

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

SUPERIOR COURT
(CLASS ACTION DIVISION)

N°: 500-06-001312-244

**MOUVEMENT D'ÉDUCATION ET DE DÉFENSE DES
ACTIONNAIRES**

Plaintiff

v.

CAE INC.

and

MARC PARENT

and

SONYA BRANCO

Defendants

SETTLEMENT AGREEMENT

Dated as of July 31, 2026

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LIST OF SCHEDULES

Schedule	Title
A	Settlement Notice
B	Notice Plan
C	Opt-out Form

1. RECITALS

WHEREAS a proposed class action was commenced on June 10, 2024 against CAE Inc., Marc Parent and Sonya Branco (collectively, the “**Defendants**”) before the Superior Court of Québec, bearing the court file number 500-06-001312-244 (the “**Action**”);

WHEREAS the Action alleges that the Defendants released documents and made public oral statements containing misrepresentations on material facts and failed to disclose a material change in the business, operations or capital of CAE Inc., which had the effect of artificially inflating the value of CAE Inc.’s common shares between August 10, 2022, and May 21, 2024 inclusive;

WHEREAS the Action seeks damages on behalf of all persons who purchased one or more common shares of CAE Inc. between August 10, 2022, and May 21, 2024 inclusive and still held all or part of these common shares at any time between February 14, 2024, and May 22, 2024 inclusive;

WHEREAS the Defendants deny all of the allegations contained in the Action, maintain that they have meritorious defences to the claims alleged in the Action, and do not admit, through the execution of this Settlement Agreement (as defined below) or otherwise, any unlawful conduct, liability, wrongdoing, or fault of any kind by any or all of the Defendants, as alleged in the Action or otherwise;

WHEREAS the Parties (as defined below) intend, by the present Settlement Agreement, to fully and finally resolve any and all claims that are based on, or relate to the facts alleged in the Action, without admission or prejudice whatsoever;

WHEREAS the Parties, through their respective counsel, engaged in arm’s-length settlement discussions and negotiations that resulted in this Settlement Agreement, which includes all of the terms and conditions of the settlement between the Defendants and the Plaintiff, both individually and on behalf of the class members they seek to represent, subject to the approval of the Court (as defined below);

WHEREAS the Plaintiff and Class Counsel (as defined below), based on their analyses of the facts and law applicable to the Plaintiff's claims, and having regard to the burden and expense of litigating the Action, including the risks and uncertainties associated with Authorization and Leave (as defined below), trials and appeals, have concluded that this Settlement Agreement is fair, reasonable, and in the best interests of the Plaintiff and the Class Members (as defined below);

WHEREAS the Parties intend for this Settlement Agreement to supersede all other agreements between the Parties that may exist;

NOW THEREFORE in consideration of the covenants, agreements, and releases set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed by the Parties that the Action be settled, subject to the approval of the Court (as defined below), on the following terms and conditions:

2. DEFINITIONS

The capitalized terms in this Settlement Agreement have the following meanings, unless this Settlement Agreement specifically provides otherwise. Other capitalized terms used in this Settlement Agreement that are not defined in this section shall have the meanings ascribed to them elsewhere in this Settlement Agreement.

2.1 **"Action"** means the proposed class action commenced before the Superior Court of Québec titled *Mouvement d'éducation et de défense des actionnaires v. CAE Inc. et al.*, bearing court file number 500-06-001312-244.

2.2 **"Administration Expenses"** means the costs, plus applicable taxes, incurred to administer the Notice Plan, opt-outs, objections and the Plan of Allocation, including the Claims Administrator's fees, the costs to develop and host the settlement website, translation costs, the Arbitrator's fees and any other expenses incurred to administer and implement the Settlement Agreement.

2.3 “**Advance Payment**” means the amount based on a reasonable estimate by the person designated in the First Application to be appointed as Claims Administrator for costs to be incurred to administer the Notice Plan, including reasonable administration costs, plus applicable taxes. This amount shall not exceed CAD \$500,000 before applicable taxes.

2.4 “**Arbitrator**” means an English and French speaking arbitrator, in good standing with the Québec bar, proposed by Class Counsel and appointed by the Court.

2.5 “**Authorization**” means authorization to bring a class action under article 575 of the *Code of Civil Procedure*, CQLR c. 25.01.

2.6 “**CAE**” means CAE Inc.

2.7 “**Claim**” means a claim for a Compensation Payment.

2.8 “**Claimant**” means any person making a Claim as purporting to be a Class Member or their duly authorized representative.

2.9 “**Claim Form**” means the written or electronically-filed form or forms to be approved by the Court, in English and French, which, when properly completed and submitted in a timely manner to the Claims Administrator, enable(s) a Class Member to apply for a Compensation Payment.

2.10 “**Claims Administrator**” means the third party appointed by the Court to administer and oversee the Notice Plan, opt-outs, objections and the Plan of Allocation.

2.11 “**Claims Period**” means the time period during which Class Members may submit a Claim under the Settlement Agreement. The Claims Period will begin on the date the Settlement Notice is first published and conclude on the Claims Submission Deadline.

2.12 “**Claims Submission Deadline**” means the date by which a Claimant must submit a Claim Form and all required supporting documentation to the Claims Administrator, which shall be ninety (90) days after the date set for the hearing of the

Second Application. The Claims Submission Deadline may be extended by agreement between the Parties, in which case the Parties will seek all necessary additional approvals.

2.13 “**Class**” or “**Class Members**” means all persons (except for Excluded Persons) who purchased one or more common shares of CAE during the Class Period and still held all or part of these common shares at any time between February 14, 2024, and May 22, 2024, inclusive.

2.14 “**Class Counsel**” means Belleau Lapointe S.E.N.C.R.L. and Scott+Scott CA ULC.

2.15 “**Class Counsel Fees**” means such funds/amounts as may be approved or awarded by the Court to Class Counsel, which consists of fees (judicial and extrajudicial) and disbursements (including expert fees and fees and costs associated with the Service Provider), plus applicable taxes, and which shall be payable to Class Counsel from the Settlement Amount.

2.16 “**Class Period**” means the period from August 10, 2022 to May 21, 2024, inclusive.

2.17 “**Compensation Payments**” means the amounts paid to Eligible Claimants in accordance with this Settlement Agreement, the Plan of Allocation, and any order of the Court.

2.18 “**Court**” means the Superior Court of Québec.

2.19 “**Defendants**” means CAE, Marc Parent and Sonya Branco.

2.20 “**Dollar**” or “**\$**” means Canadian dollars or CAD.

2.21 “**Effective Date**” means the date on which all appeal rights with respect to the Second Order have expired or have been exhausted such that there exists no possibility of further appellate review and the Settlement Agreement becomes final.

2.22 **“Eligible Claimant”** means any Class Member who (i) submitted a properly completed Claim Form and all required supporting documentation to the Claims Administrator on or before the Claims Submission Deadline and (ii) has been approved for compensation by the Claims Administrator.

2.23 **“Eligible Shares”** means the common shares of CAE that are or were listed for trading on the Toronto Stock Exchange and the New York Stock Exchange held by the Class Members that are the basis for inclusion in the Class.

2.24 **“Excluded Persons”** means the Defendants, their respective successors and assigns, the past and current executive officers and directors of CAE (and any of its subsidiaries or affiliates), the members of the immediate families of the Individual Defendants, the legal representatives, heirs, successors, or assigns of any Excluded Person, and any entity in which any of the above Excluded Persons have or had a direct or controlling ownership interest, and the legal representatives, heirs, successors or assigns of any such Excluded Persons or entities.

2.25 **“Execution Date”** means the date on the cover page, as of which the Parties have executed this Settlement Agreement.

2.26 **“First Application”** means the application prepared by Plaintiff, in consultation with the Defendants, and brought before the Court for orders:

- (a) granting Authorization and Leave for settlement purposes only;
- (b) setting the date for the hearing of the Second Application;
- (c) approving the form of the Settlement Notice;
- (d) approving and authorizing publication and dissemination of the Settlement Notice pursuant to the Notice Plan;
- (e) approving the Opt-Out Form; and

(f) appointing the Claims Administrator to receive and report on objections and opt-outs, if any, administer the Settlement Amount, and set up a settlement website and a claims portal.

2.27 “**First Order**” means the order made by the Court granting the relief sought on the First Application.

2.28 “**Individual Defendants**” means Marc Parent and Sonya Branco.

2.29 “**Leave**” means leave to commence a secondary market securities claim under section 225.4 of the QSA;

2.30 “**Net Settlement Amount**” means the Settlement Amount plus any interest accruing thereon as a result of the investment thereof, after payment or setting aside as a reserve of Administration Expenses, Class Counsel Fees and any taxes required by law to be paid to any governmental authority.

2.31 “**Non-Refundable Expenses**” means certain Administration Expenses stipulated in section 4.1 of this Settlement Agreement to be paid from the Advance Payment.

2.32 “**Notice Plan**” means the plan for disseminating the Settlement Notice to the Class, as approved by the Court, which shall substantially be in accordance with the document at Schedule “B”.

2.33 “**Objection Deadline**” means the date by which a Class Member’s objection to the Settlement Agreement must be received by the Claims Administrator in order to be timely and valid, which shall be sixty (60) days after the date on which the Settlement Notice is published.

