CGI U.S. Onshore Delivery Overview

September 2017

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Experience the commitment®

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CGI is a global end-to-end IT and business process services leader

68,000
professionals

80%
Member shareholders

150
IP-based solutions

100's
of offices worldwide

9/10
Client satisfaction score

95%
projects on-time, on-budget

5,000
clients globally

$10.7B
Annual revenue

$21B
Revenue backlog

$20B
Market capitalization

The world's fifth largest independent IT and BPS firm

All financial information in CAD.

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Our global delivery network is the foundation of our service delivery strategy

We have pioneered U.S. onshore delivery since 2006.

Our best-fit global network uses an established governance model and delivery processes across local, onshore, nearshore and offshore sites for consistent results.

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Our U.S. onshore centers have created 1,600+ of CGI's 12,000 U.S. jobs

CGI onshore centers are part of our network of 80+ offices across the U.S.

Wausau, WI (Est. 2012)

125+
Jobs
200 capacity

Waterville, ME (Est. 2016)

30+
Jobs
200 capacity

Belton, TX (Est. 2011)

250+
Jobs
$65M/year impact
Military-related hiring

Lebanon, VA (Est. 2006)

375+
Jobs
$68M/year impact

Lafayette, LA (Est. 2014)

225+
Jobs
400 jobs by 2018
$90M impact over 5 years

Troy, AL (Est. 2010)

525+
Jobs
$55M/year impact

Mobile, AL (Est. 2006)

75+
Jobs
100 capacity

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CGI in Lebanon, Virginia

SNAPSHOT:

STAFF & CAPACITY

375+ jobs

400 capacity

42,000 sf. facility

"It is not an overstatement to say the opportunities here at CGI have helped ***change perceptions about opportunity and success for an entire generation*** *of young people."*

—Mark Warner, U.S. Senator and former Governor of Virginia

Capabilities

- Application development, maintenance and testing
- Technology/Services: Java, C#, C++, HPQC, Rational, Java, VB, .NET, SQL, COBOL, Oracle, DB2, MS SQL Server, DevOps, Manual Testing, Test Automation, PM
- CGI IP development and client support

Training and development

- Custom-tailored training programs via local educational partners
- Over $2M invested by Virginia in Technology Development Center

Key industries

- Financial Services (Insurance)
- Government
- Utilities
- Communications
- Health

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Many clients choose onshoring as part of a balanced IT sourcing portfolio

Reduce risk	Improve quality	Increase agility	Improve collaboration	Reinvest in the U.S.
Geopolitical risk and threats to data security need to be mitigated.	Concerns continue around IT service quality, reliability, cost and time to market.	Clients need greater agility to reposition activities quickly in response to changing risks and conditions.	Clients need to support projects requiring tight collaboration and immediate communication (e.g., for agile methods, prototyping and solutioning).	State and local economies and clients seek to keep and bring back U.S. jobs and talent.

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Examples of our onshore work

Client/solution	Onshore Work	Onshore Benefits
Federal executive branch agency **Application services**	Multi-location delivery model for application development and maintenance for 300+ software applications, help desk and user support.	• Increased access to expertise • Lower costs • Met agency's needs for security • Ability to work in common time zones and in proximity of their locations
Global telecom firm **Testing**	Transition of over 150 testing execution and management roles in 6 months to meet aggressive timeframes.	• Access to best practices • Lower unit cost • Improved time to market • Increased testing capacity
Fortune 50 technology firm **Collections**	Collections for the client's consumer and small business portfolios.	• Diversified collections capability • Risk mitigation through site diversification • Improved customer satisfaction • Improved tracking metrics
Housing finance system **Application services**	High-quality application development, support and database administration services for 460+ applications. .	• More time for client staff to focus on strategic initiatives • Lower costs • Increased production support and better service levels
Large western city **Application services**	High-quality application development and maintenance for 400+ unique applications, supporting 26 city departments.	• Lower costs • Access to large pool of high quality resources • Cross-training for all staff career levels • Time-zone differential increases coverage • Lower attrition

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We have partnered with many clients to provide a "best fit" delivery mix

1 Onshore 2 Nearshore 3 Offshore

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Client perspective

"AT&T is committed to serving transitioning military and their families by ***connecting them to new job opportunities*** *in their region.*

The location of the CGI center near Fort Hood was an important consideration in AT&T's decision to use the center to support the delivery of AT&T's Managed Network Services.

Veterans make up nearly 30 percent of the Fort Hood population. It offers a rich pool of candidates that understand and value teamwork."

