to 44 days at the end of Fiscal 2023 when compared to 49 days in Fiscal 2022. The decrease was mainly due to improved collections and foreign exchange fluctuations.

4.6. GUARANTEES

In the normal course of operations, we may enter into agreements to provide financial or performance assurances to third parties on the sale of assets, business divestitures and guarantees on government and commercial contracts.

In connection with sales of assets and business divestitures, the Company may be required to pay counterparties for costs and losses incurred as a result of breaches in our contractual obligations, including representations and warranties, intellectual property right infringement claims and litigation against counterparties, among others.

While some of the agreements specify a maximum potential exposure, others do not specify a maximum amount or a maturity date or survival period. It is not possible to reasonably estimate the maximum amount that may have to be paid under such guarantees. The amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. No amount has been accrued in the consolidated balance sheets relating to this type of guarantee or indemnification as at September 30, 2023. The Company does not expect to incur any potential payment in connection with these guarantees that could have a material adverse effect on its audited consolidated financial statements.

In the normal course of business, we may provide certain clients, principally governmental entities, with bid and performance bonds. In general, we would only be liable for the amount of the bid bonds if we refuse to perform the project once we are awarded the bid. We would also be liable for the performance bonds in the event of a default in the performance of our obligations. As at September 30, 2023, we had committed a total of $34.3 million for these bonds. To the best of our knowledge, we complied with our performance obligations under all service contracts for which there was a bid or performance bond, and the ultimate liability, if any, incurred in connection with these guarantees would not have a material adverse effect on our consolidated results of operations or financial condition.

4.7. CAPABILITY TO DELIVER RESULTS

CGI's management believes that the Company has sufficient capital resources to support ongoing business operations and execute our Build and Buy growth strategy. Our principal and most accretive uses of cash are: to invest in our business (procuring new large managed IT and business process services contracts and developing business and IP solutions); to pursue accretive acquisitions; to purchase for cancellation Class A Shares and pay down debt. In terms of financing, we are well positioned to continue executing our four-pillar growth strategy in Fiscal 2024.

To successfully implement the Company's strategy, CGI relies on a strong leadership team, supported by highly knowledgeable consultants and professionals with relevant relationships and significant experience in both IT and our targeted industries. CGI fosters leadership development through the CGI Leadership Institute ensuring continuity and knowledge transfer across the organization. For key positions, a detailed succession plan is established and revised frequently.

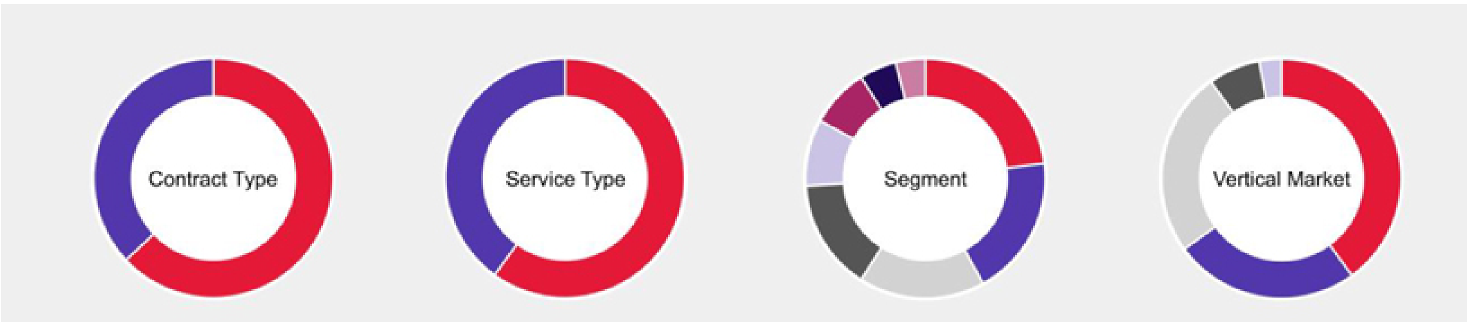
As a Company built on human capital, the knowledge of our consultants and professionals are critical to delivering quality service to our clients. Our human resources program allows us to attract and retain the best talent as it provides competitive compensation and benefits, a favourable working environment, training programs and career development opportunities. Employee satisfaction is monitored annually through a Company-wide survey. In addition, a majority of our professionals are owners of CGI through our Share Purchase Plan, which, along with our Profit Participation Plan, allows them to share in the Company's success, further aligning stakeholder interests.

In addition to capital resources and talent, CGI has established the Management Foundation, which encompasses governance policies, organizational models and sophisticated management frameworks for our business units and corporate processes. This robust governance model provides a common business language for managing all operations consistently across the globe, driving a focus on continuous improvement. CGI's operations maintain appropriate certifications in accordance with service requirements such as ISO and CMMI certification programs.

5. Fourth Quarter Results

5.1. BOOKINGS AND BOOK-TO-BILL RATIO

Bookings for the quarter ended September 30, 2023 were $4.0 billion representing a book-to-bill ratio of 113.9%. The breakdown of the new bookings signed during the quarter is as follows:



- Extensions, renewals and add-ons 63%
- New business 37%

- Managed IT and business process services 60%
- Business and strategic IT consulting and systems integration services 40%

- U.S. Federal 23%
- U.S. Commercial and State Government 19%
- Canada 17%
- Western and Southern Europe 15%
- Scandinavia and Central Europe 9%
- U.K. and Australia 8%
- Northwest and Central-East Europe 5%
- Finland, Poland and Baltics 4%

- Government 40%
- MRD 25%
- Financial services 25%
- Communications and utilities 7%
- Health 3%

The following table provides a summary of the bookings and book-to-bill ratio by segment:

In thousands of CAD except for percentages	Bookings for the three months ended September 30, 2023	Bookings for the year ended September 30, 2023	Book-to-bill ratio for the year ended September 30, 2023
Total CGI	**3,996,180**	**16,259,144**	**113.7%**
U.S. Federal	**925,791**	**2,878,094**	**148.1%**
U.S. Commercial and State Government	**739,145**	**2,734,687**	**110.9%**
Canada	**668,465**	**2,518,745**	**112.7%**
Western and Southern Europe	**607,132**	**2,829,306**	**110.3%**
Scandinavia and Central Europe	**377,113**	**1,831,999**	**105.3%**
U.K. and Australia	**306,800**	**1,763,767**	**105.2%**
Northwest and Central-East Europe	**215,284**	**819,224**	**102.4%**
Finland, Poland and Baltics	**156,450**	**883,321**	**101.7%**

5.2. FOREIGN EXCHANGE

The Company operates globally and is exposed to changes in foreign currency rates. Accordingly, as prescribed by IFRS, we value assets, liabilities and transactions that are measured in foreign currencies using various exchange rates. We report all dollar amounts in Canadian dollars.

Closing foreign exchange rates

As at September 30,	2023	2022	Change
U.S. dollar	**1.3538**	**1.3756**	**(1.6%)**
Euro	**1.4327**	**1.3454**	**6.5%**
Indian rupee	**0.0162**	**0.0169**	**(4.1%)**
British pound	**1.6530**	**1.5310**	**8.0%**
Swedish krona	**0.1243**	**0.1236**	**0.6%**

Average foreign exchange rates

For the three months ended September 30,	2023	2022	Change
U.S. dollar	**1.3412**	**1.3061**	**2.7%**
Euro	**1.4593**	**1.3147**	**11.0%**
Indian rupee	**0.0162**	**0.0164**	**(1.2%)**
British pound	**1.6979**	**1.5360**	**10.5%**
Swedish krona	**0.1241**	**0.1238**	**0.2%**

5.3. REVENUE DISTRIBUTION

The following charts provide additional information regarding our revenue mix for the quarter ended September 30, 2023:

Managed IT and business process services	55%
Business and strategic IT consulting and systems integration services	45%

U.S.	31%
Canada	16%
France	15%
U.K.	12%
Germany	7%
Finland	6%
Sweden	4%
Rest of the world	9%

Government	37%
Financial services	23%
MRD	21%
Communications and utilities	13%
Health	6%

5.3.1. Client Concentration

IFRS guidance on segment disclosures defines a single customer as a group of entities that are known to the reporting entity to be under common control. As a consequence, our work for the U.S. federal government including its various agencies represented 14.0% of our revenue for Q4 2023 as compared to 14.1% for Q4 2022.

5.4. REVENUE BY SEGMENT

Our segments are reported based on where the client's work is delivered from within our geographic delivery model.

The following table provides a summary of the year-over-year changes in our revenue, in total and by segment, separately showing the impacts of foreign currency exchange rate variations between the Q4 2023 and Q4 2022 periods. The Q4 2022 revenue by segment was recorded reflecting the actual average foreign exchange rates for that period. The foreign exchange impact is the difference between the current period's actual results and the current period's results converted with the prior year's average foreign exchange rates.

For the three months ended September 30,	2023	2022	Change $	Change %
In thousands of CAD except for percentages				
Total CGI revenue	**3,507,336**	**3,247,221**	260,115	**8.0%**
Constant currency revenue growth	**2.2%**			
Foreign currency impact	**5.8%**			
Variation over previous period	**8.0%**			
Western and Southern Europe				
Revenue prior to foreign currency impact	**546,647**	547,516	(869)	**(0.2%)**
Foreign currency impact	**59,881**			
Western and Southern Europe revenue	**606,528**	547,516	59,012	**10.8%**
U.S. Commercial and State Government				
Revenue prior to foreign currency impact	**551,592**	557,161	(5,569)	**(1.0%)**
Foreign currency impact	**15,675**			
U.S. Commercial and State Government revenue	**567,267**	557,161	10,106	**1.8%**
Canada				
Revenue prior to foreign currency impact	**508,644**	496,049	12,595	**2.5%**
Foreign currency impact	**707**			
Canada revenue	**509,351**	496,049	13,302	**2.7%**
U.S. Federal				
Revenue prior to foreign currency impact	**476,183**	463,094	13,089	**2.8%**
Foreign currency impact	**13,630**			
U.S. Federal revenue	**489,813**	463,094	26,719	**5.8%**
Scandinavia and Central Europe				
Revenue prior to foreign currency impact	**369,023**	365,403	3,620	**1.0%**
Foreign currency impact	**22,583**			
Scandinavia and Central Europe revenue	**391,606**	365,403	26,203	**7.2%**
U.K. and Australia				
Revenue prior to foreign currency impact	**340,934**	331,443	9,491	**2.9%**
Foreign currency impact	**34,806**			
U.K. and Australia revenue	**375,740**	331,443	44,297	**13.4%**
Finland, Poland and Baltics				
Revenue prior to foreign currency impact	**174,026**	164,476	9,550	**5.8%**
Foreign currency impact	**19,776**			
Finland, Poland and Baltics revenue	**193,802**	164,476	29,326	**17.8%**

For the three months ended September 30,	2023	2022	Change $	Change %
In thousands of CAD except for percentages				
Northwest and Central-East Europe				
Revenue prior to foreign currency impact	**168,007**	155,754	12,253	**7.9%**
Foreign currency impact	**19,094**			
Northwest and Central-East Europe revenue	**187,101**	155,754	31,347	**20.1%**
Asia Pacific				
Revenue prior to foreign currency impact	**235,764**	214,313	21,451	**10.0%**
Foreign currency impact	**(629)**			
Asia Pacific revenue	**235,135**	214,313	20,822	**9.7%**
Eliminations	**(49,007)**	(47,988)	(1,019)	**2.1%**

We ended the fourth quarter of Fiscal 2023 with revenue of $3,507.3 million, an increase of $260.1 million, or 8.0% when compared to the same period of Fiscal 2022. On a constant currency basis, revenue increased by $70.6 million or 2.2%. The increase was mainly due to organic growth across most vertical markets, including an increase in IP-based revenues. This was partially offset by the calendar impact of one less available day to bill.

5.4.1. Western and Southern Europe

Revenue in the Western and Southern Europe segment was $606.5 million in Q4 2023, an increase of $59.0 million or 10.8% over the same period last year. On a constant currency basis, revenue decreased by $0.9 million or 0.2%. The change was mainly due to the calendar impact of one less available day to bill. This was partially offset by organic growth across most vertical markets.

On a client geographic basis, the top two Western and Southern Europe vertical markets were MRD and financial services, generating combined revenues of approximately $373 million for the three months ended September 30, 2023.