2.34 “**Opt-Out Deadline**” means the last date on which a Class Member may opt-out of the Class, which shall be sixty (60) days after the date on which the Settlement Notice is published.

2.35 “**Opt-Out Form**” means the documents to be approved by the Court, in English and French, which shall substantially be in accordance with the documents at Schedule “C” and which, if properly completed and submitted by a Class Member to the Claims Administrator or filed with the Court before the expiry of the Opt-Out Deadline, shall exclude that Class Member from the Class, the Action, and participation in the Settlement Agreement.

2.36 “**Opt-Out Party**” means a person who would otherwise be a Class Member and who validly opted out of the Action (collectively “Opt-Out Parties”).

2.37 “**Opt-Out Threshold**” means the total number of Eligible Shares required to be held by all Opt-Out Parties who filed a valid Opt-Out Form in order to trigger the Defendants’ right to terminate this Settlement Agreement in accordance with section 12.3 hereof and the Opt-Out Threshold Agreement.

2.38 “**Opt-Out Threshold Agreement**” means the agreement executed contemporaneously with this Settlement Agreement, which sets the Opt-Out Threshold, the terms of which shall be kept confidential unless the Court requires disclosure thereof.

2.39 “**Parties**” means the Defendants and the Plaintiff, collectively, and “**Party**” means one of them.

2.40 “**Plaintiff**” means *Mouvement d’éducation et de défense des actionnaires*.

2.41 “**Plan of Allocation**” means the plan, as approved by the Court, providing for the administration and distribution of the Settlement Amount and the powers, responsibilities and duties of the Claims Administrator.

2.42 “**QSA**” means the Québec *Securities Act*, CQLR c V-1.1.

2.43 “**Released Claims**” means any and all claims, demands, losses, rights, liabilities, obligations, damages, issues, and causes of action, of every nature and description, regardless of legal or equitable theory and whether arising under federal, provincial, common, civil, or foreign law, or any other law, rule, or regulation, at law or in equity, that the Releasers: (a) asserted in the Action; or (b) could have asserted in the

Action or in any forum, and that arise out of, are based upon, or relate to (i) the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Action, and (ii) the purchase, acquisition, holding or disposition, transfer, sale, of any Eligible Shares, during or after the Class Period. Released Claims shall not include (a) claims to enforce the Settlement Agreement; or (b) any claims by Opt-Out Parties.

2.44 “**Releasees**” means (i) the Defendants; (ii) each of their respective immediate family members (for the Individual Defendants) and each of their direct or indirect parent entities, subsidiaries, related entities and affiliates, any trust of which any Individual Defendant is the settlor or which is for the benefit of any Defendant and/or the immediate family members of any Individual Defendant; and (iii) for any of the persons or entities listed at (i) or (ii), their respective past and present general partners, limited partners, principals, shareholders, joint venturers, members, managers, managing directors, supervisors, contractors, consultants, auditors, accountants, financial advisors, attorneys, professional advisors, investment bankers, employees, directors, officers, agents, representatives, insurers, reinsurers, trustees, predecessors, successors, heirs, executors, assigns, administrators, right holders (*ayants droits*), and any controlling person thereof, in their capacities as such, and any entity in which a Defendant has a controlling interest.

2.45 “**Releasors**” means the Plaintiff and the Class Members and their respective employees, directors, officers, agents, representatives, successors, heirs, executors, assigns and right holders (*ayants droits*), but excluding, as the case may be, Opt-Out Parties.

2.46 “**Second Application**” means the application prepared by Plaintiff, in consultation with the Defendants, and brought before the Court for orders:

- (a) approving the Settlement Agreement;
- (b) approving the Plan of Allocation;

- (c) confirming the full powers, duties and responsibilities of the Claims Administrator, as may be needed;
- (d) approving a payment schedule for the Claims Administrator;
- (e) approving the Claim Form; and
- (f) approving Class Counsel Fees.

2.47 “**Second Order**” means the order made by the Court granting the relief sought on the Second Application.

2.48 “**Service Provider**” means Scott+Scott Attorneys at Law, LLP, which provides litigation support services to Scott+Scott CA ULC, including case collaboration, research, drafting support and other advisory services. In this Settlement Agreement, reference to the “Parties and their counsel” include, on the Plaintiff side, Plaintiff, Class Counsel and the Service Provider.

2.49 “**Settlement Agreement**” means this settlement agreement and the schedules attached hereto, including any subsequent amendments or any schedules to such amendments.

2.50 “**Settlement Amount**” means \$38,250,000.00, to be paid by or on behalf of the Defendants into the Trust Account as consideration for settlement of the Action as reflected in this Settlement Agreement, which shall be all-inclusive of capital, interest, additional indemnity, Administration Expenses, Class Counsel Fees, and any other costs and taxes. For greater certainty, the Defendants shall not, under any circumstances, be required to pay any amount in addition to \$38,250,000.00 as consideration for the Settlement Agreement, its administration and implementation.

2.51 “**Settlement Notice**” means the English and French versions of the notice to the Class in a form to be approved by the Court, which shall substantially be in accordance with the documents at Schedule “A”.

2.52 **“Trust Account”** means the interest bearing CAD trust account with one of the Canadian Schedule 1 banks or a Québec-based liquid money market account or equivalent security with a rating equivalent to, or better than, that of an interest-bearing account in a Canadian Schedule 1 bank, under the control of the Claims Administrator, once appointed, or of Class Counsel, as the case may be.

2.53 **“Unclaimed Balance”** means any funds that remain in the Net Settlement Amount, including the amount attributable to returned Compensation Payments, stale-dated cheques and expired e-transfers, if applicable, after the distribution of payments to Eligible Claimants.

3. THE APPLICATIONS

3.1 **Best Efforts.** The Parties shall use their best efforts and cooperate to implement the Settlement Agreement and to secure the prompt, complete, and final resolution of the Action.

3.2 **First Application.** The First Application shall be brought as soon as is reasonably possible following the execution of the Settlement Agreement. The Defendants shall consent to the First Order provided that it complies with the definitions set forth in sections 2.26 and 2.27 of this Settlement Agreement.

3.3 **Publication of the Settlement Notice.** Following the First Order, the Settlement Notice shall be published in accordance with section 10.1 of this Settlement Agreement.

3.4 **Second Application.** Following the completion of all steps in the First Order, the Second Application will be brought and the Defendants shall consent to the Second Order provided that it complies with the definitions set forth in sections 2.46 and 2.47 of this Settlement Agreement.

4. NON-REFUNDABLE EXPENSES

4.1 **Non-Refundable Expenses.** In the event that this Settlement Agreement is terminated in accordance with its terms, Administration Expenses reasonably incurred

as at that time and paid from the Advance Payment shall be the Non-Refundable Expenses and shall not be refunded to Defendants.

4.2 **Accounting to the Court and Parties.** The Claims Administrator and Class Counsel shall account to the Court and the Parties for all payments made from the Advance Payment. In the event that the Settlement Agreement is terminated, this accounting will take place no later than fourteen (14) days after such termination.

5. SETTLEMENT AMOUNT

5.1 **Advance Payment.** The Defendants shall deposit the Advance Payment into the Trust Account, as Class Counsel may direct, within thirty (30) days of the Execution Date.

5.2 **Payment of Settlement Amount.** The Defendants shall deposit the Settlement Amount, minus the amount of the Advance Payment, into the Trust Account within ninety (90) days following the Execution Date.

5.3 **Non-Reversionary.** The Settlement Agreement shall be non-reversionary, meaning that no portion of the Settlement Amount will revert to Defendants. Unless the Settlement Agreement is terminated in accordance with its terms, the Defendants shall not, under any circumstances, be entitled to the repayment of any portion of the Settlement Amount.

5.4 **Interim Investment of Trust Account.** The Claims Administrator or Class Counsel, as the case may be, shall hold the Settlement Amount in the Trust Account and shall not pay out any amount from the Trust Account, except in accordance with the terms of the Settlement Agreement.

5.5 **Taxes on Interest – Class' Responsibility.** Except as provided in section 5.6 of this Settlement Agreement, all taxes payable on any interest which accrues in relation to the Settlement Amount shall be solely the Class' responsibility and shall be paid by the Claims Administrator or by Class Counsel, as the case may be, from the Settlement Amount.

5.6 Taxes on Interest – Defendants’ Responsibility. The Defendants shall have no liability for any taxes payable on any interest which accrues in relation to the Settlement Amount, unless this Settlement Agreement is terminated in accordance with its terms, in which case the interest earned on the Settlement Amount in the Trust Account or otherwise shall be paid to the Defendants who, in such case, shall be responsible for the payment of all taxes on such interest not previously paid by the Claims Administrator or Class Counsel, as the case may be.

6. DISTRIBUTION OF THE SETTLEMENT AMOUNT

6.1 Distribution of the Settlement Amount. If the Settlement Agreement becomes final, the Claims Administrator shall distribute the Settlement Amount in accordance with the Plan of Allocation and the following priorities:

- (a) payment of and/or setting aside of a reserve to pay Administration Expenses;
- (b) payment of and/or setting aside of a reserve to pay taxes required by law to be paid to any governmental authority; and
- (c) payment of Class Counsel Fees;
- (d) payment of Compensation Payments in accordance with the Plan of Allocation.