Paul Rosenbaum
Senior Vice President
AT&T Managed Services

CGI Belton, TX Onshore Delivery Center Ribbon Cutting Ceremony
March 06, 2013

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We use a proven framework for successful site selection

Cost of doing business

- Labor Rates
- Real Estate
- Infrastructure
- State & Local Taxes
- Economic Incentives
- Airport Access
- Federal Funding Support

Quality of life

- Cost of Living
- Housing
- Commute
- Crime Rates
- Education
- Climate & Geography
- Arts & Recreation

Workforce

- Colleges & Universities
- Workforce Stability
- Knowledge/Skill Base
- Net Migration Potential
- Population & Scalability
- Resource Availability
- Labor Competition

Business and political environment

- Client Demand
- Business / Political
- College Consortium
- Political Support
- Vendor Ecosystem
- Technology Ecosystem

**Leverages TechAmerica LCD framework*

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We leverage government and academic partnerships to build a world-class workforce

CGI works closely with academic and government partners to build a sustainable, lower-cost, high-quality workforce. This includes working with veteran organizations. We collaborate with academic partners to influence curricula, shape their IT programs and create training programs to meet client needs.

Center	Academic partners	Government partners
Lebanon, VA	The University of Virginia at Wise, Virginia Tech, ETSU, Radford	Virginia Governor's office, Russell County Industrial Development Authority, City of Lebanon
Troy, AL	Troy University University of Alabama	Alabama Governor's office, Pike County Economic Development Corporation, Economic Development Partnership of Alabama, Alabama Power, City of Troy
Belton, TX	Baylor University, Temple College, Texas A&M University Central Texas, University of Mary Hardin-Baylor	Texas Governor's office, Belton Economic Development Corporation, Workforce Development of Central Texas, City of Belton
Lafayette, LA	University of Louisiana at Lafayette (ULL), South Louisiana Community College	Louisiana Governor's office, Louisiana Economic Development, Lafayette Economic Development Authority, Lafayette City-Parish
Wausau, WI	Northcentral Technical College	Wisconsin's Economic Development Corporation, Wisconsin's Governor's office, City of Wausau
Waterville, ME	Colby College, Thomas College, Kennebec Valley Community College (KVCC)	State of Maine, State Economic Development Council, City of Waterville

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We make a strong commitment to the communities in which we work

CGI members at our onshore centers support local, community-based organizations such as:

Belton, TX

- CANstruction
- Nolan Creek Improvement Project
- Belton Fourth of July
- Project Apple Tree
- Project Angel Tree
- Ft. Hood Officers' Spouses' Club
- Operation Stand Down Central TX
- City of Belton Adopt-A-Park
- Fisher House
- Texas Alzheimer's Walk

Lafayette, LA

- Project Front Yard Trash Bash
- Bayou Vermillion
- Gear Up for College
- Toys for Tots
- United Way Stuff the Bus
- ONE Acadiana
- Leadership Institute of Acadiana
- Alzheimer's Walk
- Games of Acadiana for Cancer

Lebanon, VA

- Russell County Veterans Memorial Park
- Soldiers' Angels Tank Support Program
- STEM (Science, Technology, Engineering and Mathematics)
- Leukemia and Lymphoma Society's Team in Training (TNT)
- Backpacks for Kids
- Russell County Schools After School Math Program

Troy, AL

- Share our Strength
- Miracle League
- Special Olympics
- LifeSouth Blood Bank
- Big Brothers & Big Sisters of Pike County
- Boys and Girls Club
- Relay for Life

Waterville, ME

- KVCAP/SENA
- Chamber of Commerce
- Waterville Humane Society
- Waterville Opera House
- Waterville/Winslow Committees
- KV Connect
- CMGC
- Waterville Main Street/Waterville Creates!
- Spectrum Generations
- Kringleville
- The Maine Children's Home
- Local YMCA; Youth Club

Wausau, WI

- CWITA – Central Wisconsin Information Technology Alliance
- The Women's Community (Marathon County)
- Chamber of Commerce YEA
- Big Brothers Big Sisters
- Neighbor's Place
- Polar Plunge
- Special Olympics

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Why an onshore strategy?
Win-win-win for clients, U.S. communities and CGI

CLIENTS

- Low-risk solution for IT diversification
- 20%-30% savings vs. metro-markets
- Common communications and business understanding
- Time zone proximity
- Quick stand-up and scalability
- Protection of sensitive data, IP and capital

LOCAL COMMUNITIES

- Quality IT job creation
- Minimization of technology brain drain
- Increase in disposable income and tax base
- Spur for local economic growth
- Above-average wages in local communities
- Re-tooling of local workforce
- Growth of intellectual capital as a national resource

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- Greater flexibility to meet client needs
- Competitive advantage
- Growth of U.S. talent pool
- Staff rotation and development
- Lower attrition rate
- Advancement of corporate citizenship goals

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Questions

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