5.4.2. U.S. Commercial and State Government

Revenue from the U.S. Commercial and State Government segment was $567.3 million in Q4 2023, an increase of $10.1 million or 1.8% over the same period last year. On a constant currency basis, revenue decreased by $5.6 million or 1.0%. The change was mainly due to the calendar impact of one less available day to bill and increased use of our Asia Pacific offshore delivery centers for client work. This was partially offset by the organic growth within the financial services and health vertical markets.

On a client geographic basis, the top two U.S. Commercial and State Government vertical markets were financial services and government, generating combined revenues of approximately $374 million for the three months ended September 30, 2023.

5.4.3. Canada

Revenue in the Canada segment was $509.4 million in Q4 2023, an increase of $13.3 million or 2.7% over the same period last year. On a constant currency basis, revenue increased by $12.6 million or 2.5%. The increase was mainly due to organic growth across most vertical markets, including an increase in IP-based revenues within the financial services vertical market.

On a client geographic basis, the top two Canada vertical markets were financial services and communications and utilities, generating combined revenues of approximately $346 million for the three months ended September 30, 2023.

5.4.4. U.S. Federal

Revenue in the U.S. Federal segment was $489.8 million in Q4 2023, an increase of $26.7 million or 5.8% over the same period last year. On a constant currency basis, revenue increased by $13.1 million or 2.8%. The increase in revenue was mainly due to organic growth in managed services engagements, as well as an adjustment due to a reevaluation of cost to complete on a project in the prior year. This was partially offset by the successful completion of projects.

For the three months ended September 30, 2023, 90% of revenues within the U.S. Federal segment were federal civilian based.

5.4.5. Scandinavia and Central Europe

Revenue in the Scandinavia and Central Europe segment was $391.6 million in Q4 2023, an increase of $26.2 million or 7.2% over the same period last year. On a constant currency basis, revenue increased by $3.6 million or 1.0%. The increase was mainly driven by organic growth primarily within the government vertical market. This was partially offset by adjustments of cost to complete on certain projects and the calendar impact of one less available day to bill.

On a client geographic basis, the top two Scandinavia and Central Europe vertical markets were MRD and government, generating combined revenues of approximately $290 million for the three months ended September 30, 2023.

5.4.6. U.K. and Australia

Revenue in the U.K. and Australia segment was $375.7 million in Q4 2023, an increase of $44.3 million or 13.4% over the same period last year. On a constant currency basis, revenue increased by $9.5 million or 2.9%. The increase was mainly due to organic growth within the government vertical market, partially offset by successful completion of projects. This was partially offset by the increased use of our Asia Pacific offshore delivery centers for client work.

On a client geographic basis, the top two U.K. and Australia vertical markets were government and communications and utilities, generating combined revenues of approximately $319 million for the three months ended September 30, 2023.

5.4.7. Finland, Poland and Baltics

Revenue in the Finland, Poland and Baltics segment was $193.8 million in Q4 2023, an increase of $29.3 million or 17.8% over the same period last year. On a constant currency basis, revenue increased by $9.5 million or 5.8%. The increase was mainly due to organic growth across most vertical markets, predominantly in financial services. This was partially offset by the successful completion of IP projects within the government vertical market and the calendar impact of one less available day to bill.

On a client geographic basis, the top two Finland, Poland and Baltics vertical markets were financial services and government, generating combined revenues of approximately $121 million for the three months ended September 30, 2023.

5.4.8. Northwest and Central-East Europe

Revenue in the Northwest and Central-East Europe segment was $187.1 million in Q4 2023, an increase of $31.3 million or 20.1% over the same period last year. On a constant currency basis, revenue increased by $12.3 million or 7.9%. The increase in revenue was primarily due to organic growth within most vertical markets. This was partly offset by the calendar impact of one less available day to bill.

On a client geographic basis, the top two Northwest and Central-East Europe vertical markets were MRD and government, generating combined revenues of approximately $122 million for the three months ended September 30, 2023.

5.4.9. Asia Pacific

Revenue in the Asia Pacific segment was $235.1 million in Q4 2023, an increase of $20.8 million or 9.7% over the same period last year. On a constant currency basis, revenue increased by $21.5 million or 10.0%. The increase was mainly driven by the continued demand for our offshore delivery centers across all commercial vertical markets, partially offset by the calendar impact of one less available day to bill.

5.5. ADJUSTED EBIT BY SEGMENT

For the three months ended September 30,	2023	2022	Change $	Change %
In thousands of CAD except for percentages				
Western and Southern Europe	**78,068**	55,913	**22,155**	**39.6%**
As a percentage of segment revenue	***12.9%***	*10.2%*		
U.S. Commercial and State Government	**94,628**	85,376	**9,252**	**10.8%**
As a percentage of segment revenue	***16.7%***	*15.3%*		
Canada	**127,385**	122,088	**5,297**	**4.3%**
As a percentage of segment revenue	***25.0%***	*24.6%*		
U.S. Federal	**74,227**	67,999	**6,228**	**9.2%**
As a percentage of segment revenue	***15.2%***	*14.7%*		
Scandinavia and Central Europe	**20,686**	30,729	**(10,043)**	**(32.7%)**
As a percentage of segment revenue	***5.3%***	*8.4%*		
U.K. and Australia	**60,638**	53,163	**7,475**	**14.1%**
As a percentage of segment revenue	***16.1%***	*16.0%*		
Finland, Poland and Baltics	**27,383**	26,136	**1,247**	**4.8%**
As a percentage of segment revenue	***14.1%***	*15.9%*		
Northwest and Central-East Europe	**26,471**	19,095	**7,376**	**38.6%**
As a percentage of segment revenue	***14.1%***	*12.3%*		
Asia Pacific	**63,553**	61,197	**2,356**	**3.8%**
As a percentage of segment revenue	***27.0%***	*28.6%*		
Adjusted EBIT	**573,039**	521,696	**51,343**	**9.8%**
Adjusted EBIT margin	***16.3%***	*16.1%*		

Adjusted EBIT for the quarter was $573.0 million, an increase of $51.3 million from Q4 2022. The adjusted EBIT margin increased to 16.3% from 16.1% over the same period last year. The increase was mainly due to the profitable organic growth in most vertical markets. This was partly offset by the calendar impact of one less available day to bill, reevaluation of cost to complete on certain projects, the increase in business development efforts and the expected increase in travel.

5.5.1. Western and Southern Europe

Adjusted EBIT in the Western and Southern Europe segment was $78.1 million in Q4 2023, an increase of $22.2 million when compared to Q4 2022. Adjusted EBIT margin increased to 12.9% from 10.2% in Q4 2022. The increase in adjusted EBIT margin is mainly due to profitable organic growth across most vertical markets, lower performance based compensation accrual and higher employee related government incentives. This was partially offset by the calendar impact of one less available day to bill.

5.5.2. U.S. Commercial and State Government

Adjusted EBIT in the U.S. Commercial and State Government segment was $94.6 million in Q4 2023, an increase of $9.3 million when compared to Q4 2022. Adjusted EBIT margin increased to 16.7% from 15.3% in Q4 2022. The increase in adjusted EBIT margin was mainly due to profitable organic growth within the financial services vertical market. This was partially offset by lower proportion of IP revenue from license sales as our clients increasingly shift to a subscription fee-based model with a software-as-a-service delivery.

5.5.3. Canada

Adjusted EBIT in the Canada segment was $127.4 million in Q4 2023, an increase of $5.3 million when compared to Q4 2022. Adjusted EBIT margin increased to 25.0% from 24.6% in Q4 2022. The increase in adjusted EBIT margin was mainly due to profitable organic growth across most vertical markets.

5.5.4. U.S. Federal

Adjusted EBIT in the U.S. Federal segment was $74.2 million in Q4 2023, an increase of $6.2 million when compared to Q4 2022. Adjusted EBIT margin increased to 15.2% from 14.7% in Q4 2022. The increase in adjusted EBIT margin was mainly due to reevaluation of cost to complete on a project in the prior year and lower performance based compensation accruals. This was partially offset by an increase in business development efforts, including the expected increase in travel, as well as the successful completion of projects.

5.5.5. Scandinavia and Central Europe

Adjusted EBIT in the Scandinavia and Central Europe segment was $20.7 million in Q4 2023, a decrease of $10.0 million when compared to Q4 2022. Adjusted EBIT margin decreased to 5.3% from 8.4% in Q4 2022. The change in adjusted EBIT margin was mainly due to adjustments of cost to complete on certain projects and the calendar impact of one less available day to bill. This was partially offset by profitable organic growth primarily within the government vertical market.

5.5.6. U.K. and Australia

Adjusted EBIT in the U.K. and Australia segment was $60.6 million in Q4 2023, an increase of $7.5 million when compared to Q4 2022. Adjusted EBIT margin increased to 16.1% from 16.0% in Q4 2022. The increase in adjusted EBIT margin was mainly due to profitable organic growth within the government and communications and utilities vertical markets, partially offset by higher performance based compensation accruals and the expected increase in travel to support growing our business.

5.5.7. Finland, Poland and Baltics

Adjusted EBIT in the Finland, Poland and Baltics segment was $27.4 million in Q4 2023, an increase of $1.2 million when compared to Q4 2022. Adjusted EBIT margin decreased to 14.1% from 15.9% in Q4 2022 mainly due to successful completion of IP projects within the government vertical market, higher performance based compensation accruals, costs associated with the ramp up of managed IT services contracts within the government vertical market, as well as the calendar impact of one less available day to bill. This was partially offset by profitable organic growth across most vertical markets.

5.5.8. Northwest and Central-East Europe

Adjusted EBIT in the Northwest and Central-East Europe segment was $26.5 million in Q4 2023, an increase of $7.4 million when compared to Q4 2022. Adjusted EBIT margin increased to 14.1% from 12.3% in Q4 2022 mainly due to profitable organic growth within most vertical markets, partly offset by the calendar impact of one less available day to bill.

5.5.9. Asia Pacific

Adjusted EBIT in the Asia Pacific segment was $63.6 million in Q4 2023, an increase of $2.4 million when compared to Q4 2022. Adjusted EBIT margin decreased to 27.0% from 28.6% in Q4 2022. The change in adjusted EBIT margin was mainly driven by the calendar impact of one less available day to bill.

5.6. NET EARNINGS AND EARNINGS PER SHARE

The following table sets out the information supporting the earnings per share calculations:

For the three months ended September 30,	2023	2022	Change $	Change %
In thousands of CAD except for percentage and shares data				
Adjusted EBIT	**573,039**	521,696	**51,343**	**9.8%**
Minus the following items:				
Acquisition-related and integration costs	**—**	14,775	**(14,775)**	**(100.0%)**
Cost optimization program	**8,964**	—	**8,964**	**—%**
Net finance costs	**6,148**	21,019	**(14,871)**	**(70.8%)**
Earnings before income taxes	**557,927**	485,902	**72,025**	**14.8%**
Income tax expense	**143,451**	123,540	**19,911**	**16.1%**
Effective tax rate	***25.7%***	*25.4%*		
Net earnings	**414,476**	362,362	**52,114**	**14.4%**
Net earnings margin	***11.8%***	*11.2%*		
Weighted average number of shares outstanding				
Class A subordinate voting shares and Class B multiple voting shares (basic)	**231,931,083**	236,360,510		**(1.9%)**
Class A subordinate voting shares and Class B multiple voting shares (diluted)	**235,703,369**	239,891,696		**(1.7%)**
Earnings per share (in dollars)				
Basic	**1.79**	1.53	**0.26**	**17.0%**
Diluted	**1.76**	1.51	**0.25**	**16.6%**

For the three months ended September 30, 2023, the income tax expense was $143.5 million compared to $123.5 million over the same period last year, while our effective tax rate increased to 25.7% from 25.4%. The increase in the income tax rate was mainly explained by the increase in the UK statutory tax rate, partly offset by the decrease in the France statutory tax rate and a change in profitability mix in certain geographies.

For Q4 2023, CGI's basic and diluted weighted average number of shares outstanding decreased compared to Q4 2022 due to the impact of the purchase for cancellation of Class A Shares during the year. This was partly offset by the exercise of stock options during the year.