6.2 Second Distribution of Unclaimed Balance. If there is an Unclaimed Balance remaining in the Net Settlement Amount following the implementation of the distribution set out in section 6.1 of this Settlement Agreement and a second distribution to all Eligible Claimants is economically feasible in the opinion of the Claims Administrator, the Plaintiff will seek approval of a second distribution from the Court.

6.3 Allocation of Unclaimed Balance. If it is not feasible and/or economically reasonable to conduct a second distribution of any Unclaimed Balance remaining in the Net Settlement Amount, those funds shall be distributed in the following manner, subject to approval of the Court:

(a) a percentage of this amount to be determined according to the *Regulation respecting the percentage withheld by the Fonds d'aide aux actions collectives* (CQLR c F-3.2.0.1.1, r. 2) shall be paid to the *Fonds d'aide aux actions collectives*; and

(b) the remaining amount shall be paid to a third party or third parties proposed by the Plaintiff upon consultation with the Defendants that may reasonably be expected to benefit the Class Members.

7. EFFECT OF SETTLEMENT

7.1 No Admission of Liability. Neither the Settlement Agreement, nor anything contained herein, shall be interpreted as a concession or admission of wrongdoing or liability by the Defendants and any other Releasee, or as a concession or admission by any Party of the truthfulness or merit of any claim or allegation asserted in the Action or of any defense.

7.2 Settlement Agreement Not Evidence. Whether or not the Settlement Agreement is terminated in accordance with its terms, the Parties agree that neither the Settlement Agreement nor any act performed or document executed pursuant to or in furtherance of the Settlement Agreement is or may be used or construed as evidence :

- (a) of the validity of any claim or allegation asserted in the Action;
- (b) of wrongdoing, fault, neglect, or liability by any of the Defendants; or
- (c) that the Settlement Amount to be paid hereunder represents the amount that could be or would have been recovered in the Action after trial.

7.3 Exception. Notwithstanding section 7.2 of this Settlement Agreement, the Settlement Agreement may be referred to or offered as evidence in a proceeding to approve or enforce the Settlement Agreement, to defend against the assertion of Released Claims, and as otherwise required by law.

7.4 **Best Efforts.** The Parties agree to hold in abeyance all steps in the Action, other than proceedings provided for in the Settlement Agreement, the First Application, the Second Application, and such other proceedings required to implement the terms of the Settlement Agreement, until the date the Settlement Agreement becomes final or the date of termination of the Settlement Agreement in accordance with its terms.

8. **CONFIDENTIALITY**

8.1 The Parties agree and undertake that they will not disclose, comment on or in any other way publicize the terms of the Settlement Agreement, or invite, encourage or assist the media in commenting thereon, other than in accordance with this section, and they warrant that they have put in place the necessary procedures and precautions to ensure compliance with this section.

8.2 The Parties and their counsel agree not to disclose the substance of the negotiations that led to this Settlement Agreement, including the merits of any positions taken by any Party, except as required to provide the Court with information necessary to approve the Settlement Agreement.

8.3 The Parties and their counsel are prohibited from divulging to anyone for any purpose any non-public information obtained in the course of the negotiation, preparation, or execution of this Settlement Agreement, without the prior written consent of the other Party or unless ordered by the Court to do so.

8.4 The Parties and their counsel agree that in any public discussion of, comment on, press release or communication of any kind about this Settlement Agreement and the Plan of Allocation, they will undertake to describe the Settlement Agreement as fair, reasonable, and in the best interests of the Class and the Parties, and refrain from: (a) contradicting this Settlement Agreement, including the recitals, or making statements which are inconsistent with the terms thereof; or (b) disparaging any of the Parties, their counsel, or their experts and any other Releasee.

8.5 Notwithstanding the foregoing, any Defendant may disclose information contained in the Settlement Agreement to a regulatory authority if it determines that disclosure is required.

9. LEAVE, AUTHORIZATION, AND SETTLEMENT APPROVAL

9.1 **Defendants' Consent.** The Defendants shall consent to Leave and Authorization solely for the purposes of implementing this Settlement Agreement and contingent on the approval by the Court as provided for in this Settlement Agreement, on the express understanding that such consent, Leave or Authorization shall not derogate from the respective rights of the Parties in the event that this Settlement Agreement is not approved or is otherwise terminated in accordance with its terms, and will be deemed to have been without prejudice to any position that any of the Parties may later take.

10. NOTICE TO THE CLASS

10.1 **Dissemination of the Settlement Notice.** The Settlement Notice shall be disseminated in accordance with the Notice Plan.

10.2 **Non-Refundable Expense.** The costs of disseminating the Settlement Notice in accordance with the Notice Plan shall constitute a Non-Refundable Expense as provided in section 4.1 of this Settlement Agreement.

10.3 **Report to the Court.** As part of the Second Application, Class Counsel shall file with the Court an affidavit confirming that the Settlement Notice has been published and disseminated in accordance with the Settlement Agreement and the Notice Plan, or with an order of the Court.

10.4 **Notice of Termination.** If the Settlement Agreement is terminated in accordance with its terms, Class Counsel shall cause a notice of termination (the “**Notice of Termination**”) to be published and disseminated in English and French, in a form approved by the Court, in accordance with this section. The costs of so doing shall constitute a Non-Refundable Expense as provided in section 4.1 of the Settlement Agreement.

11. OPT-OUT REQUESTS AND OBJECTIONS

11.1 Appointment of the Claims Administrator. The Court will appoint the Claims Administrator to, among other things, receive (a) any opt-out requests and (b) any written objections to this Settlement Agreement. Elections to opt out of the Class and objections to the Settlement Agreement must be received by the Claims Administrator by mail, courier, or email on or before the Opt-Out Deadline or Objection Deadline, as applicable.

11.2 Opt-Out Procedure. Although Class Members may follow the procedure set out in article 580 of the *Code of Civil Procedure* to validly opt-out of the Class, each Class Member who wishes to opt out will be asked to submit to the Claims Administrator on or before the Opt-Out Deadline a properly completed Opt-Out Form, along with copies of: (i) all trade confirmation slips regarding Eligible Shares during the Class Period; or (ii) all monthly statements with information concerning transactions of Eligible Shares during the Class Period.

11.3 Deemed Opt-Out. Class Members who have commenced other actions or commence other actions having the same subject matter as the Action and fail to discontinue such other actions against any of the Defendants by the Opt-Out Deadline shall be deemed to have opted out.

11.4 Re-election to become Class Members. Class Members who elect to opt out of the Class may re-elect in writing to become Class Members, if their re-election request is received by the Claims Administrator on or before the Opt-Out Deadline or, thereafter, only by agreement of the Parties.

11.5 Extension of the Opt-Out Deadline. The Opt-Out Deadline shall not be extended unless the Court orders otherwise.

11.6 Consequences of opting out. All Opt-Out Parties will be excluded from any and all rights and obligations arising from the Settlement Agreement, including submitting a Claim Form or receiving a Compensation Payment. The Defendants reserve

all of their legal rights and defenses with respect to any potential Class Member who validly opted out from the Action.

11.7 Consequences of not opting out. Class Members who do not opt out shall be bound by the Settlement Agreement and the terms of the First and Second Orders regardless of whether they file a Claim Form or receive a Compensation Payment.

11.8 Objection Procedure. All objections to the Settlement Agreement and/or Class Counsel Fees must be in writing and received by the Claims Administrator on or before the Objection Deadline. All such objections shall include the following:

- a. sufficient information identifying the Action;
- b. the Class Member's name and contact information, including a telephone number and email address (as may be applicable);
- c. trading records establishing that the Class Member purchased at least one common share of CAE during the Class Period and still held at least one common share of CAE at any time between February 14, 2024 and May 22, 2024 inclusive;
- d. a brief statement of the nature of and reason for the Class Member's objection; and
- e. whether the Class Member or his/her representative intends to appear at the hearing in respect of the Second Application.

11.9 Additional documentation. At the request of the Parties or one of them, the Claims Administrator may require the person who filed an objection to provide the documents necessary to establish his or her status as a Class Member.

11.10 Opt-out Parties Precluded from Objecting. Any Class Member who elects to opt out of the Class may not object to the Settlement Agreement and/or Class Counsel Fees. If a Class Member elects to opt out of the Class and objects to the

Settlement Agreement, the opt-out election shall supersede his/her objection and the latter shall be deemed withdrawn.

11.11 Notification of Number of Opt-Outs and Objections. Within five (5) business days after the Opt-Out Deadline, the Claims Administrator shall report to the Parties as to the number of Opt-Out Parties, the number of Eligible Shares held by each Opt-Out Party, the total number of Eligible Shares collectively held by all Opt-Out Parties, and shall provide a summary of the information provided by each Opt-Out Party. The Claims Administrator shall also provide a copy of each of the objections received on or before the Objection Deadline.

11.12 Claims Administrator's Affidavit. At least five (5) business days before the date set for hearing the Second Application, the Claims Administrator shall provide to the Parties and file with the Court an affidavit reporting on the number of Opt-Out Parties, the number of Eligible Shares held by each Opt-Out Party, and the total number of Eligible Shares collectively held by all Opt-Out Parties, and compiling all of the objections received on or before the Objection Deadline.

12. TERMINATION OF THE SETTLEMENT AGREEMENT

12.1 Bilateral Right to Terminate. This Settlement Agreement may be terminated by any Party if:

- (a) the Second Order is not granted by the Court;
- (b) the Second Order is granted by the Court but is reversed on appeal, and the reversal becomes final; or
- (c) the Settlement Agreement is not approved, or is approved in a materially modified form.

12.2 The failure of the Court to approve in full Class Counsel's request for Class Counsel Fees, the Plan of Allocation or the Claim Form shall not be grounds to terminate the Settlement Agreement.

12.3 Defendants' Right to Terminate. Notwithstanding any other provision in the Settlement Agreement, the Defendants, at their sole discretion, may elect to terminate the Settlement Agreement if the Opt-Out Threshold is met or exceeded provided the election is made within ten (10) business days of receiving notice from the Claims Administrator or Class Counsel of the information described in section 11.11 of this Settlement Agreement. If the Defendants do not elect to terminate the Settlement Agreement (or do not notify the Plaintiff of their decision to terminate the Settlement Agreement) within this period, their right to terminate the Settlement Agreement pursuant to the provisions of this section will expire.

12.4 Confidentiality of Opt-Out Threshold. The Opt-Out Threshold shall be kept confidential by the Parties and their counsel, and may be shared with the Court under seal solely for the purposes of the Second Application, but shall not be otherwise disclosed by the Parties and their counsel, unless disclosure is ordered by the Court or the Defendants provide prior written consent to disclosure.

12.5 Consequences of Termination. In the event that the Settlement Agreement is terminated in accordance with its terms:

- (a) Each Party will renounce totally to the rights arising from the First and Second Orders and will accept the other Party's renunciation;
- (b) subject to section 12.6 of this Settlement Agreement, the Parties will be restored to their respective positions prior to the execution of the Settlement Agreement;
- (c) subject to section 12.6 of this Settlement Agreement, the Settlement Agreement will have no further force and effect and no effect on the rights of the Parties;
- (d) Leave and Authorization will be deemed to have been without prejudice to any position that any of the Parties may later take;

(e) Non-Refundable Expenses, if any, will be non-recoverable from the Plaintiff and Class Members in accordance with section 4.1 of this Settlement Agreement;

(f) the Settlement Amount plus any interest earned on the Settlement Amount in the Trust Account or otherwise since the amounts were deposited therein will be returned to the Defendants, less any Non-Refundable Expenses that have already been properly incurred; and

(g) the Settlement Agreement will not be introduced into evidence or otherwise referred to in any litigation or proceeding against the Defendants.

12.6 Survival of Certain Provisions. Notwithstanding the provisions of sections 12.5(a) and 12.5(c) of the Settlement Agreement, if the Settlement Agreement is terminated in accordance with its terms, the provisions of this section and sections 2, 4, 5.3, 5.4, 5.5, 5.6, 7.1, 7.2, 7.3, 7.4, 8.1, 8.2, 8.3, 8.4, 8.4, 8.5, 9.1, 10.4, 12.4, 12.5, 12.7, 12.8, 12.9, 15.2, 15.8, 18.1, 18.2, 18.4, 18.6, 18.7, 18.8, 18.9, 18.11, 18.12, 18.13, 18.14, 18.16, and 18.18 shall survive termination and shall continue in full force and effect.

12.7 Allocation of Monies in the Trust Account Following Termination. The Claims Administrator and/or Class Counsel shall account to the Court for the amounts maintained in the Trust Account. If the Settlement Agreement is terminated in accordance with its terms, this accounting shall be provided no later than fourteen (14) days after termination.

12.8 Court Order. If the Settlement Agreement is terminated in accordance with its terms, the Defendants shall, within thirty (30) days after termination, apply to the Court for an order:

(a) declaring the Settlement Agreement null and void and of no force or effect, except for the provisions of those sections listed in section 12.6 hereof;

(b) requiring the Notice of Termination to be sent out to the Class Members, and confirming the form and method of disseminating such a notice;

(c) acknowledging each Party's renunciation to the rights arising from the First and Second Orders and acceptance of the other Party's renunciation;

(d) authorizing the payment to Defendants' counsel in trust of all funds in the Trust Account, including interest earned on the Settlement Amount in the Trust Account or otherwise, minus any amounts paid out of the Trust Account as Non-Refundable Expenses in accordance with the terms of the Settlement Agreement.

12.9 Disputes Relating to Termination. The Court shall rule on any dispute relating to the termination of the Settlement Agreement based on an application notified to all Parties.

13. BANKRUPTCY OR RESTRUCTURING OF A DEFENDANT

13.1 If a Defendant files for bankruptcy or restructuring, the Plaintiff may apply to the appropriate court for the immediate homologation of the Settlement Agreement. The Defendants shall not oppose this application.

14. RELEASE

14.1 **Release of Releasees.** As of the Effective Date, provided that the Settlement Amount has been deposited into the Trust Account, the Releasors, in exchange for and in consideration of the foregoing, and inasmuch as the terms and conditions of the Settlement Agreement are approved by the Court, fully and finally release the Releasees from any and all Released Claims. For greater certainty, the Releasors acknowledge that they may subsequently discover facts adding to those they now know, but nonetheless agree that on the Effective Date, they shall have fully, definitively, and permanently settled, waived, released, and discharged all Released Claims, irrespective of whether they were unknown, unsuspected, or undisclosed. To the extent necessary to give effect to this release, the Releasors waive any right they might have under any statute, rule, regulation, law, common law, civil law, in equity or otherwise relating to the Action and to the release of unknown claims or the limitation of releases to known claims.

14.2 No Further Claims. Except where article 580 of the *Code of Civil Procedure* provides otherwise, upon the Effective Date and provided that the Settlement Amount has been deposited into the Trust Account, the Releasors and Class Counsel (excluding the Service Provider) shall not now or hereafter institute, continue, maintain, or assert, directly or indirectly, whether in Canada or elsewhere, any action, suit, cause of action, claim, or demand against any Releasee in respect of any Released Claim. If a Releasor files, initiates, or institutes any new legal action or other proceeding for any Released Claim against any Releasee in any forum and refuses to comply with a request from the Releasee to cause such legal action or other proceeding to be discontinued or dismissed, the Releasee may seek its dismissal, with prejudice where available, and may seek court approval to recover, in accordance with the rules and regulations applicable in the jurisdiction where the suit, action, or proceeding was brought, any and all reasonable related costs and expenses from that Releasor. For clarity, this section does not apply to preclude the continuation of any suit, action, or proceeding, whether in Canada or elsewhere, that is not a Released Claim.

15. ADMINISTRATION

15.1 Appointment of the Claims Administrator. The Court will appoint the Claims Administrator to serve until further order of the Court, to implement the Settlement Agreement and the Plan of Allocation, in accordance with the terms and conditions and with the powers, rights, duties, and responsibilities set out in the Settlement Agreement and the Plan of Allocation.

15.2 Claims Administrator's Fees. If the Settlement Agreement becomes final, the Court will determine the Claims Administrator's compensation and payment schedule. This compensation shall be paid from the Settlement Amount. If the Settlement Agreement is terminated in accordance with its terms, the Claims Administrator's fees, disbursements, and taxes will be set in the manner provided for at section 4.1 of this Settlement Agreement, subject to the Court's approval.

15.3 **Appointment of the Arbitrator.** The Court will appoint the Arbitrator, who will have the powers, duties, and responsibilities set out in the Settlement Agreement and the Plan of Allocation.

15.4 **Arbitrator's Fees.** The Claims Administrator will pay the Arbitrator from the Settlement Amount.

15.5 **Information and Assistance from the Defendants.** As soon as possible, and no later than three (3) days of the appointment of the Claims Administrator, the Defendants will provide the Claims Administrator with a list of all CAE shareholders that bought at least one common share on or after August 10, 2022, and that still held all or part of these common shares at any time between February 14, 2024, and May 22, 2024, inclusive. Defendants will also, upon request, provide any other assistance the Claims Administrator may reasonably require to identify Class Members. Any disclosure pursuant to this section will be subject to applicable privacy laws.

15.6 The Defendants agree to make reasonable efforts to answer any reasonable inquiry from the Claims Administrator in order to facilitate the administration and implementation of the Settlement Agreement and the Plan of Allocation.

15.7 Class Counsel and/or the Claims Administrator may use the information obtained pursuant to sections 15.5 and 15.6 of this Settlement Agreement only for the purposes of disseminating the Settlement Notice and administering and implementing the Settlement Agreement and the Plan of Allocation.

15.8 Any information obtained or created in the administration of the Settlement Agreement is confidential and, except as required by law, shall be used and disclosed only for the purpose of disseminating the Settlement Notice and administering and implementing the Settlement Agreement and the Plan of Allocation.

15.9 **Claims Process.** In order to seek a Compensation Payment from the Settlement Amount, a Class Member must submit a properly completed Claim Form and all required supporting documentation to the Claims Administrator, in accordance with the provisions of the Plan of Allocation, on or before the Claims Submission Deadline. Any

Class Member who fails to do so shall not share in any distribution made in accordance with the Plan of Allocation, unless the Court orders otherwise.

15.10 Claims Period. Although Claimants will be allowed and encouraged to file Claims as soon as possible after the beginning of the Claims Period, the Claims Administrator will not engage in claims adjudication before the Effective Date.