5.6.1. Net Earnings and Earnings per Share Excluding Specific Items

Below is a table showing the year-over-year comparison excluding specific items, namely cost optimization program and acquisition-related and integration costs:

For the three months ended September 30,	2023	2022	Change $	Change %
In thousands of CAD except for percentage and shares data				
Earnings before income taxes	**557,927**	485,902	**72,025**	**14.8%**
Add back:				
Acquisition-related and integration costs	**—**	14,775	**(14,775)**	**(100.0%)**
Cost optimization program	**8,964**	—	**8,964**	**—%**
Earnings before income taxes excluding specific items	**566,891**	500,677	**66,214**	**13.2%**
Income tax expense	**143,451**	123,540	**19,911**	**16.1%**
Effective tax rate	***25.7%***	*25.4%*		
Add back:				
Tax deduction on acquisition-related and integration costs	**—**	4,082	**(4,082)**	**(100.0%)**
Impact on effective tax rate	***—%***	*0.1%*		
Tax deduction on cost optimization program	**2,240**	—	**2,240**	**—%**
Impact on effective tax rate	***—%***	*—%*		
Income tax expense excluding specific items	**145,691**	127,622	**18,069**	**14.2%**
Effective tax rate excluding specific items	***25.7%***	*25.5%*		
Net earnings excluding specific items	**421,200**	373,055	**48,145**	**12.9%**
Net earnings margin excluding specific items	***12.0%***	*11.5%*		
Weighted average number of shares outstanding				
Class A subordinate voting shares and Class B multiple voting shares (basic)	**231,931,083**	236,360,510		**(1.9%)**
Class A subordinate voting shares and Class B multiple voting shares (diluted)	**235,703,369**	239,891,696		**(1.7%)**
Earnings per share excluding specific items (in dollars)				
Basic	**1.82**	1.58	**0.24**	**15.2%**
Diluted	**1.79**	1.56	**0.23**	**14.7%**

5.7. CONSOLIDATED STATEMENTS OF CASH FLOWS

As at September 30, 2023, cash and cash equivalents were $1,568.3 million. Cash included in funds held for clients was $269.8 million. The following table provides a summary of the generation and use of cash and cash equivalents for the quarters ended September 30, 2023 and 2022.

For the three months ended September 30,	2023	2022	Change
In thousands of CAD			
Cash provided by operating activities	**628,734**	488,861	**139,873**
Cash used in investing activities	**(93,002)**	(87,111)	**(5,891)**
Cash used in financing activities	**(603,611)**	(314,995)	**(288,616)**
Effect of foreign exchange rate changes on cash, cash equivalents and cash included in funds held for clients	**111**	29,151	**(29,040)**
Net increase (decrease) in cash, cash equivalents and cash included in funds held for clients	**(67,768)**	**115,906**	**(183,674)**

5.7.1. Cash Provided by Operating Activities

For Q4 2023, cash provided by operating activities was $628.7 million or 17.9% of revenue compared to $488.9 million or 15.1% of revenue for the same period last year.

The following table provides a summary of the generation and use of cash from operating activities:

For the three months ended September 30,	2023	2022	Change
In thousands of CAD			
Net earnings	**414,476**	362,362	**52,114**
Amortization, depreciation and impairment	**138,097**	121,020	**17,077**
Other adjustments [1]	**(4,742)**	12,472	**(17,214)**
Cash flow from operating activities before net change in non-cash working capital items and others	**547,831**	495,854	**51,977**
Net change in non-cash working capital items and others:			
Accounts receivable, work in progress and deferred revenue	**138,603**	24,699	**113,904**
Accounts payable and accrued liabilities, accrued compensation and employee-related liabilities, provisions and long-term liabilities	**(1,956)**	(12,985)	**11,029**
Others [2]	**(55,744)**	(18,707)	**(37,037)**
Net change in non-cash working capital items and others	**80,903**	(6,993)	**87,896**
Cash provided by operating activities	**628,734**	**488,861**	**139,873**

1 Comprised of deferred income tax recovery, foreign exchange gain, share-based payment costs and gain on lease terminations.
2 Comprised of prepaid expenses and other assets, long-term financial assets (excluding long-term receivables), income taxes, derivative financial instruments and retirement benefits obligations.

For the three months ended September 30, 2023, the increase of $139.9 million from our cash provided by operating activities was mostly due to improved collections and higher net earnings.

The timing of our working capital inflows and outflows will always have an impact on the cash flow from operations.

5.7.2. Cash Used in Investing Activities

For Q4 2023, $93.0 million was used in investing activities while $87.1 million was used in the prior year.

The following table provides a summary of the generation and use of cash from investing activities:

For the three months ended September 30,	2023	2022	Change
In thousands of CAD			
Business acquisitions (considering bank overdraft assumed and cash acquired)	**—**	496	**(496)**
Loan receivable	**1,754**	—	**1,754**
Purchase of property, plant and equipment	**(34,455)**	(38,243)	**3,788**
Additions to contract costs	**(24,585)**	(23,990)	**(595)**
Additions to intangible assets	**(47,965)**	(40,750)	**(7,215)**
Net change in short-term investments and purchase of long-term investments	**12,249**	15,376	**(3,127)**
Cash used in investing activities	**(93,002)**	**(87,111)**	**(5,891)**

The increase of $5.9 million in cash used in investing activities during the three months ended September 30, 2023 was mainly due to higher investment in our business solutions and the purchase of investments for the funds held for clients. This was partially offset by a decrease of investments in computer equipment.

5.7.3. Cash Used in Financing Activities

For Q4 2023, $603.6 million was used in financing activities while $315.0 million was used in the prior year.

The following table provides a summary of the generation and use of cash from financing activities:

For the three months ended September 30,	2023	2022	Change
In thousands of CAD			
Repayment of long-term debt	**(70,320)**	(67,467)	**(2,853)**
Payment of lease liabilities	**(43,713)**	(41,074)	**(2,639)**
Repayment of debt assumed in a business acquisition	**—**	(4,120)	**4,120**
Settlement of derivative financial instruments	**2,921**	6,258	**(3,337)**
Withholding taxes remitted on the net settlement of performance share units	**(29)**	—	**(29)**
Purchase and cancellation of Class A subordinate voting shares	**(324,667)**	(132,923)	**(191,744)**
Issuance of Class A subordinate voting shares	**12,527**	11,775	**752**
Net change in clients' funds obligations	**(180,330)**	(87,444)	**(92,886)**
Cash used in financing activities	**(603,611)**	**(314,995)**	**(288,616)**

The increase of $288.6 million was mainly driven by the purchase for cancellation of 2,398,900 Class A Shares compared to 1,260,114 Class A Shares over the same period last year and by the net change in clients' funds obligations.

6. Eight Quarter Summary

As at and for the three months ended	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023	Dec. 31, 2022	Sep. 30, 2022	Jun. 30, 2022	Mar. 31, 2022	Dec. 31, 2021
In millions of CAD unless otherwise noted								
Growth								
Revenue	**3,507.3**	3,623.4	3,715.3	3,450.3	3,247.2	3,258.6	3,268.9	3,092.4
Year-over-year revenue growth	**8.0%**	11.2%	13.7%	11.6%	8.0%	7.9%	6.2%	2.4%
Constant currency revenue growth	**2.2%**	6.3%	11.4%	12.3%	13.9%	11.5%	10.0%	6.8%
Backlog[1]	**26,059**	25,633	25,241	25,011	24,055	23,238	23,144	23,577
Bookings	**3,996**	4,388	3,839	4,035	3,636	3,410	3,316	3,604
Book-to-bill ratio	**113.9%**	121.1%	103.3%	117.0%	112.0%	104.7%	101.4%	116.5%
Book-to-bill ratio trailing twelve months	**113.7%**	113.3%	109.1%	108.9%	108.5%	104.9%	108.7%	115.2%
Profitability								
Earnings before income taxes	**557.9**	559.0	564.5	516.5	485.9	489.0	498.8	493.3
Earnings before income taxes margin	***15.9%***	*15.4%*	*15.2%*	*15.0%*	*15.0%*	*15.0%*	*15.3%*	*16.0%*
Adjusted EBIT[2]	**573.0**	584.8	600.8	554.1	521.7	519.9	523.6	521.5
Adjusted EBIT margin	***16.3%***	*16.1%*	*16.2%*	*16.1%*	*16.1%*	*16.0%*	*16.0%*	*16.9%*
Net earnings	**414.5**	415.0	419.4	382.4	362.4	364.3	372.0	367.4
Net earnings margin	***11.8%***	*11.5%*	*11.3%*	*11.1%*	*11.2%*	*11.2%*	*11.4%*	*11.9%*
Diluted EPS (in dollars)	**1.76**	1.75	1.76	1.60	1.51	1.51	1.53	1.49
Net earnings excluding specific items[2]	**421.2**	425.7	435.0	398.2	373.1	371.2	374.1	369.4
Net earnings margin excluding specific items	***12.0%***	*11.7%*	*11.7%*	*11.5%*	*11.5%*	*11.4%*	*11.4%*	*11.9%*
Diluted EPS excluding specific items (in dollars)[2]	**1.79**	1.80	1.82	1.66	1.56	1.54	1.53	1.50
Liquidity								
Cash provided by operating activities	**628.7**	409.1	469.1	605.3	488.9	419.2	472.6	484.3
As a percentage of revenue	***17.9%***	*11.3%*	*12.6%*	*17.5%*	*15.1%*	*12.9%*	*14.5%*	*15.7%*
Days sales outstanding	**44**	44	41	44	49	48	42	45
Capital structure								
Long-term debt and lease liabilities[3]	**3,742.3**	3,765.9	3,852.7	3,876.4	3,976.2	3,840.1	3,733.5	3,823.1
Net debt[2]	**2,134.6**	2,279.6	2,529.0	2,503.8	2,946.9	3,073.0	2,729.7	2,687.9
Net debt to capitalization ratio	**20.4%**	21.7%	24.0%	24.1%	28.8%	30.6%	28.7%	27.8%
Return on invested capital	**16.0%**	15.7%	15.6%	15.5%	15.7%	15.8%	15.7%	15.3%
Balance sheet								
Cash and cash equivalents, and short-term investments	**1,575.6**	1,471.9	1,285.5	1,331.1	972.6	784.1	1,059.4	1,185.7
Total assets	**15,799.5**	16,080.1	16,101.7	15,915.9	15,175.4	14,916.4	14,475.7	14,704.9
Long-term financial liabilities[4]	**2,386.2**	2,885.2	2,946.1	2,971.6	3,731.3	3,581.8	3,523.5	3,608.2

1 Approximately $10.0 billion of our backlog as at September 30, 2023 is expected to be converted into revenue within the next twelve months, $8.6 billion within one to three years, $3.1 billion within three to five years and $4.4 billion in more than five years.

2 Please refer to sections 3.7., 3.8.3. and 4.5 of each quarter's respective MD&A for the reconciliation of non-GAAP financial measures for the quarterly periods of 2022 and 2023. For Fiscal 2022 year ending period, please refer to sections 5.6. and 5.6.1.

3 Long-term debt and lease liabilities include both the current and long-term portions of the long-term debt and lease liabilities.

4 Long-term financial liabilities include the long-term portion of the debt, long-term portion of lease liabilities and the long-term derivative financial instruments.

There are factors causing quarterly variances which may not be reflective of the Company's future performance. There is seasonality in system integration and consulting work, and the quarterly performance of these operations is impacted by occurrences such as vacations, calendar days and the number of statutory holidays in any given quarter. Managed IT and business process services contracts are affected to a lesser extent by seasonality. Also, the workflow from some clients may fluctuate from quarter to quarter based on their business cycle and the seasonality of their own operations. Further, the savings that we generate for a client on a given managed IT and business process services contract may temporarily reduce our revenue stream from this client, as these savings may not be immediately offset by additional work performed for this client.

Cash flow from operating activities could vary significantly from quarter to quarter depending on the timing of payments received from clients, cash requirements associated with large acquisitions, managed IT and business process services contracts and projects, the timing of the reimbursements for various tax credits, performance based compensation to employees as well as the timing of severance payments related to the integration of our acquisitions and our cost optimization program.

Foreign exchange fluctuations can also contribute to quarterly variances as our percentage of operations in foreign countries evolves. The effect from these variances is primarily on our revenue and to a much lesser extent, on our margin as we benefit, as much as possible, from natural hedges.

7. Changes in Accounting Policies

The audited consolidated financial statements for the years ended September 30, 2023 and 2022 include all adjustments that CGI's management considers necessary for the fair presentation of its financial position, results of operations, and cash flows.