15.11 Disputes Concerning the Decisions of the Claims Administrator. In the event that a Class Member disputes a decision of the Claims Administrator, in whole or in part, the Class Member may appeal the decision to the Arbitrator in accordance with the Plan of Allocation. The decision of the Arbitrator will be final with no right of appeal.

15.12 Distribution. Following the Claims Submission Deadline, and in accordance with the terms of the Settlement Agreement, the Plan of Allocation, and any further order of the Court, as may be necessary or as circumstances may require, the Claims Administrator shall distribute the Settlement Amount to Eligible Claimants.

15.13 Conclusion of the Administration. Upon the conclusion of the administration, or at such other time(s) as the Court may direct, the Claims Administrator shall report to the Court on the administration and shall account for all monies it has received, administered, and disbursed, with notice to the Defendants. The Claims Administrator must obtain an order from the Court to be discharged as Claims Administrator.

16. PLAN OF ALLOCATION

16.1 The Defendants will have no involvement in, or responsibility for, preparing the Plan of Allocation or challenging claims or reviewing the allocation. The Plan of Allocation shall be prepared and proposed solely by Class Counsel but remains subject to Court approval.

16.2 The Defendants shall have no obligation to consent to but shall not oppose the approval of the Plan of Allocation.

16.3 Except for the Defendants' obligation to pay the Settlement Amount and the Defendants' obligation to provide the information and assistance contemplated by sections 15.5 and 15.6 of this Settlement Agreement, none of the Defendants shall have any responsibility for or any liability whatsoever with respect to the administration or implementation of the Settlement Agreement and Plan of Allocation, including, without limitation, the processing and payment of claims by the Claims Administrator.

17. CLASS COUNSEL FEES

17.1 **Application for Approval of Class Counsel Fees.** At the hearing of the Second Application, Class Counsel shall seek the approval of Class Counsel Fees to be paid from the Settlement Amount. Class Counsel are not precluded from making additional applications to the Court for disbursements incurred as a result of implementing the terms of the Settlement Agreement. All amounts awarded on account of Class Counsel Fees shall be paid from the Settlement Amount.

17.2 The Defendants acknowledge that they are not parties to the application concerning the approval of Class Counsel Fees. They will have no involvement in the approval process to determine the amount of Class Counsel Fees, and they will not make any submissions to the Court concerning Class Counsel Fees.

17.3 Any order or proceeding relating to Class Counsel Fees, or any appeal from any order relating thereto or reversal or modification thereof, shall have no effect on the validity of this Settlement Agreement and shall not affect or delay the finality of the Second Order and the settlement of the Action as provided herein.

17.4 **Payment of Class Counsel Fees.** Forthwith after the Effective Date, Class Counsel shall be entitled to and shall be paid the Class Counsel Fees approved by the Court from the Trust Account.

18. MISCELLANEOUS

18.1 **Motions/Applications for Directions.** Class Counsel or the Claims Administrator may apply to the Court for directions in respect of the distribution of the Settlement Amount. All motions or applications contemplated by or referred to in this

Settlement Agreement shall be on notice to the Parties with the understanding that the Defendants shall take no position on a motion or application dealing solely with the distribution of the Settlement Amount as between Class Members.

18.2 Ongoing Jurisdiction. The Court shall retain exclusive jurisdiction to resolve any dispute that may arise in relation to the validity, performance, interpretation, enforcement, enforceability, or termination of this Settlement Agreement in accordance with its terms.

18.3 Settlement Binding Upon. This Settlement Agreement shall be binding upon, and enure to the benefit of the employees, directors, officers, agents, representatives, insurers, successors, heirs, executors, assigns and right holders (*ayants droits*) of the Defendants, the Plaintiff, and the Class Members.

18.4 Authorization to Enter into the Settlement Agreement. Class Counsel represent that Class Counsel are authorized by the Plaintiff to enter into this Settlement Agreement.

18.5 Waiver. The waiver by one Party of any breach of this Settlement Agreement by another Party shall not be deemed a waiver of any prior or subsequent breach of this Settlement Agreement.

18.6 Time Computation. All time periods and delays in this Settlement Agreement shall be computed in calendar days unless expressly provided otherwise. Also, unless otherwise provided in this Settlement Agreement, in computing any period of time in this Settlement Agreement or by order of the Court, the day of the act or event shall not be included, and the last day of the period shall be included, unless it is a Saturday, a Sunday, or a Québec statutory holiday, or, when the act to be done is a court filing, a day on which the Court is closed, in which case the period shall run until the end of the next day that is not one of the aforementioned days.

18.7 Recitals and Schedules. The recitals and schedules to the Settlement Agreement are material and integral parts hereof and are fully incorporated into, and form part of, the Settlement Agreement. The schedules to the Settlement Agreement are:

- a. Schedule "A" - Settlement Notice
- b. Schedule "B" - Notice Plan
- c. Schedule "C" - Opt-out Form

18.8 Acknowledgements. Each of the Parties hereby represents, affirms, and acknowledges that: (a) he, she or its representative has the authority to bind the Party with respect to the matters set forth herein and has read and understood the Settlement Agreement; (b) the terms of the Settlement Agreement and the effects thereof have been fully explained to him, her or its representative by his, her or its counsel; and (c) he, she or its representative fully understands each term of the Agreement and its effect.

18.9 Entire Agreement. This Settlement Agreement sets forth the entire agreement among the Parties with respect to its subject matter. Any agreement purporting to change or modify the terms of this Settlement Agreement must be in writing and executed by the Defendants and the Plaintiff. The Parties expressly acknowledge that no other related agreements, arrangements, or understandings not expressed in this Settlement Agreement exist among or between them, and that in deciding to enter into this Settlement Agreement, they have relied solely upon their own judgment and knowledge. This Settlement Agreement supersedes any prior agreements, understandings, or undertakings (written or oral) by and between the Parties regarding the subject matter of this Settlement Agreement.

18.10 Transaction. This Settlement Agreement constitutes a transaction within the meaning of article 2631 and following of the *Civil Code of Québec*, and the Parties are hereby renouncing to any errors of fact, of law, and/or of calculation.

18.11 Translation. The Parties acknowledge that they have required and consented that this Settlement Agreement and all related documents be prepared in English; *les parties reconnaissent avoir exigé que la présente entente de règlement et tous les documents connexes soient rédigés en anglais*. Class Counsel will take the necessary steps for this Settlement Agreement to be translated in French after its execution. The Parties agree that any such translation would be for convenience only. In

the event of any dispute as to the interpretation of this Settlement Agreement, the English language version shall govern.

18.12 Notice. Whenever this Settlement Agreement requires or contemplates that one of the Parties shall or may give notice to the other, notice shall be provided by email and/or next-day (excluding Saturdays, Sundays, and Québec statutory holidays) express delivery service as follows:

For the Plaintiff:

Emilie B. Kokmanian
SCOTT+SCOTT CA ULC
306, Place d'Youville, Suite B-10
Montréal, QC H2Y 2B6
ekokmanian@scott-scott.com

Maxime Nasr
BELLEAU LAPOINTE S.E.N.C.R.L.
300, Place d'Youville, Suite B-10
Montréal, QC H2Y 2B6
mnasr@belleaulapointe.com

For the Defendants:

Sophie Melchers
François-David Paré
**NORTON ROSE FULBRIGHT
CANADA LLP**
1 Pl. Ville-Marie, suite 2700
Montréal, QC H3B 2G2
sophie.melchers@nortonrosefulbright.com
francois-david.pare@nortonrosefulbright.com

18.13 Drafter and Intent of the Parties. The Plaintiff and/or the Defendants shall not be deemed to be the drafter of this Settlement Agreement or of any particular provision, nor shall they argue that any particular provision should be construed against its drafter. All Parties agree that this Settlement Agreement was drafted by counsel for the Parties during arm's-length negotiations.

18.14 Headings and terms. In this Settlement Agreement:

(a) The division into sections and the insertion of topic and section headings are for convenience of reference only and shall not affect the construction or interpretation of this Settlement Agreement; and

(b) "person" means any legal entity including, but not limited to, individuals, corporations, sole proprietorships, general or limited partnerships, limited liability partnerships, or limited liability companies.

18.15 Modification. This Settlement Agreement may not be modified or amended except in writing and on consent of all Parties and any such modification or amendment must be approved by the Court.

18.16 Survival. The representations contained in this Settlement Agreement shall survive its execution and implementation.

18.17 Governing Law. This Settlement Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Québec, without regard to any conflict of law rule or principle that would mandate or permit application of the substantive law of any other jurisdiction.

18.18 Counterparts. This Settlement Agreement may be signed with an electronic signature and in counterparts, each of which shall constitute a duplicate original.

FOR CAE Inc.:

Date: July 31, 2026

DocuSigned by:

Mark Hounsell

0A5E19A19AD0497...

Mark Hounsell
Chief Legal Officer

Date:

Ryan McLeod
Chief Financial Officer

FOR CAE Inc.:

Date:

Mark Hounsell
Chief Legal Officer

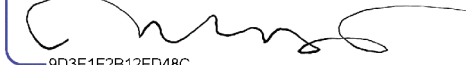
Date: July 31, 2026

Signed by: 

Ryan McLeod
Chief Financial Officer

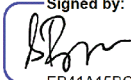
Marc Parent:

Date: July 31, 2026

Signed by: 
9D3E1F2B12FD48C...