ADOPTION OF ACCOUNTING STANDARD

The following standard amendments have been adopted by the Company on October 1, 2022:

Onerous contracts – Cost of Fulfilling a Contract - Amendments to IAS 37

In May 2020, the IASB amended IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The standard amendments clarify that for assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental cost of fulfilling that contract and an allocation of other costs that relates directly to fulfilling the contract.

The implementation of these standard amendments resulted in no significant impact on the Company's audited consolidated financial statements.

The following standard amendments have been adopted by the Company on May 23, 2023:

International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

On May 23, 2023, the IASB issued standard amendments to IAS 12 *Income Taxes*, to address the Pillar Two model rules for domestic implementation of a 15% global minimum tax. The standard amendments introduce a temporary recognition exception in relation to accounting and disclosure for deferred taxes, which was immediately applied, arising from the implementation of the international tax reform. Remaining target disclosure requirements for affected entities such as current tax expense (income) related to Pillar Two income taxes, as well as, qualitative and quantitative information about an entity's exposure to Pillar Two income taxes will only be effective as for the interim reporting period ending March 31, 2024.

At September 30, 2023, the application of the new standard amendments had no impact on the Company's audited consolidated financial statements.

The following standard amendments have been early adopted and applied retrospectively by the Company for the year ended September 30, 2023:

Disclosure of Accounting Policy Information – Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB amended IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements* to require the Company to disclose its material accounting policies rather than its significant accounting policies.

The implementation of these standard amendments resulted in no significant impact on the Company's audited consolidated financial statements.

FUTURE ACCOUNTING STANDARD CHANGES

The following standard amendments are effective as of October 1, 2023:

Definition of Accounting Estimates – Amendments to IAS 8

In February 2021, the IASB amended IAS 8 *Accounting Policies, Changes in Accounting estimates and Errors* to introduce a definition of accounting estimates and to help entities distinguish changes in accounting policies from changes in accounting estimates. This distinction is important because changes in accounting policies must be applied retrospectively while changes in accounting estimates are accounted for prospectively.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

In May 2021, the IASB amended IAS 12 *Income Taxes*, to narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The implementation of these standard amendments will result in no impact on the Company's audited consolidated financial statements.

The following standard amendments have been issued and will be effective as of October 1, 2024 for the Company, with earlier application permitted. The Company is currently evaluating the impact of these standard amendments on its audited consolidated financial statements.

Classification of Liabilities as Current or Non-current and Information about long-term debt with covenants – Amendments to IAS 1

In January 2020, the IASB amended IAS 1 *Presentation of Financial Statements*, clarifying that the classification of liabilities as current or non-current is based on existing rights at the end of the reporting period, independent of whether the Company will exercise its right to defer settlement of a liability. Subsequently, in October 2022, the IASB introduced additional amendments to IAS 1, emphasizing that covenants for long-term debt, regardless whether the covenants were compliant after the reporting date, should not affect debt classification; instead, companies are required to disclose information about these covenants in the notes accompanying their financial statements.

Supplier finance arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB amended IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* to introduce new disclosure requirements to enhance the transparency on supplier finance arrangements and their impact on the Company's liabilities, cash flows and liquidity exposure. The new disclosure requirements will include information such as terms and conditions, the carrying amount of liabilities, the range of payment due dates, non-cash changes and liquidity risk information around supplier finance arrangements.

8. Critical Accounting Estimates

The Company's significant accounting policies are described in note 3 of the audited consolidated financial statements for the years ended September 30, 2023 and 2022. Certain of these accounting policies, listed below, require management to make accounting estimates and judgements that affect the reported amounts of assets, liabilities and equity and the accompanying disclosures at the date of the audited consolidated financial statements as well as the reported amounts of revenue and expenses during the reporting period. These accounting estimates are considered critical because they require management to make subjective and/or complex judgements that are inherently uncertain and because they could have a material impact on the presentation of our financial condition, changes in financial condition or results of operations.

Areas impacted by estimates	Consolidated balance sheets	Consolidated statements of earnings				
		Revenue	Cost of services, selling and administrative	Amortization and depreciation	Net finance costs	Income taxes
Revenue recognition[1]	✓	✓	✓			
Goodwill impairment	✓			✓		
Right-of-use assets and lease liabilities	✓			✓	✓	
Business combinations	✓	✓	✓	✓		✓
Income taxes	✓					✓
Litigation and claims	✓	✓	✓			

[1] Affects the balance sheet through trade accounts receivable, work in progress, provision on revenue-generating contracts and deferred revenue.

Revenue recognition

Relative stand-alone selling price

If an arrangement involves the provision of multiple performance obligations, the total arrangement value is allocated to each performance obligation based on its relative stand-alone selling price. At least on a yearly basis, the Company reviews its best estimate of the stand-alone selling price which is established by using a reasonable range of prices for the various services and solutions offered by the Company based on local market information available. Information used in determining the range is mainly based on recent contracts signed and the economic environment. A change in the range could have a material impact on the allocation of total arrangement value, and therefore on the amount and timing of revenue recognition.

Business and strategic IT consulting and systems integration services under fixed fee arrangements

Revenue from business and strategic IT consulting and systems integration services under fixed-fee arrangements is recognized using the percentage-of-completion method over time, as the Company has no alternative use for the asset created and has an enforceable right to payment for performance completed to date. The Company primarily uses labour costs to measure the progress towards completion. Project managers monitor and re-evaluate project forecasts on a monthly basis. Forecasts are reviewed to consider factors such as: delays in reaching milestones and complexities in the project delivery. Forecasts can also be affected by market risks such as the availability and retention of qualified IT professionals and/or the ability of the subcontractors to perform their obligations within agreed budget and time frames. To the extent that actual labour costs could vary from estimates, adjustments to revenue following the review of the costs to complete on projects are reflected in the period in which the facts that give rise to the revision occur. Whenever the total costs are forecasted to be higher than the total revenue, a provision on revenue-generating contract is recorded.

Goodwill impairment

The carrying value of goodwill is tested for impairment annually or if events or changes in circumstances indicate that the carrying value may be impaired. In order to determine if a goodwill impairment test is required, management reviews different factors on a quarterly basis, such as changes in technological or market environment, changes in assumptions used to derive the weighted average cost of capital and actual financial performance compared to planned performance.

The recoverable amount of each operating segment has been determined based on its value in use calculation, which includes estimates about their future financial performance based on cash flows approved by management. However, factors such as our ability to continue developing and expanding services offered to address emerging business demands and technology trends, a lengthened sales cycle and our ability to hire and retain qualified IT professionals affect future cash flows, and actual results might differ from future cash flows used in the goodwill impairment test. Key assumptions used in goodwill impairment testing are presented in note 12 of the audited consolidated financial statements for the years ended September 30, 2023 and 2022. Historically, the Company has not recorded an impairment charge on goodwill.

Right-of-use assets

Estimates of the lease term

The Company estimates the lease term in order to calculate the value of the lease liability at the initial date of the lease. Management uses judgement to determine the appropriate lease term based on the conditions of each lease. The Company considers all facts that create incentive to exercise an extension option or not to take a termination option including leasehold improvements, significant modification of the underlying asset or a business decision. The extension or termination options are only included in the lease term if it is reasonably certain of being exercised.

Discount rate for leases

The discount rate is used to determine the initial carrying amount of the lease liabilities and the right-of-use assets. The Company estimates the incremental borrowing rate for each lease or portfolio of leased assets, as most of the implicit interest rates in the leases are not readily determinable. To calculate the incremental borrowing rate, the Company considers its credit worthiness, the term of the arrangement, any collateral received and the economic environment at the lease date. Lease liabilities are remeasured (along with the corresponding adjustment to the right-of-use asset), whenever the following situations occur:

- a modification in the lease term or a change in the assessment of an option to purchase or terminate the lease, for which the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; and
- a modification in the residual guarantees or in future lease payments due to a change of an index or rate tied to the payments, for which the lease liability is remeasured by discounting the revised lease payments using the initial discount rate determined when setting up the liability.

In addition, upon partial or full termination of a lease, the difference between the carrying amounts of the lease liability and the right-of-use asset is recorded in the consolidated statements of earnings.

Business combinations

Management makes assumptions when determining the acquisition-date fair value of the identifiable tangible and intangible assets acquired and liabilities assumed which involve estimates, such as the forecasting of future cash flows, discount rates and the useful lives of the assets acquired.

Additionally, management's judgement is required in determining whether an intangible asset is identifiable and should be recorded separately from goodwill.

Changes in the above assumptions, estimates and judgements could affect our acquisition-date fair values and therefore could have material impacts on our audited consolidated financial statements. These changes are recorded as part of the purchase price allocation and therefore result in corresponding goodwill adjustments if they occurred during the measurement period, which does not exceed one year. All other subsequent changes are recorded in our consolidated statement of earnings.

Income taxes

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available for their utilization. The Company considers the analysis of forecast and future tax planning strategies. Estimates of taxable profit are made based on the forecast by jurisdiction which are aligned with goodwill impairment testing assumptions, on an undiscounted basis. In addition, management considers factors such as substantively enacted tax rates, the history of the taxable profits and availability of tax strategies. Due to the uncertainty and the variability of the factors mentioned above, deferred tax assets are subject to change. Management reviews its assumptions on a quarterly basis and adjusts the deferred tax assets when appropriate.

The Company is subject to income tax laws in numerous jurisdictions. Judgement is required in determining the worldwide provision for income taxes as the determination of tax liabilities and assets involves uncertainties in the interpretation of complex tax regulations and requires estimates and assumptions considering the existing facts and circumstances. The Company provides for potential tax liabilities based on the most likely amount of the possible outcomes. Estimates are reviewed each reporting period and updated, based on new information available, and could result in changes to the income tax liabilities and deferred tax liabilities in the period in which such determinations are made.

Litigation and claims

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The accrued litigation and legal claim provisions are based on historical experience, current trends and other assumptions that are believed to be reasonable under the circumstances. Estimates include the period in which the underlying cause of the claim occurred and the degree of probability of an unfavourable outcome. Management reviews assumptions and facts surrounding outstanding litigation and claims on a quarterly basis, involves external counsel when necessary and adjusts such provisions accordingly. The Company has to be compliant with applicable law in many jurisdictions which increases the complexity of determining the adequate provision following a litigation review. Since the outcome of such litigation and claims is not predictable with assurance, those provisions are subject to change. Adjustments to litigation and claims provisions are reflected in the period when the facts that give rise to an adjustment occur.

9. Integrity of Disclosure

The Board of Directors has the responsibility under its charter and under the securities laws that govern CGI's continuous disclosure obligations to oversee CGI's compliance with its continuous and timely disclosure obligations, as well as the integrity of the Company's internal controls and management information systems. The Board of Directors carries out this responsibility mainly through its Audit and Risk Management Committee.

CGI's Audit and Risk Management Committee is composed entirely of independent directors who meet the independence and experience requirements of National Instrument 52-110 adopted by the Canadian Securities Administrators as well as those of the New York Stock Exchange (NYSE) and the U.S. Securities and Exchange Commission (SEC). The role and responsibilities of the Audit and Risk Management Committee include: (i) reviewing public disclosure documents containing financial information concerning CGI; (ii) identifying and examining material financial and operating risks to which the Company is exposed, reviewing the various policies and practices of the Company that are intended to manage those risks, and reporting on a regular basis to the Board of Directors concerning risk management; (iii) reviewing and assessing the effectiveness of CGI's accounting policies and practices concerning financial reporting; (iv) reviewing and monitoring CGI's internal control procedures, programs and policies and assessing their adequacy and effectiveness; (v) reviewing the adequacy of CGI's internal audit resources including the mandate and objectives of the internal auditor; (vi) recommending to the Board of Directors the appointment of the external auditor, assessing the external auditor's independence, reviewing the terms of their engagement, conducting an annual auditor's performance assessment, and pursuing ongoing discussions with them; (vii) reviewing related party transactions in accordance with the rules of the NYSE and other applicable laws and regulations; (viii) reviewing the audit procedures including the proposed scope of the external auditor's examinations; and (ix) performing such other functions as are usually attributed to audit committees or as directed by the Board of Directors. In making its recommendation to the Board of Directors in relation to the annual appointment of the external auditor, the Audit and Risk Management Committee conducts an annual assessment of the external auditor's performance following the recommendations of the Chartered Professional Accountants of Canada. The formal assessment is concluded in advance of the Annual General Meeting of Shareholders and is conducted with the assistance of key CGI employees.

The Company has established and maintains disclosure controls and procedures designed to provide reasonable assurance that material information relating to the Company is made known to the Chief Executive Officer and the Chief Financial Officer by others, particularly during the period in which annual and interim filings are prepared, and that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by the Company under Canadian and U.S. securities laws is recorded, processed, summarized and reported within the time periods specified under those laws and the related rules. As at September 30, 2023, management evaluated, under the supervision of and with the participation of the Chief Executive Officer and the Chief Financial Officer, the effectiveness of the Company's disclosure controls and procedures as defined under National Instrument 52-109 adopted by the Canadian Securities Administrators and in Rule 13(a)-15(e) under the U.S. Securities Exchange Act of 1934, as amended. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as at September 30, 2023.

The Company has also established and maintains internal control over financial reporting, as defined under National Instrument 52-109 and in Rule 13(a)-15(f) under the U.S. Securities Exchange Act of 1934, as amended. The Company's internal control over financial reporting is a process designed under the supervision of the Chief Executive Officer and the Chief Financial Officer, and effected by management and other key CGI employees, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. However, because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Management evaluated, under the supervision of and with the participation of the Chief Executive Officer and the Chief Financial Officer, the effectiveness of the Company's internal controls over financial reporting as at September 30, 2023, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013). Based on that evaluation, management, under the supervision of and with the participation of the Chief Executive Officer as well as the Chief Financial Officer concluded that the Company's internal controls over financial reporting was effective as at September 30, 2023.

10. Risk Environment

10.1. RISKS AND UNCERTAINTIES

While we are confident about our long-term prospects, a number of risks and uncertainties could affect our ability to achieve our strategic vision and objectives for growth. The following risks and uncertainties should be considered when evaluating our potential as an investment.

10.1.1. External Risks

We may be adversely affected by volatile, negative or uncertain economic and political conditions and the effects of these conditions on our clients' businesses and levels of activity.

Economic and political conditions in the markets in which we operate have a bearing upon the results of our operations, directly and through their effect on the level of business activity of our clients. We can neither predict the impact that current economic and political conditions will have on our future revenue, nor predict changes in economic conditions or future political uncertainty. The level of activity of our clients and potential clients may be affected by an economic downturn or political uncertainty. Clients may cancel, reduce or defer existing contracts and delay entering into new engagements and may decide to undertake fewer IT systems projects resulting in limited implementation of new technology and smaller engagements. Since there may be fewer engagements, competition may increase and pricing for services may decline as competitors may decrease rates to maintain or increase their market share in our industry and this may trigger pricing adjustments related to the benchmarking obligations within our contracts. Economic downturns and political uncertainty make it more difficult to meet business objectives and may divert management's attention and time from operating and growing our business. Our business, results of operations and financial condition could be negatively affected as a result of these factors.

We may be adversely affected by additional external risks, such as terrorism, armed conflict, labour or social unrest, inflation, rising energy and commodity costs, recession, criminal activity, hostilities, disease, illness or health emergencies, natural disasters and climate change and the effects of these conditions on our clients, our business and on market volatility.

Additional external risks that could adversely impact the markets in which we operate, our industry and our business include terrorism, armed conflict (such as the current armed conflict in Ukraine), labour or social unrest, inflation, recession, criminal activity, regional and international hostilities and international responses to these hostilities, and disease, illness or health emergencies that affect local, national or international economies. Additionally, the potential impacts of climate change are unpredictable and natural disasters, sea-level rise, floods, droughts or other weather-related events present additional external risks, as they could disrupt our internal operations or the operations of our clients, impact our employee's health and safety and increase insurance and other operating costs. Climate change risks can arise from physical risks (risks related to the physical effects of climate change), transition risks (risks related to regulatory, legal, technological and market changes from a transition to a low-carbon economy), as well as reputational risks related to our management of climate-related issues and our level of disclosure related to such matters (see *Our inability to meet regulatory requirements and/or stakeholders expectations of disclosure, management and implementation of ESG initiatives and standards, could have a material adverse effect on our business*). Climate change risk, and/or any of these additional external risks, may affect us or affect the financial viability of our clients leading to a reduction of demand and loss of business from such clients. Each of these risks could negatively impact our business, results of operation and financial condition.

As a result of external risks, such as the current armed conflict in Ukraine, inflation, and rising energy and commodity costs, global equity and capital markets may experience significant volatility and weakness. The duration and impact of these events are unknown at this time, nor is the impact on our operations and the market for our securities.

Prolonged periods of inflation could increase our costs and impact our profitability, which could have a material adverse effect on our business and financial condition.

High levels of inflation may subject us to significant cost pressures and lead to market volatility. As a result, governments may adopt initiatives to combat inflation (for example, raising benchmark interest rate), thus increasing our cost of borrowing and decreasing the liquidity of capital markets. Our clients may have difficulty budgeting for external IT services or delay their payment for services provided. High inflation can lead to increased costs of labor and our employee compensation expenses. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases, and there is no assurance that our revenues will increase at the same rate to maintain the same level of profitability. Our inability or failure to do so could harm our business and financial condition.

Pandemics, including the COVID-19 pandemic, have caused, and may in the future cause disruptions in our operations and the operations of our clients (which may lead to increased risk and frequency of cybersecurity incidents), market volatility and economic disruption, which could adversely affect us.

A pandemic, including the COVID-19 pandemic, can create significant volatility and uncertainty and economic disruption and can pose the risk that our employees, clients, contractors and business partners may be prevented from, or restricted in, conducting business activities for an indefinite period, including due to the transmission of the disease or to emergency measures or restrictions that may be requested or mandated by governmental authorities. A pandemic may also result in governments worldwide enacting emergency preventive measures, such as the implementation of border closures, travel bans or restrictions, lock-downs, quarantine periods, vaccine mandates or passports, social distancing, testing requirements, stay-at-home and work-from-home policies and the temporary closure of non-essential businesses. These emergency measures and restrictions, and future measures and restrictions taken in response to a pandemic, including the COVID-19 pandemic, may cause material disruptions to businesses globally and have an adverse impact on global economic conditions and consumer confidence and spending, which could materially adversely affect our business.

Additionally, the onset of a pandemic may affect the financial viability of our clients, and could cause them to exit certain business lines, or change the terms on which they are willing to purchase services and solutions. Clients may also slow down decision-making, delay planned work, seek to terminate existing agreements, not renew existing agreements or be unable to pay us in accordance with the terms of existing agreements.

As a result of increased remote working arrangements due to a pandemic, the exposure to, and reliance on, networked systems and the internet can increase. This can lead to increased risk and frequency of cybersecurity incidents. Cybersecurity incidents can result from unintentional events or deliberate attacks by insiders or third parties, including cybercriminals, competitors, nation-states, and hacktivists. Any of these events could cause or contribute to risk and uncertainty and could adversely affect our business, results of operations and financial condition.

As a result of a pandemic, global equity and capital markets can experience significant volatility and weakness, leading governments and central banks to react with significant monetary and fiscal interventions designed to stabilize economic conditions.

It is not possible to reliably estimate the length and severity of a pandemic, including any future developments relating to the COVID-19 pandemic, or any impact on our financial results, share price and financial condition in future periods. There can be no assurance that our actions taken in response to a pandemic, including the COVID-19 pandemic, will succeed in preventing or mitigating any negative impacts on our Company, employees, clients, contractors and business partners.

As a foreign private issuer who files using the multijurisdictional disclosure system (MJDS), we are subject to different U.S. securities laws and rules, which could limit our level of disclosure to investors.

We are a "foreign private issuer" for purposes of U.S. securities laws who files disclosure documents using the multijurisdictional disclosure system (MJDS) and, as a result, are not subject to the same requirements that are imposed upon U.S. domestic issuers by the SEC. In particular, we are exempt from the rules and regulations under the U.S. securities laws related to the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Securities Exchange Act of 1934 (the "Exchange Act"). We also are exempt from the provisions of Regulation FD under the Exchange Act, which in certain circumstances prohibits the selective disclosure of material non-public information, although we generally attempt to comply with Regulation FD. These exemptions and leniencies may reduce the frequency and scope of information that we disclose relative to the information generally provided by U.S. domestic companies.

It may be difficult to enforce civil liabilities under U.S. securities laws.

The Company is governed by the Business Corporations Act (Quebec) and with its principal place of business in Canada. The enforcement by investors of civil liabilities under the U.S. securities laws may be affected adversely by the fact that we are organized under the laws of Canada, that some or all of our officers and directors may be residents of a foreign country, and that a substantial portion of our assets and those of said persons may be located outside the United States.

10.1.2. Risks Related to our Industry

The markets in which we operate are highly competitive.

CGI operates in a global marketplace in which competition among providers of IT services is vigorous. Some of our competitors possess greater financial, marketing and sales resources, and larger geographic scope in certain parts of the world than we do, which, in turn, provides them with additional leverage in the competition for contracts. In certain niche, regional or metropolitan markets, we face smaller competitors with specialized capabilities who may be able to provide competing services with greater economic efficiency. Some of our competitors have more significant operations than we do in lower cost countries that can serve as a platform from which to provide services worldwide on terms that may be more favourable. Increased competition among IT services firms often results in corresponding pressure on prices. There can be no assurance that we will succeed in providing competitively priced services at levels of service and quality that will enable us to maintain and grow our market share.

We derive significant revenue from contracts awarded through competitive bidding processes, which limit the Company's ability to negotiate certain contractual terms and conditions. Risks related to competitive bidding processes also involve substantial cost and managerial time and effort spent by the Company to prepare bids and proposals for contracts that may or may not be awarded to the Company, as well as expenses and delays that may arise if the Company's competitors protest or challenge awards made to the Company pursuant to competitive bidding processes.

Even when a contract is awarded to the Company following a competitive bidding process, we may fail to accurately estimate the resources and costs required to fulfill the contract.

We may not be able to continue developing and expanding service offerings to address emerging business demands and technology trends.

The rapid pace of change in all aspects of IT and the continually declining costs of acquiring and maintaining IT infrastructure mean that we must anticipate changes in our clients' needs. To do so, we must adapt our services and our solutions so that we maintain and improve our competitive advantage and remain able to provide cost effective services and solutions. The markets in which we operate are extremely competitive and there can be no assurance that we will succeed in developing and adapting our business in a timely manner nor that we will be able to penetrate new markets successfully. If we do not keep pace, our ability to retain existing clients and gain new business may be adversely affected. As we expand our services and solutions into new markets, we may be exposed to operational, legal, regulatory, ethical, technological and other risks specific to such new markets. These factors may result in pressure on our revenue, net earnings and resulting cash flow from operations.

We may infringe on the intellectual property rights of others.

Despite our efforts, the steps we take to ensure that our services and offerings do not infringe on the intellectual property rights of third parties may not be adequate to prevent infringement and, as a result, claims may be asserted against us or our clients. We enter into licensing agreements for the right to use intellectual property and may otherwise offer indemnities against liability and damages arising from third-party claims of patent, copyright, trademark or trade secret infringement in respect of our own intellectual property or software or other solutions developed for our clients. In some instances, the amount of these indemnity claims could be greater than the revenue we receive from the client (see *Indemnity provisions and guarantees in various agreements to which we are party may require us to compensate our counterparties*). Intellectual property claims or litigation could be time-consuming and costly, harm our reputation, require us to enter into additional royalty or licensing arrangements, or prevent us from providing some solutions or services. Any limitation on our ability to sell or use solutions or services that incorporate software or technologies that are the subject of a claim could cause us to lose revenue-generating opportunities or require us to incur additional expenses to modify solutions for future projects.

We may be unable to protect our intellectual property rights.

Our success depends, in part, on our ability to protect our proprietary methodologies, processes, know-how, tools, techniques and other intellectual property that we use to provide our services. Although CGI takes reasonable steps (e.g. available copyright protection and, in some cases, patent protection) to protect and enforce its intellectual property rights, there is no assurance that such measures will be enforceable or adequate. The cost of enforcing our rights, or our inability to protect against infringement or unauthorized copying or use, can be substantial and, in certain cases, may prove to be uneconomic. In addition, the laws of some countries in which we conduct business may offer only limited intellectual property rights protection. Despite our efforts, the steps taken to protect our intellectual property may not be adequate to prevent or deter infringement or other misappropriation of intellectual property, and we may not be able to detect unauthorized use of our intellectual property, or take appropriate steps to enforce our intellectual property rights.