Sonya Branco:

Date: July 31, 2026

Signed by:

EB41A15BCD084EC...

FOR Mouvement d'éducation et de défense des actionnaires:

Date: July 31, 2026


By Mtre Maxime Nasr as authorized by MÉDAC's
board of directors

FOR Class Counsel:

Date: July 31, 2026


pour Bellemarepointe
senior

Date: 7/31/2026



FOR Service Provider:

Date: 7/31/2026

A handwritten signature in blue ink is written over a horizontal line. The signature is stylized and appears to be the initials 'DS' followed by a flourish.

Schedule A – Settlement Notice

CAE INC. SECURITIES CLASS ACTION SETTLEMENT NOTICE

YOU MAY BE ELIGIBLE FOR COMPENSATION - IMPORTANT INFORMATION

If you purchased one or more common shares of CAE Inc. between August 10, 2022, and May 21, 2024, and held some or all of those shares at any time between February 14, 2024, and May 22, 2024, inclusive, you may be eligible to receive money in a \$38.25 million class action settlement.

THE CLASS ACTION AND SETTLEMENT AGREEMENT

A proposed settlement agreement will resolve a class action which alleges that CAE Inc. (“**CAE**”), Marc Parent and Sonya Branco (collectively, the “**Defendants**”) released documents and made public oral statements containing misrepresentations on material facts and failed to disclose material changes in the business, operations or capital of CAE, which had the effect of artificially inflating the value of CAE’s common shares between August 10, 2022, and May 21, 2024, inclusive (the “**Class Action**”).

The parties have reached a proposed settlement, without any admission of liability, subject to the approval of the Court. This notice provides a summary of the proposed settlement and of Class Members’ rights.

In exchange for the settlement and for being released from all liability for the claims asserted in the Class Action, the Defendants agree to pay an amount of CAD \$38,250,000.00 (the “**Settlement Agreement**”). CAE will pay for the amounts up to CAD\$5M as per the deductible under CAE’s insurance coverage (which deductible is eroded by the defense fees and disbursements incurred by CAE) and the outstanding amounts will be paid by the insurers.

On , 2026, the Superior Court of Québec (the “**Court**”) authorized the Class Action, for settlement purposes only, so that it can determine the fairness of the Settlement Agreement.

AM I INCLUDED IN THE SETTLEMENT AGREEMENT AND CAN I SUBMIT A CLAIM?

The Settlement Agreement includes all persons who purchased one or more common shares of CAE during the period from August 10, 2022, to May 21, 2024, inclusive (the “**Class Period**”) and still held all or part of these common shares at any time between February 14, 2024, and May 22, 2024, inclusive (the “**Class**,” members of which are “**Class Members**”). Some persons and entities that are or were related or close to the Defendants are excluded from the Class and do not qualify as Class Members.

You may submit a claim now for compensation. Visit  to start your claim today.

HOW IS THE SETTLEMENT AMOUNT DISTRIBUTED?

The Settlement Agreement and the plan for distributing the Settlement Amount (the “**Plan of Allocation**”) provide that, after the payment of fees for the lawyers representing the Class (“**Class Counsel**”) and administration expenses, the Settlement Amount will be distributed among all eligible Class Members who submit a properly completed claim and all required supporting documentation on or before , in proportion to the respective value of each valid claim.

The value of each claim will be calculated on an individual basis based on the number of shares a claimant held on the day before August 10, 2022, the number of shares purchased or sold during the Class Period and the price(s) at which those shares were bought or sold.

For more details on how the value of each claim is calculated, you can consult the Settlement Agreement and the Plan of Allocation at .

WHAT ARE THE FEES FOR CLASS COUNSEL?

For their work in securing this Settlement Agreement, Class Counsel will request approval from the Court for an amount of fees that will not exceed 25% of the Settlement Amount, plus the costs incurred in prosecuting the Class Action (i.e., disbursements) and all applicable taxes. If approved by the Court, these amounts will be paid out of the Settlement Amount (“**Class Counsel Fees**”).

WHEN IS THE SETTLEMENT APPROVAL HEARING?

The Court will be asked to approve the Settlement Agreement, the Plan of Allocation, Class Counsel Fees at a public hearing to be held on • at 9:30 a.m. at the courthouse located at 1 Notre-Dame Street East, Montréal, Québec, in a room to be designated by the Court.

Class Members who do not oppose the Settlement Agreement are not required to appear at the hearing, although they may do so if they want, in person or virtually. Visit [\[Website\]](#) for updates about the hearing.

WHAT ARE MY LEGAL RIGHTS AND OPTIONS?

Your rights will be affected even if you do nothing, so please read this notice carefully. A summary of your rights and options is presented in the table below.

YOUR LEGAL RIGHTS AND OPTIONS	
PARTICIPATE BY FILING A CLAIM	If you agree with the Settlement Agreement and want to receive compensation, submit your claim now, and no later than [Claims Submission Deadline]. Claims must be submitted electronically or by mail. Visit [Website] to start your claim today.
OPT OUT	If you do not agree with the Settlement Agreement and wish to exclude yourself from it, you must submit a request to opt out of the Settlement Agreement on or before [Opt-Out Deadline]. Opting out gives you the option to sue Defendants over the claims being resolved by this Settlement Agreement, at your own expense, but you will not be able to submit a claim and receive compensation under the Settlement Agreement. For more information on how to opt out, visit [Website].
OBJECT	If you wish to make comments or object to the Settlement Agreement, the Plan of Allocation or Class Counsel Fees, you may write to the Claims Administrator and explain your comments and/or what you dislike about the Settlement Agreement. You must submit your objection by [Objection Deadline]. If you object to the Settlement Agreement, you may ask to speak in Court about the fairness of the Settlement Agreement. To object to the Settlement Agreement, you must remain a Class Member. You will be bound by any rulings of the Court in the Class Action, including approval of the Settlement Agreement, should it be approved over your objection. For more information on how to object, visit [Website].

DO NOTHING	If you do nothing, you will receive no payment in this Settlement Agreement and you will give up your right to sue Defendants for the claims asserted or that could have been asserted in this case (i.e., the allegations that Defendants released documents and made public oral statements containing misrepresentations on material facts and failed to disclose material changes).
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The full details of the Settlement Agreement and the Plan of Allocation, and other important documents are available at [Website]. Please visit the website regularly for further updates about the Class Action.

This is a summary of the official documents relating to the Class Action. In the event of any conflict or discrepancy between this notice, the Settlement Agreement and/or a court order, the latter shall prevail.

WHAT IF I HAVE MORE QUESTIONS?

Questions regarding your eligibility as a Class Member, the claim process, the Claim Form and supporting documentation should be directed to:

[Claims Administrator]

Address

Tel:

Toll Free:

Fax:

Email:

Other questions may be directed to Class Counsel:

Scott+Scott CA ULC

306 Place D'Youville, B-10,
Montréal (Québec) H2Y 2B6
Tel.: 514-251-1471
Fax: 212-223-6334
info@scott-scott.com

Or

Belleau Lapointe LLP

300 Place d'Youville, B-10,
Montréal (Québec) H2Y 2B6
Tel.: 514-987-6700
Fax: 514-987-6886
info@belleaulapointe.com

WHERE CAN I FIND MORE INFORMATION?

Further information, including opt-out forms, is available at [Website].

The main documents relating to the Class Action proceedings are available on [Website] as well as the *Registre des actions collectives* at:

<https://www.registredesactionscollectives.quebec/en/Consulter/RecherchePublique> (search for court file no. 500-06-001312-244).

NOTICE TO BROKERAGE FIRMS

You are directed to:

- 1) within fifteen days (15) of receipt of this notice (a) provide the Claims Administrator with lists of names, email addresses and mailing and addresses of beneficial owners or (b) confirm to the Claims Administrator that you will send the notice, in English and/or in French (according to the language commonly use in your communications), to beneficial owners by email or by mail (additional copies as needed may be requested from the Claims Administrator without cost). If you choose the second option, you must confirm to the Claims Administrator that the mailing was completed as directed within 30 days of being sent this notice; and

2) post this notice or otherwise make it available on your internal electronic bulletin boards to your retail investors, institutional investors, internal investment advisors, and portfolio manager network.

Regardless of whether you choose to complete the mailing or elect to have the mailing performed by the Claims Administrator, you may obtain reimbursement of your reasonable expenses, as provided in the Plan of Allocation.

This notice has been approved by the Court. Questions about matters in this notice should NOT be directed to the Court.

CAE INC. SECURITIES CLASS ACTION SETTLEMENT

This notice is authorized pursuant to the order of the Superior Court of Québec (the “**Court**”).

Did you purchase one or more common shares of CAE between August 10, 2022, and May 21, 2024, and hold some or all of those shares at any time between February 14, 2024, and May 22, 2024, inclusive?

You may be eligible to receive money in a \$38.25 million class action settlement.

Apply now.

A proposed settlement agreement (the “**Settlement Agreement**”) will resolve a class action which alleges that CAE Inc. (“**CAE**”), Marc Parent and Sonya Branco (collectively, the “**Defendants**”) released documents and made public oral statements containing misrepresentations on material facts and failed to disclose material changes in the business, operations or capital of CAE, which had the effect of artificially inflating the value of CAE’s common shares between August 10, 2022, and May 21, 2024, inclusive (the “**Class Action**”).