We face risks associated with benchmarking provisions within certain contracts.

Some of our managed IT and business process services contracts contain clauses allowing our clients to externally benchmark the pricing of agreed upon services against those offered by other providers in a peer comparison group. The uniqueness of the client environment should be factored in and, if results indicate a difference outside the agreed upon tolerance, we may be required to work with clients to reset the pricing for their services. There can be no assurance that benchmarks will produce accurate or reliable data, including pricing data. This may result in pressure on our revenue, net earnings and resulting cash flow from operations.

10.1.3. Risks Related to our Business

We may experience fluctuations in our financial results, making it difficult to predict future results.

Our ability to maintain and increase our revenue is affected not only by our success in implementing our Build and Buy growth strategy, but also by a number of other factors, which could cause the Company's financial results to fluctuate. These factors include: (i) our ability to introduce and deliver new services and business solutions; (ii) our potential exposure to a lengthened sales cycle; (iii) the cyclicality of the purchases of our technology services and solutions; (iv) the nature of our client's business (for example, if a client encounters financial difficulty (including as a result of external risks such as climate change or a pandemic), it may be forced to cancel, reduce or defer existing contracts with us); and (v) the structure of our agreements with clients (for example, some of CGI's agreements with clients contain clauses allowing the clients to benchmark the pricing of services provided by CGI against the prices offered by other providers). These, and other factors, make it difficult to predict financial results for any given period.

Our revenues may be exposed to fluctuations based on our business mix.

The proportion of revenue that we generate from shorter-term system integration and consulting projects (SI&C), versus revenue from long-term managed IT and business process services contracts, will fluctuate at times, affected by acquisitions or other transactions. An increased exposure to revenue from SI&C projects may result in greater quarterly revenue variations, as the revenue from SI&C projects does not provide long-term consistency in revenue.

Our current operations are international in scope, subjecting us to a variety of financial, regulatory, cultural, political and social challenges.

We manage operations in numerous countries around the world including offshore delivery centers. The scope of our operations (including our offshore delivery centers) subjects us to issues that can negatively impact our operations, including: (i) currency fluctuations (see *We may be adversely affected by currency fluctuations*); (ii) the burden of complying with a wide variety of national and local laws (see *Changes in the laws and regulations within the jurisdictions in which we operate may have a material adverse effect on our global business operations and profitability*); (iii) the differences in and uncertainties arising from local business culture and practices; (iv) and political, social and economic instability. Any or all of these risks could impact our global business operations and cause our revenue and/or profitability to decline.

We may not be able to successfully implement and manage our growth strategy.

CGI's Build and Buy growth strategy is founded on four pillars of growth: first, profitable organic growth through contract wins, renewals and extensions with new and existing clients in our targeted industries; second, the pursuit of new large long-term managed IT and business process services contracts; third, metro market acquisitions; and fourth, large transformational acquisitions.

Our ability to achieve organic growth is affected by a number of factors outside of our control, including a lengthening of our sales cycle for major managed IT and business process services contracts.

Our ability to grow through metro market and transformational acquisitions requires that we identify suitable acquisition targets that we correctly evaluate their potential as transactions that will meet our financial and operational objectives, and that we successfully integrate them into our business. There can, however, be no assurance that we will be able to identify suitable acquisition targets and consummate additional acquisitions that meet our economic thresholds, or that future acquisitions will be successfully integrated into our operations and yield the tangible accretive value that had been expected. If we are unable to implement our Build and Buy growth strategy, we will likely be unable to maintain our historic or expected growth rates.

We may be unable to integrate new operations, which could impact our ability to achieve our growth and profitability objectives.

The realization of anticipated benefits from mergers, acquisitions and related activities depends, in part, upon our ability to integrate the acquired business, the realization of synergies, efficient consolidation of the operations of the acquired businesses into our existing operations, cost management to avoid duplication, information systems integration, staff reorganization, establishment of controls, procedures and policies, performance of the management team and other employees of the acquired operations as well as cultural alignment.

The successful integration of new operations arising from our acquisition strategy or from large managed IT and business process services contracts requires that a substantial amount of management time and attention be focused on integration tasks. Management time that is devoted to integration activities may detract from management's normal operations focus with resulting pressure on the revenues and earnings from our existing operations. In addition, we may face complex and potentially time-consuming challenges in implementing uniform standards, controls, procedures and policies across new operations when harmonizing their activities with those of our existing business units. Integration activities can result in unanticipated operational problems, expenses and liabilities.

Following an acquisition closing date, we may remain reliant on a target's employee, good faith, expertise, historical performance, technical resources and information systems, proprietary information and judgment in providing any transitional services. Accordingly, we may continue to be exposed to adverse developments in the business and affairs of parties with whom we contract.

If we are not successful in executing our integration strategies in a timely and cost-effective manner, we will have difficulty achieving our growth and profitability objectives.

If we are unable to manage the organizational challenges associated with our size, we may not be able to achieve our growth and profitability objectives.

Our culture, standards, core values, internal controls and our policies need to be instilled across newly acquired businesses as well as maintained within our existing operations. To effectively communicate and manage these standards throughout a large global organization is both challenging and time consuming. Newly acquired businesses may be resistant to change and may remain attached to past methods, standards and practices which may compromise our business agility in pursuing opportunities. Cultural differences in various countries may also present barriers to introducing new ideas or aligning our vision and strategy with the rest of the organization. If we cannot overcome these obstacles in maintaining a strategic bond throughout the Company worldwide, we may not be able to achieve our growth and profitability objectives.

Material developments regarding our major commercial clients resulting from mergers or business acquisitions could impair our future prospects and growth strategy.

Consolidation among our clients resulting from mergers and acquisitions may result in loss or reduction of business when the successor business' IT needs are served by another service provider or are provided by the successor company's own employees. Growth in a client's IT needs resulting from acquisitions or operations may mean that we no longer have a sufficient geographic scope or the critical mass to serve the client's needs efficiently, resulting in the loss of the client's business and impairing our future prospects. There can be no assurance that we will be able to achieve the objectives of our growth strategy in order to maintain and increase our geographic scope and critical mass in our targeted markets.

Legal proceedings could have a material adverse effect on our business, financial performance and reputation.

During the ordinary course of conducting our business, we may be threatened with, and/or become subject or a party to, a variety of litigation or other claims and suits that arise from time to time. These legal proceedings may involve current and former employees, clients, partners, subcontractors, suppliers, competitors, shareholders, government agencies or others through private actions, class actions, whistleblower claims, administrative proceedings, regulatory actions or other litigation. Regardless of the merits of the claims, the cost to defend current and future litigation may be significant, and such matters can be time-consuming and divert management's attention and resources. The results of litigation, claims and other legal proceedings are inherently uncertain, and adverse judgments or settlements in some or all of these legal disputes may result in materially adverse monetary damages, fines, penalties or injunctive relief against us. While we maintain insurance for certain liabilities, there is no assurance that such insurance coverage will be sufficient in type or amount to cover the costs, damages, liabilities or losses that can result from these litigations or claims.

Changes in our tax levels, as well as reviews, audits, investigations and tax proceedings or changes in tax laws or in their interpretation or enforcement, could have a material adverse effect on our net income or cash flow.

In estimating our income tax payable, management uses accounting principles to determine income tax positions that are likely to be sustained by applicable tax authorities. However, there is no assurance that our tax benefits or tax liability will not materially differ from our estimates or expectations. The tax legislation, regulation and interpretation that apply to our operations are continually changing. In addition, future tax benefits and liabilities are dependent on factors that are inherently uncertain and subject to change, including future earnings, future tax rates, and anticipated business mix in the various jurisdictions in which we operate. Moreover, our tax returns are continually subject to review by applicable tax authorities and we are subject to ongoing audits, investigations and tax proceedings in various jurisdictions. These tax authorities determine the actual amounts of taxes payable or receivable, of any future tax benefits or liabilities and of income tax expense that we may ultimately recognize. Tax authorities have disagreed and may in the future disagree with our income tax positions and are taking increasingly aggressive positions in respect of income tax positions, including with respect to intercompany transactions.

Our effective tax rate in the future could be adversely affected by challenges to intercompany transactions, changes in the value of deferred tax assets and liabilities, changes in tax law or in their interpretation or enforcement, changes in the mix of earnings in countries with differing statutory tax rates, the expiration of tax benefits and changes in accounting principles, including the introduction of the Pillar Two model rules designed to ensure large multinational corporations pay a minimum level of tax on income arising in each jurisdiction they operate. Tax rates in the jurisdictions in which we operate may change as a result of shifting economic conditions and tax policies.

A number of countries in which the Company does business have implemented, or are considering implementing, changes in relevant tax, accounting and other laws, regulations and interpretations and the overall tax environment has made it increasingly challenging for multinational corporations to operate with certainty about taxation in many jurisdictions.

Any of the above factors could have a material adverse effect on our net income or cash flow by affecting our operations and profitability, our effective tax rate, the availability of tax credits, the cost of the services we provide, and the availability of deductions for operating losses.

Reductions, eliminations or amendments to government sponsored programs from which we currently benefit may have a material adverse effect on our net earnings or cash flow.

We benefit from government sponsored programs designed to support research and development, labour and economic growth in jurisdictions where we operate. Government programs reflect government policy and depend on various political and economic factors. There can be no assurance that such government programs will continue to be available to the Company in the future, or will not be reduced, amended or eliminated. Any future government program reductions or eliminations or other amendments to the tax credit programs could increase operating or capital expenditures incurred by the Company and have a material adverse effect on its net earnings or cash flow.

We are exposed to credit risks with respect to accounts receivable and work in progress.

In order to sustain our cash flow from operations, we must invoice and collect the amounts owed to us in an efficient and timely manner. Although we maintain provisions to account for anticipated shortfalls in amounts collected from clients, the provisions we take are based on management estimates and on our assessment of our clients' creditworthiness which may prove to be inadequate in the light of actual results. To the extent that we fail to perform our services in accordance with our contracts and our clients' reasonable expectations, and to the extent that we fail to invoice clients and to collect the amounts owed to the Company for our services correctly in a timely manner, our collections could suffer, which could materially adversely affect our revenue, net earnings and cash flow. In addition, a prolonged economic downturn may cause clients to curtail or defer projects, impair their ability to pay for services already provided, and ultimately cause them to default on existing contracts, in each case, causing a shortfall in revenue and impairing our future prospects.

We face risks associated with early termination, modification, delay or suspension of our contractual agreements, and our bookings and backlog may not be indicative of future revenues.

The early termination, modification, delay, or suspension of our contractual agreements may have a material adverse effect on future revenues and profitability. If we should fail to deliver our services according to contractual agreements, some of our clients could elect to terminate, modify, delay or suspend contracts before their agreed expiry date, which would result in a reduction of our revenues and/or earnings and cash flow and may impact the value of our bookings and backlog. In addition, a number of our managed IT and business process services contractual agreements have termination for convenience and change of control clauses according to which a change in the client's intentions or a change in control of CGI could lead to a termination of these agreements. Early contract termination can also result from the exercise of a legal right or when circumstances that are beyond our control or beyond the control of our client prevent the contract from continuing. In cases of early termination, we may not be able to recover capitalized contract costs and we may not be able to eliminate ongoing costs incurred to support the contract.

We may not be able to successfully estimate the cost, timing and resources required to fulfill our contracts, which could have a material adverse effect on our net earnings.

In order to generate acceptable margins, our pricing for services is dependent on our ability to accurately estimate the costs and timing for completing projects or long-term managed IT and business process services contracts, which can be based on a client's bid specification, sometimes in advance of the final determination of the full scope and design of the contract. In addition, a significant portion of our project-oriented contracts are performed on a fixed-price basis. Billing for fixed-price engagements is carried out in accordance with the contract terms agreed upon with our client, and revenue is recognized based on the percentage of effort incurred to date in relation to the total estimated efforts to be incurred over the duration of the respective contract. These estimates reflect our best judgement regarding the efficiencies of our methodologies and professionals as we plan to apply them to the contracts in accordance with the CGI Client Partnership Management Framework (CPMF), a framework that contains high standards of contract management to be applied throughout the Company. If we fail to apply the CPMF correctly or if we are unsuccessful in accurately estimating the time or resources required to fulfill our obligations under a contract, or if unexpected factors, including those outside of our control (such as labour shortages, supply chain or manufacturing disruptions, inflation, and other external risk factors), arise, there may be an impact on costs or the delivery schedule which could have a material adverse effect on our expected net earnings.

We rely on relationships with other providers in order to generate business and fulfill certain of our contracts; if we fail to maintain our relationships with these providers, our business, prospects, financial condition and operating results could be materially adversely affected.

We derive revenue from contracts where we enter into teaming agreements with other providers. In some teaming agreements we are the prime contractor whereas in others we act as a subcontractor. In both cases, we rely on our relationships with other providers to generate business and we expect to continue to do so in the foreseeable future. Where we act as prime contractor, if we fail to maintain our relationships with other providers, we may have difficulty attracting suitable participants in our teaming agreements. Similarly, where we act as subcontractor, if our relationships are impaired, other providers might reduce the work they award to us, award that work to our competitors, or choose to offer the services directly to the client in order to compete with our business. In either case, if we fail to maintain our relationship with these providers or if our relationship with these providers is otherwise impaired, our business, prospects, financial condition and operating results could be materially adversely affected.

Our profitability may be adversely affected if our partners are unable to deliver on their commitments.

Increasingly large and complex contracts may require that we rely on third party subcontractors including software and hardware vendors to help us fulfill our commitments. Under such circumstances, our success depends on the ability of the third parties to perform their obligations within agreed upon budgets and timeframes. If our partners fail to deliver, our ability to complete the contract may be adversely affected, which could have an unfavourable impact on our profitability.

Indemnity provisions and guarantees in various agreements to which we are party may require us to compensate our counterparties.

In the normal course of business, we enter into agreements that may provide for indemnification and guarantees to counterparties in transactions such as consulting and managed IT and business process services, business divestitures, lease agreements and financial obligations. These indemnification undertakings and guarantees may require us to compensate counterparties for costs and losses incurred as a result of various events, including breaches of representations and warranties, intellectual property right infringement, claims that may arise while providing services or as a result of litigation that may be suffered by counterparties. If we are required to compensate counterparties due to such arrangements and our insurance does not provide adequate coverage, our business, prospects, financial condition and results of operations could be materially adversely affected.

We may not be able to hire or retain enough qualified IT professionals to support our operations.

There is strong demand for qualified individuals in the IT industry. Hiring and retaining a sufficient number of individuals with the desired knowledge and skill set may be difficult. Therefore, it is important that we remain able to successfully attract and retain highly qualified professionals and establish an effective succession plan. If our comprehensive programs aimed at attracting and retaining qualified and dedicated professionals do not ensure that we have staff in sufficient numbers and with the appropriate training, expertise and suitable government security clearances required to serve the needs of our clients, we may have to rely on subcontractors or transfers of staff to fill resulting gaps. If our succession plan fails to identify those with potential or to develop these key individuals, we may be unable to replace key employees who retire or leave the Company and may be required to recruit and/or train new employees. This might result in lost revenue or increased costs, thereby putting pressure on our net earnings.

If we fail to retain our key employees and management, our business could be adversely affected.

The success of our business, in part, depends on the continued employment of certain key employees and senior management. This dependence is important to our business being that personal relationships are fundamental in obtaining and maintaining client engagements. While our Board of Directors annually reviews our succession plan, if we fail to establish an effective succession plan, or if key employees or senior management were unable or unwilling to continue employment, our business could be adversely affected until qualified replacements are retained.

We may be unable to maintain our human resources utilization rates.

In order to maintain our net earnings, it is important that we maintain the appropriate availability of professional resources in each of our geographies by having a high utilization rate while still being able to assign additional resources to new work. Maintaining an efficient utilization rate requires us to forecast our need for professional resources accurately and to manage recruitment activities, professional training programs, attrition rates and restructuring programs appropriately. To the extent that we fail to do so, or to the extent that laws and regulations restrict our ability to do so, our utilization rates may be reduced; thereby having an impact on our revenue and profitability. Conversely, we may find that we do not have sufficient resources to deploy against new business opportunities in which case our ability to grow our revenue would suffer.

If the business awarded to us by various U.S. federal government departments and agencies is limited, reduced or eliminated, our business, prospects, financial condition and operating results could be materially and adversely affected.

We derive a significant portion of our revenue from the services we provide to various U.S. federal government departments and agencies. We expect that this will continue for the foreseeable future. There can be, however, no assurance that each such U.S. federal government department and agency will continue to utilize our services to the same extent, or at all in the future. In the event that a major U.S. federal government department or agency were to limit, reduce, or eliminate the business it awards to us, we might be unable to recover the lost revenue with work from other U.S. federal government departments or agencies or other clients, and our business, prospects, financial condition and operating results could be materially and adversely affected. Although IFRS considers a national government and its departments and agencies as a single client, our client base in the U.S. government economic sector is in fact diversified with contracts from many different departments and agencies.

Changes in government spending policies or budget priorities could directly affect our financial performance. Among the factors that could harm our government contracting business are: the curtailment of governments' use of consulting and IT services firms; a significant decline in spending by governments in general, or by specific departments or agencies in particular; the adoption of new legislation and/or actions affecting companies that provide services to governments; delays in the payment of our invoices by government; and general economic and political conditions. These or other factors could cause government agencies and departments to reduce their purchases under contracts, to exercise their right to terminate contracts, to issue temporary stop work orders, or not to exercise options to renew contracts, any of which would cause us to lose future revenue. Government spending reductions or budget cutbacks at these departments or agencies could materially harm our continued performance under these contracts, or limit the awarding of additional contracts from these agencies.

Changes in the laws and regulations within the jurisdictions in which we operate may have a material adverse effect on our global business operations and profitability.

Our global operations require us to be compliant with laws and regulations in many jurisdictions on matters such as: anti-corruption, trade restrictions, immigration, taxation, securities, antitrust, data privacy, labour relations, and the environment, amongst others. Complying with these diverse requirements worldwide is a challenge and consumes significant resources. The laws and regulations frequently change and some may impose conflicting requirements which may expose us to penalties for non-compliance and harm our reputation. Furthermore, in some jurisdictions, we may face the absence of effective laws and regulations to protect our intellectual property rights and there may be restrictions on the movement of cash and other assets, on the import and export of certain technologies, and on the repatriation of earnings. Any or all of these risks could impact our global business operations and cause our profitability to decline.

Our business with the U.S. federal government departments and agencies also requires that we comply with complex laws and regulations relating to government contracts. These laws and regulations relate to the integrity of the procurement process, impose disclosure requirements, and address national security concerns, among other matters. For instance, we are routinely subject to audits by U.S. government departments and agencies with respect to compliance with these rules. If we fail to comply with these requirements we may incur penalties and sanctions, including contract termination, suspension of payments, suspension or debarment from doing business with the federal government, and fines.

There can be no assurance that our ethics and compliance practices will be sufficient to prevent violations of legal and ethical standards.

Our employees, officers, directors, suppliers and other business partners are expected to comply with applicable legal and ethical standards including, without limitation, anti-bribery laws, as well as with our governance policies and contractual obligations. Failure to comply with such laws, policies and contractual obligations could expose us to litigation and significant fines and penalties, and result in reputational harm or being disqualified from bidding on contracts. While we have developed and implemented strong ethics and compliance practices, including through our Code of Ethics, which must be observed by all of our employees, our Third Party Code of Ethics as well as ethics and compliance trainings, there can be no assurance that such practices and measures will be sufficient to prevent violations of legal and ethical standards. Any such failure or violation could have an adverse effect on our business, financial performance and reputation. This risk of improper conduct may increase as we continue to expand globally, with greater opportunities and demands to do more business with local and new partners.

Changes to, and delays or defects in, our client projects and solutions may subject us to legal liability, which could materially adversely affect our business, operating results and financial condition and may negatively affect our professional reputation.

We create, implement and maintain IT solutions that are often critical to the operations of our clients' business. Our ability to complete large projects as expected could be adversely affected by unanticipated delays, renegotiations, and changing client requirements. Also, our solutions may suffer from defects that adversely affect their performance; they may not meet our clients' requirements or may fail to perform in accordance with applicable service levels. Such problems could subject us to legal liability, which could materially adversely affect our business, operating results and financial condition, and may negatively affect our professional reputation. While we typically use reasonable efforts to include provisions in our contracts which are designed to limit our exposure to legal claims relating to our services and the applications we develop, we may not always be able to include such provisions and, where we are successful, such provisions may not protect us adequately or may not be enforceable under some circumstances or under the laws of some jurisdictions.

We are subject to stringent and changing privacy laws, regulations and standards, information security policies and contractual obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could expose us to government sanctions and cause damage to our brand and reputation.

Our business often requires that our clients' applications and information, which may include their proprietary information and personal information they manage, be processed and stored on our networks and systems, and in data centers that we manage. We also process and store proprietary information relating to our business, and personal information relating to our employees. The Company is subject to numerous laws and regulations designed to protect information, such as the European Union's General Data Protection Regulation (GDPR), various laws and regulations in Canada, the U.S. and other countries in which the Company operates governing the protection of health or other personally identifiable information and data privacy. These laws and regulations are increasing in number and complexity and are being adopted and amended with greater frequency, which results in greater compliance risk and cost. The potential financial penalties for non-compliance with these laws and regulations have significantly increased with the adoption of the GDPR. The Company's Chief Data Protection Officer oversees the Company's compliance with the laws that protect the privacy of personal information. The Company faces risks inherent in protecting the security of such personal data which have grown in complexity, magnitude and frequency in recent years. Digital information and equipment are subject to loss, theft or destruction, and services that we provide may become temporarily unavailable as a result of those risks, or upon an equipment or system malfunction. The causes of such failures include human error in the course of normal operations (including from advertent or inadvertent actions or inactions by our employees), maintenance and upgrading activities, as well as hacking, vandalism (including denial of service attacks and computer viruses), theft, and unauthorized access, as well as power outages or surges, floods, fires, natural disasters and many other causes. The measures that we take to protect against all information infrastructure risks, including both physical and logical controls on access to premises and information may prove in some circumstances to be inadequate to prevent the improper disclosure, loss, theft, misappropriation of, unauthorized access to, or destruction of client information, or service interruptions. Such events may expose the Company to financial loss arising from the costs of remediation and those arising from litigation from our clients and third parties (including under the laws that protect the privacy of personal information), claims and damages, as well as expose the Company to government sanctions and damage to our brand and reputation.

We could face legal, reputational and financial risks if we fail to protect our and/or client data from security incidents or cyberattacks.

The volume, velocity and sophistication of security threats and cyber-attacks continue to grow. This includes criminal hackers, hacktivists, state-sponsored organizations, industrial espionage, employee misconduct, and human or technological errors. The current geopolitical instability has exacerbated these threats, which could lead to increased risk and frequency of security and cybersecurity incidents.

As a global IT and business consulting firm providing services to private and public sectors, we process and store increasingly large amounts of data for our clients, including proprietary information and personal information. Consequently, our business could be negatively impacted by physical and cyber threats, which could affect our future sales and financial position or increase our costs.

An unauthorized disclosure of sensitive or confidential client or employee information, including cyber-attacks or other security breaches, could cause a loss of data, give rise to remediation or other expenses, expose us to liability under federal and state laws, and subject us to litigation and investigations, which could have an adverse effect on our business, cash flows, financial condition and results of operations. These security risks to the Company include potential attacks not only of our own solutions, services and systems, but also those of our clients, contractors, business partners, vendors and other third parties.

The Company's Chief Security Officer is responsible for overseeing the security of the Company. Any local issue in a business unit could have a global impact on the entire Company, thus visibility and timely escalation on potential issues are key. We seek to detect and investigate all security incidents and to prevent their occurrence or recurrence, by: (i) developing and regularly reviewing policies and standards related to information security, data privacy, physical security and business continuity; (ii) monitoring the Company's performance against these policies and standards; (iii) developing strategies intended to seek to mitigate the Company's risks, including through security trainings for all employees to increase awareness of potential cyber threats; (iv) implementing security measures to ensure an appropriate level of control based on the nature of the information and the inherent risks attached thereto, including through access management, security monitoring and testing to mitigate and help detect and respond to attempts to gain unauthorized access to information systems and networks; and (v) working with the industry and governments against cyber threats. However, because of the evolving nature and sophistication of these security threats, there can be no assurance that our safeguards will detect or prevent the occurrence of material cyber breaches, intrusions or attacks.