The parties have reached a proposed settlement, without any admission of liability, subject to the approval of the Court. This notice provides a summary of the proposed settlement and of Class Members’ rights.

In exchange for the settlement and for being released from all liability for the claims asserted in the Class Action, the Defendants agree to pay an amount of CAD \$38,250,000.00. CAE will pay for the amounts up to CAD\$5M as per the deductible under CAE’s insurance coverage (which deductible is eroded by the defense fees and disbursements incurred by CAE) and the outstanding amounts will be paid by the insurers.

To take effect, the Settlement Agreement and the plan for distributing the Settlement Amount (the “**Plan of Allocation**”) must be approved by the Court after being presented during a public hearing to be held on • (See **Question 28** for details).

The purpose of this notice is:

- (1) To inform you that the Court authorized the Class Action so that it could determine the fairness of the Settlement Agreement.

As a result of this authorization, the *Mouvement d’éducation et de défense des actionnaires du Québec* (the “**Class representative**”) acts as a representative plaintiff for all persons (except for the excluded persons listed at **Question 9**) who purchased one or more common shares of CAE during the period from August 10, 2022, to May 21, 2024, inclusive (the “**Class Period**”) and still held all or part of these common shares at any time between February 14, 2024, and May 22, 2024, inclusive (the “**Class**,” members of which are “**Class Members**”).

- (2) To provide you with information about the Settlement Agreement so you can decide what to do.

The Settlement Agreement and the Plan of Allocation provide that the Settlement Amount, after the payment of fees for the lawyers representing the Class (“**Class Counsel**”) and administration expenses, will be distributed among all class members who submit a properly completed claim form

and all required supporting documentation on or before [Claims Submission Deadline], in proportion to the respective value of each valid claim.

The value of each claim will be calculated on an individual basis based on the number of shares a claimant held on the day before August 10, 2022, the number of shares purchased or sold during the Class Period and the price at which those shares were bought or sold. See **Questions 7 and 9** for further details.

You may submit a claim now for compensation. Visit [Website] to start your claim today.

For their work in securing this Settlement Agreement, Class Counsel will request approval from the Court for an amount of fees that will not exceed 25% of the Settlement Amount, plus the costs incurred prosecuting the Class Action (i.e., disbursements) and all applicable taxes (“**Class Counsel Fees**”). If approved by the Court, these amounts will be paid out of the Settlement Amount.

Your rights will be affected even if you do nothing, so please read this notice carefully. A summary of your rights and options is presented in the table below.

YOUR LEGAL RIGHTS AND OPTIONS	
PARTICIPATE BY FILING A CLAIM	If you agree with the Settlement Agreement and want to receive compensation, submit your claim now, and no later than [Claims Submission Deadline]. Claims must be submitted electronically or by mail. See Questions 12-13 for details on how to submit a valid claim.
OPT OUT	If you do not agree with the Settlement Agreement and wish to exclude yourself from it, you must submit a request to “opt out” of the Settlement Agreement on or before [Opt-Out Deadline]. Opting out gives you the option to sue Defendants over the claims being resolved by this Settlement Agreement, at your own expense, but you will not be able to submit a claim and receive compensation under the Settlement Agreement. See Questions 20-25 for further details.
OBJECT	If you wish to make comments or object to the Settlement Agreement, the Plan of Allocation or Class Counsel Fees (further explained below), you may write to the Claims Administrator and explain your comments and/or what you dislike about the Settlement Agreement. You must submit your objection by [Objection Deadline]. See Questions 26-27 for further details. If you object to the Settlement Agreement, you may ask to speak in Court about the fairness of the Settlement Agreement. Please refer to Question 30 for further details. To object to the Settlement Agreement, you must remain a Class Member. You will be bound by any rulings of the Court in the Class Action, including approval of the Settlement Agreement, should it be approved over your objection.

Questions? Visit [insert website], email [insert claims admin email]
or call toll-free •.

DO NOTHING	If you do nothing, you will receive no payment in this Settlement Agreement and you will give up your right to sue Defendants for the claims asserted or that could have been asserted in this case (i.e., the allegations that Defendants released documents and made public oral statements containing misrepresentations on material facts and failed to disclose material changes).
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The full details of the Settlement Agreement and the Plan of Allocation, and other important documents are available at [Website]. Please visit the website regularly for further updates about the Class Action

This is a summary of the official documents relating to this class action. In the event of any conflict or discrepancy between this notice, the Settlement Agreement and/or a court order, the latter shall prevail.

Questions? Visit [insert website], email [insert claims admin email]
or call toll-free ●.

BASIC INFORMATION

Find out more about why this notice is published.

1. WHAT IS THIS NOTICE?

The Court overseeing this Class Action has authorized this notice to inform you that:

- 1) The Class Action has been authorized as a class proceeding against the Defendants for the purpose of settlement;
- 2) Leave to commence a secondary market securities claim has been granted under section 225.4 of the Québec *Securities Act* for the purpose of settlement;
- 3) A Settlement Agreement has been reached between the parties;
- 4) The Class representative has sought the Court's approval of the Settlement Agreement, the Plan of Allocation, and payment of the cost of administering the Settlement ("**Administration Expenses**");
- 5) Scott+Scott CA ULC and Belleau Lapointe LLP (collectively, Class Counsel) will ask the Court to award up to 25% of the Settlement Amount for their work in litigating the Class Action (see **Question 32**);
- 6) If you do not wish to be part of the Class Action or the Settlement Agreement, you must act now (see **Questions 20-22**);
- 7) If you want to object to the Settlement Agreement, the Plan of Allocation or Class Counsel Fees you must act now (see **Question 26**);
- 8) You can submit a claim now to receive compensation under the Settlement Agreement. No money will be paid unless the Settlement Agreement is approved by the Court (see **Questions 11-13**); and

This notice summarizes the Settlement Agreement and your legal rights and options under it. The deadlines listed in this notice may be modified so please check [**Website**] regularly for updates and further details.

THE CLASS ACTION

Learn more about this Class Action.

2. WHAT IS A CLASS ACTION?

A class action is a legal proceeding in which one or more people request permission to act on behalf of a group of people affected by the same problem: the class members. Once this permission is obtained and the class action is authorized, that person or persons become the “representative” of the class, which, among other things, allows them to settle the class action on behalf of the class members.

The present Class Action has been authorized for settlement purposes, which allows the Class representative, who has been designated as Class representative, to present the Settlement Agreement they negotiated with CAE to the Court for its approval.

When a class action is settled, the agreement resolves the issues in the lawsuit for all class members, except for those who request to be excluded from (“opt out” of) the class. Opting out means that you will not receive benefits under the Settlement Agreement. The opt-out process is described in **Questions 20-22** below.

3. WHAT IS THE PURPOSE OF THIS CLASS ACTION?

In this Class Action, the Class representative alleges that Defendants released documents and made public oral statements containing misrepresentations and failed to disclose material changes relating to, among other things, eight fixed-price contracts from CAE’s defense and security sector that had a disproportionate impact on the overall profitability and prospects of the defense and security sector as well as CAE as a whole.

The Class representative alleges that persons who bought common shares of CAE during the period after the misrepresentations were released and material changes were not disclosed (August 10, 2022) and before the complete corrective information was released (May 21, 2024), paid an inflated price for those shares.

For more information on the Class Action, including the principal issues to be dealt with collectively and the conclusions sought by the Class representative against Defendants, please consult paragraphs • and • of the judgment granting authorization and leave for settlement purposes, available at [[Website](#)].

4. WHY A SETTLEMENT AGREEMENT?

There has been no trial on the merits of the Class Action. The Court did not rule in favour of the Class representative or Defendants. Instead, both parties agreed to enter into the Settlement Agreement. A settlement agreement is a compromise that allows all parties to avoid the delays and risks associated with continued litigation and trial.

Questions? Visit [[insert website](#)], email [[insert claims admin email](#)]
or call toll-free •.

The Class representative and Class Counsel believe that the Settlement Agreement is the best solution for the Class as a whole and will therefore ask the Court to approve it.

5. WHAT HAPPENS IF I DO NOTHING AT ALL?

If you do nothing, you will **not** get a payment if the Settlement Agreement is approved. You will also be bound by the Settlement Agreement, including the releases, if it is approved. Moreover, you will **not** be able to start a lawsuit or be part of any other lawsuit against the Defendants about the legal issues in this case.

If you initiated a lawsuit against the Defendants with respect to the same subject matter covered by the Class Action and you do not discontinue it before [Opt-Out Deadline], you will automatically be excluded from the Class Action.

THE ELIGIBLE CLASS MEMBERS AND BENEFITS

Determine whether you are a Class Member and learn more about the compensation provided for in the Settlement Agreement.

6. AM I ELIGIBLE TO SUBMIT A CLAIM?

You are eligible to submit a claim if you are a Class Member. To be a Class Member, you must have purchased one or more common shares of CAE during the period from August 10, 2022, to May 21, 2024, inclusive and still held some or all of those common shares at any time between February 14, 2024, and May 22, 2024, inclusive.

Some persons and entities that are related or close to the Defendants are excluded from the Class (the “**Excluded Persons**”). Excluded Persons are listed at **Question 10**.