We are regularly the target of attempted cyber and other security threats and must continuously monitor and develop our information technology networks and infrastructure to detect, address and mitigate the risk of unauthorized access, misuse, computer viruses and other events that could have a security and reputational impact. If security protection does not evolve at the same pace as threats, a growing gap on our level of protection will be created. Technology evolution and global trends like digital transformation, cloud and mobile computing amongst others are disrupting the security operating model, thus security should evolve to address new relevant security requirements and build new capabilities to address the changes. Increasing detection and automated response capabilities are key to improve visibility and contain any negative potential impact. Automating security processes and integrating with IT, business and security solutions could address shortage of technical security staff and avoid introducing human intervention and errors.

Insider or employee cyber and security threats are increasingly a concern for all large companies, including ours. CGI is continuously working to install new, and upgrade its existing, information technology systems and provide employees awareness training around phishing, malware, and other cyber risks to ensure that the Company is protected, to the greatest extent possible, against cyber risks and security breaches. While CGI selects third-party vendors carefully, it does not control their actions. Any problems caused by these third parties, including those resulting from breakdowns or other disruptions in communication services provided by a vendor, failure of a vendor to handle current or higher volumes, cyber-attacks and security breaches at a vendor could adversely affect our ability to deliver solutions and services to our clients and otherwise conduct business.

The Company and certain of its clients, contractors, business partners, vendors and other third parties use open-source services, which can entail risk to end-user security. These open source projects are often created and maintained by volunteers, who do not always have adequate resources and employees for incident response and proactive maintenance even as their projects are critical to the internet economy. Vulnerabilities discovered in these open source services can be exploited by attackers, which could compromise our system infrastructure and/or lead to a loss or breach of personal and/or proprietary information, financial loss, and other irreversible harm.

While our liability insurance policy covers cyber risks, there is no assurance that such insurance coverage will be sufficient in type or amount to cover the costs, damages, liabilities or losses that can result from security breaches, cyber-attacks and other related breaches. As the cyber threat landscape evolves, and CGI and our clients increase our digital footprint, we may find it necessary to make additional significant investments to protect data and infrastructure. Occurrence of any of the aforementioned security threats could expose the Company, our clients or other third parties to potential liability, litigation, and regulatory action, in addition to loss of client confidence, loss of existing or potential clients, loss of sensitive government contracts, damage to brand and reputation, and other financial loss.

Damage to our reputation may harm our ability to obtain new clients and retain our existing clients.

CGI's reputation as a capable and trustworthy service provider and long-term business partner is key to our ability to compete effectively in the market for IT services. The nature of our operations exposes us to the potential loss, unauthorized access to, or destruction of our clients' information, as well as temporary service interruptions. Depending on the nature of the information or services, such events may have a negative impact on how the Company is perceived in the marketplace. Under such circumstances, our ability to obtain new clients and retain existing clients could suffer with a resulting impact on our revenue and net earnings.

Our inability to meet regulatory requirements and/or stakeholders expectations of disclosure, management and implementation of ESG initiatives and standards, could have an adverse effect on our business.

Perceptions with respect to environmental, social and governance approaches have changed and certain shareholders, investors, clients, employees and other stakeholders agree that these issues have become a current and imminent concern. As such, perceptions of our operations held by our stakeholders may depend, in part, on the environmental, social and governance ("ESG") initiatives and standards that we have chosen to implement, and whether or not we meet them.

We are subject to evolving regulatory requirements and have set a number of ambitious ESG commitments and targets to monitor our ESG performance and align our strategic imperatives, including without limitation, our commitment to net-zero carbon emissions by 2030 as defined under Scope 1, 2, and the business travel of Scope 3 of the greenhouse gas protocol. Our ability to meet these requirements and to achieve these commitments and targets depends on many factors and is subject to many risks that could cause our assumptions or estimates to be inaccurate and cause actual results or events to differ materially from those expressed in, or implied by, these commitments and targets. Failure to effectively manage and sufficiently report ESG matters could lead to negative business, financial, legal and regulatory consequences for the Company.

Our revenue and profitability may decline and the accuracy of our financial reporting may be impaired if we fail to design, implement, monitor and maintain effective internal controls.

Due to the inherent limitations of internal controls including the circumvention or overriding of controls, or fraud, there can only be reasonable assurance that the Company's internal controls will detect and prevent a misstatement. If the Company is unable to design, implement, monitor and maintain effective internal controls throughout its different business environments, the efficiency of our operations might suffer, resulting in a decline in revenue and profitability, and the accuracy of our financial reporting could be impaired.

Future funding requirements may affect our business and growth opportunities and we may not have access to favourable financing opportunities in the future.

The Company's future growth is contingent on the execution of its business strategy, which, in turn, is dependent on its ability to grow the business organically as well as through business acquisitions. In the event we would need to raise additional funds through equity or debt financing to fund any currently unidentified or unplanned future acquisitions and other growth opportunities, there can be no assurance that such financing will be available in amounts and on terms acceptable to us. Factors such as capital market disruptions, inflation, recession, political, economic and financial market instability, government policies, central bank monetary policies, and changes to bank regulations, could reduce the availability of capital or increase the cost of such capital. Our ability to raise the required funding depends on prevailing market conditions, the capacity of the capital markets to meet our equity and/or debt financing needs in a timely fashion and on the basis of interest rates and/or share prices that are reasonable in the context of our commercial objectives. Increasing interest rates, volatility in our share price, rising inflation, and the capacity of our current lenders to meet our additional liquidity requirements are all factors that may have a material adverse effect on any acquisitions or growth activities that we may, in the future, identify or plan. If we are unable to obtain the necessary funding, we may be unable to achieve our growth objectives.

The inability to service our debt and other financial obligations, or our inability to fulfill our financial covenants, could have a material adverse effect on our business, financial condition and results of operations.

The Company has a substantial amount of debt and significant interest payment requirements. A portion of cash flows from operations goes to the payment of interest on the Company's indebtedness. The Company's ability to service its debt and other financial obligations is affected by prevailing economic conditions in the markets that we serve and financial, business and other factors, many of which are beyond our control. We may be unable to generate sufficient cash flow from operations and future borrowings or other financing may be unavailable in an amount sufficient to enable us to fund our future financial obligations or our other liquidity needs. In addition, we are party to a number of financing agreements, including our credit facilities, and the indentures governing our senior unsecured notes, which agreements, indentures and instruments contain financial and other covenants, including covenants that require us to maintain financial ratios and/or other financial or other covenants. If we were to breach the covenants contained in our financing agreements, we may be required to redeem, repay, repurchase or refinance our existing debt obligations prior to their scheduled maturity and our ability to do so may be restricted or limited by the prevailing conditions in the capital markets, available liquidity and other factors. Our inability to service our debt and other financial obligations, or our inability to fulfill our financial or other covenants in our financing agreements, could have an adverse effect on our business, financial condition and results of operations.

We may be adversely affected by interest rate fluctuations.

Although a significant portion of the Company's indebtedness bears interest at fixed rates, the Company remains exposed to interest rate risk under certain of its credit facilities. If interest rates increase, debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and net income and cash flows would decrease, which could materially adversely affect the Company's financial condition and operating results.

We may be adversely affected by the discontinuation of LIBOR.

As the global reform of major interest rate benchmarks continues, the London Interbank Offered Rate ("LIBOR") has been phased out. We have amended our financing agreements that were indexed to LIBOR to allow us to reference the Secured Overnight Financing Rate ("SOFR") as the primary benchmark rate. Because SOFR is fundamentally different from LIBOR, there is no assurance as to how SOFR may perform or that it is a comparable substitute for LIBOR. As a result, we cannot reasonably predict the potential effect of the SOFR or other alternative reference rates on our business, financial condition or results of operations.

Changes in the Company's creditworthiness or credit ratings could affect the cost at which the Company can access capital or credit markets.

The Company and each of the U.S. dollar denominated and Canadian dollar denominated senior unsecured notes received credit ratings. Credit ratings are generally evaluated and determined by independent third parties and may be impacted by events outside of the Company's control, as well as other material decisions made by the Company. Credit rating agencies perform independent analysis when assigning credit ratings and such analysis includes a number of criteria. Such criteria are reviewed on an on-going basis and are therefore subject to change. Any rating assigned to the Company or to our debt securities may be revised or withdrawn entirely by a rating agency if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Real or anticipated changes in the perceived creditworthiness of the Company and/or in the credit rating of its debt obligations could affect the market value of such debt obligations and the ability of the Company to access capital or credit markets, and/or the cost at which it can do so.

We may be adversely affected by currency fluctuations.

The majority of our revenue and costs are denominated in currencies other than the Canadian dollar. Foreign exchange fluctuations impact the results of our operations as they are reported in Canadian dollars. This risk is partially mitigated by a natural hedge in matching our costs with revenue denominated in the same currency and through the use of derivatives in our global hedging strategy. However, as we continue our global expansion, natural hedges may begin to diminish and the use of hedging contracts exposes us to the risk that financial institutions could fail to perform their obligations under our hedging instruments. Furthermore, there can be no assurance that our hedging strategy and arrangements will offset the impact of fluctuations in currency exchange rates, which could materially adversely affect our business revenues, results of operations, financial condition or prospects. Other than the use of financial products to deliver on our hedging strategy, we do not trade derivative financial instruments.

Our functional and reporting currency is the Canadian dollar. As such, our European, U.S., U.K., Asian and Australian investments, operations and assets are exposed to net change in currency exchange rates. Volatility in exchange rates could have an adverse effect on our business, financial condition and results of operations.

10.2. LEGAL PROCEEDINGS

The Company is involved in legal proceedings, audits, claims and litigation arising in the ordinary course of its business. Certain of these matters seek damages in significant amounts. Although the outcome of such matters is not predictable with assurance, the Company has no reason to believe that the disposition of any such current matter could reasonably be expected to have a material adverse effect on the Company's financial position, results of operations or the ability to carry on any of its business activities.

Transfer Agent
Computershare Investor Services Inc.
+1(800) 564-6253

Investor Relations
Kevin Linder
Senior Vice-President, Investor Relations
Telephone: +1(905) 973-8363
kevin.linder@cgi.com

1350 René-Lévesque Boulevard West
25th Floor
Montréal, Quebec
H3G 1T4
Canada

cgi.com

Exhibit 99.4

CERTIFICATION

I, George D. Schindler, certify that:

1. I have reviewed this annual report on Form 40-F of CGI Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: December 15, 2023

/s/ George D. Schindler
George D. Schindler
President and Chief Executive Officer

Exhibit 99.5

CERTIFICATION

I, Steve Perron, certify that:

1. I have reviewed this annual report on Form 40-F of CGI Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: December 15, 2023

/s/ Steve Perron
Steve Perron
Executive Vice-President and
Chief Financial Officer

Exhibit 99.6

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the Annual Report on Form 40-F for the fiscal year ended September 30, 2023 (the "Report") by CGI Inc. (the "Company"), the undersigned, as the Chief Executive Officer of the Company, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

- the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 15, 2023

/s/ George D. Schindler
George D. Schindler
President and Chief Executive Officer

Exhibit 99.7

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the Annual Report on Form 40-F for the fiscal year ended September 30, 2023 (the "Report") by CGI Inc. (the "Company"), the undersigned, as the Chief Financial Officer of the Company, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

- the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: December 15, 2023

/s/ Steve Perron
Steve Perron
Executive Vice-President and
Chief Financial Officer

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in this Annual Report on Form 40-F for the year ended September 30, 2023 of CGI Inc. of our report dated November 7, 2023, relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which appears in Exhibit 99.2 to this Annual Report on Form 40-F.

We also consent to the incorporation by reference in the Registration Statements on Form S-8 Nos. 333-197742, 333-220741, 333-261831 and 333-261832 of CGI Inc. of our report dated November 7, 2023 referred to above.

We also consent to reference to us under the heading “Interests of Experts” in the Annual Information Form, filed as Exhibit 99.1 to this Annual Report on Form 40-F, which is incorporated by reference in such Registration Statements.

/s/ PricewaterhouseCoopers LLP

Montréal, Canada

December 15, 2023

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Quebec, Canada H3B 4Y1
T: +1 514 205 5000, F: +1 514 876 1502, www.pwc.com/ca