If you are not sure whether you are a Class Member, or have any other questions about the Settlement Agreement, visit [Website], or call toll-free at 1-800-800-8000.

7. AM I ELIGIBLE TO RECEIVE COMPENSATION?

Class Members are eligible for compensation under the Settlement Agreement if they submit a properly completed form and all required supporting documentation to the Claims Administrator on or before [Claims Submission Deadline] – in which case they are “**Eligible Claimants**.”

The Claims Administrator will calculate the compensable loss, if any, for all Eligible Claimants.

There are a few reasons why, although you may be an Eligible Claimant, you will not be approved for and receive compensation:

Questions? Visit [insert website], email [insert claims admin email]
or call toll-free •.

- 1) **Your compensable loss is \$0.00.** Depending on how many CAE common shares you held on August 9, 2022, how many shares you bought and sold during the Class Period, and the prices you paid and received for those shares, it is possible that you did not suffer any compensable loss;
- 2) **Your compensation payment would be less than \$15.00.** If the compensable loss that the Claims Administrator calculates on the basis of the information you provided would result in a compensation payment of less than \$15.00, you will not receive an individual payment and that amount will be redistributed among the other Eligible Claimants (see **Question 9**); and
- 3) **Your claim is fraudulent.** If the Claims administrator identifies a portion or the entirety of your claim as being fraudulent, it will be denied in its entirety.

8. WHAT BENEFITS DOES THE SETTLEMENT AGREEMENT PROVIDE?

If the Settlement Agreement is approved, the Defendants will pay the Settlement Amount of \$38,250,000.00, to the benefit of Class Members.

9. IF I AM AN ELIGIBLE CLAIMANT, HOW WILL MY COMPENSATION BE CALCULATED?

The actual compensation available for each Eligible Claimant will depend on the number of valid claims submitted, the court-awarded Class Counsel Fees and the Administration Expenses.

The Settlement Amount, after deduction of Class Counsel Fees (see **Question 32**) and Administration Expenses, will be distributed on a *pro rata* basis to each Eligible Claimant according to the compensable loss evidenced in their claim.

Each claimant's compensable loss is calculated in accordance with the guidelines set in the Québec *Securities Act*, which require the Claims Administrator to determine the number of shares they bought during the Claims Period and (i) whether they sold these shares during the Claims Period or the ten trading days following the Claims Period, or (ii) whether they still hold them.

These determinations are based on a complex methodology and depend on a number of factors that are detailed at sections ●-● of the Plan of Allocation.

The costs of administering payments to claimants whose compensation payments would be less than \$15 make such a distribution inefficient: instead, the Allocation Plan provides that these payments will be redistributed to the other Eligible Claimants in proportion to the value of their claims.

Questions? Visit [insert website], email [insert claims admin email]
or call toll-free ●.

10. WHO ARE THE EXCLUDED PERSONS?

The following people and entities are excluded from the Class: the Defendants; their respective successors and assigns; the past and current executive officers and directors of CAE (and any of its subsidiaries or affiliates); the members of the immediate families of the Individual Defendants; the legal representatives, heirs, successors, or assigns of any excluded person, and any entity in which any of the above excluded persons have or had a direct or controlling ownership interest, and the legal representatives, heirs, successors-in-interest or assigns of any such excluded persons or entities.

THE CLAIM PROCESS

Learn more about the claims and payment process.

11. WHEN MUST I SUBMIT A CLAIM?

You can submit a claim **now**.

The deadline for submitting a claim (the “Claims Submission Deadline”) is **[Claims Submission Deadline in bold]**.

Claims will not be paid unless the Settlement Agreement is approved by the Court. If the Settlement Agreement is not approved, claimants will receive a notice.

Please visit **[Website]** for updates about the **Claims Submission Deadline**.

12. HOW DO I SUBMIT A CLAIM?

You must complete the written or electronically filed form to be approved by the Court (the “**Claim Form**”) in order to submit a claim.

Go to **[Website]** **now** to make a claim online. You must submit a valid claim to receive compensation under the Settlement Agreement.

If you are unable to complete the online form or you do not have internet access, call the Claims Administrator at **1-800-800-8000**. It does not cost anything to ask questions or to apply to receive a payment.

If you would prefer to submit your claim by mail, you can request that a hardcopy Claim Form be mailed to you by calling **1-800-800-8000**. For faster claims processing, you should submit your claim online at the website below, rather than by mail.

Regardless of whether you file a claim online or by mail, you will need to provide documentation in support of your claim (see **Question 13**).

Submit your claim online: **[Website]**

Questions? Visit **[insert website]**, email **[insert claims admin email]**
or call toll-free ●.

Submit the hardcopy Claim Form provided by the Claims Administrator via mail:

CAE Inc. Settlement
c/o Verita Global

INSERT

13. WHAT DOCUMENTS MUST I PROVIDE IN SUPPORT OF MY CLAIM?
--

The Claim Form will guide you as to the specific documents you should provide along with your claim, but there are generally three types of documentation to provide:

1) **Document identifying you:**

A true copy of a currently valid government issued photo identification (front and back) such as a driver's licence, health insurance card or passport.

2) **If you are filing a claim on behalf of someone else, a proof of your authority to transact:**

- a) If you are filing a claim on behalf of a corporate entity: A document showing your authority to file on behalf of the corporate entity, such as the Corporate Authorization attached as Schedule A to the Plan of Allocation, available in the Documents section of the Settlement website;
- b) If you are filing a claim as a representative of a Class Member (other than an employee, director or officer of a corporate entity): An Authorization for Claims Filed by a Representative, attached as Schedule B to the Plan of Allocation, available in the Documents section of the Settlement website;
- c) If you are filing a claim on behalf of a deceased or disabled Class Member: A document showing your authority to file on behalf of the Class Member.

Questions? Visit **[insert website]**, email **[insert claims admin email]**
or call toll-free ●.

3) **Documents proving the purchase of shares during the Class Period:**

- a) A monthly statement showing the total number of CAE common shares owned at market close on August 9, 2022; and
- b) All trade confirmation slips in respect of transactions in CAE common shares between August 10, 2022, and June 5, 2024;

or

All monthly statements with information concerning transactions in CAE common shares between August 10, 2022, and June 5, 2024.

14. HOW WILL THE CLAIMS ADMINISTRATOR DETERMINE WHETHER MY CLAIM IS VALID AND NOTIFY ME OF A DECISION?

If the Settlement Agreement is approved by the Court and once the Claims Submission Deadline is passed, the Claims Administrator will analyze your claim to ensure it is valid. To do so, the Claims Administrator will determine whether you are a Class Member and meet the eligibility requirements.

If the Claims Administrator is unable to verify the information in your claim, the Claims Administrator may request other supporting documentation.

If the claims review process reveals that information is inaccurate or incomplete, we may ask you to provide additional information and documentation after you have submitted your claim. Failure to cure such deficiencies will result in rejection of your claim.

If you submit a fraudulent claim or if your claim contains intentional errors which would materially exaggerate the compensation for the claim, the claim will be entirely disallowed.

The Claims Administrator will send a notice to notify you of the rejection of your claim (the “**Decision Notice**”), if your claim is disallowed or if it determines that your compensation payment would be less than \$15.00. If your claim is disallowed, the Claims Administrator will include its reasons in the Decision Notice.

15. CAN I APPEAL THE DECISION NOTICE?
--

Appeal of a Decision Notice is permitted only if the following conditions are met:

- 1) The Claims Administrator has **disallowed** your claim;
- 2) Your complete claim was submitted before the **Claims Submission Deadline**; and
- 3) Your appeal is not intended to challenge any provision in the Settlement Agreement approved by the Court.

Questions? Visit [\[insert website\]](#), email [\[insert claims admin email\]](#)
or call toll-free ●.

Carefully read **Question 16** to find out how to appeal and when, as the Claims Administrator will be able to dismiss your appeal without submitting it to the arbitrator if it does not meet the procedural requirements.

16. WHAT IS THE APPEAL PROCESS?

To appeal the Decision Notice and/or the calculation of your compensation, you must comply with the procedure outlined at sections **43-46** of the Plan of Allocation. Failure to do so will result in an inadmissible appeal.

Appeals must be submitted electronically or postmarked **within fifteen (15) days from the date of the Decision Notice**.

Once you file your appeal, the Claims Administrator and Class Counsel will determine if the appeal is permissible. If the appeal is permissible, you will be notified and your appeal will be submitted to the arbitrator. You will then be required to pay the sum of \$100.00, which will be reimbursed to you if your appeal is successful.

For the details and delays of each step of the appeal process, please consult section **45** of the Plan of Allocation.

All appeals will be assessed after the Claims Period has ended. Class Counsel may provide written submissions regarding your appeal to the arbitrator.

17. WHEN WILL I RECEIVE A PAYMENT?

No payments will be made unless and until the Settlement Agreement is approved by the Court. The Court must approve the Settlement Agreement and the Plan of Allocation before any payment can be made. See **Questions 28-30** for information about the settlement approval hearing.

If you make a claim and the Settlement Agreement is not subsequently approved, you will be notified. The Class Actions will proceed, and you will not receive any benefits from the Settlement.

After the Claims Submission Deadline and after all appeals (if any) are resolved, the Claims Administrator will calculate the final compensation payment for each Eligible Claimant and send out payments.

Given the length of the Claims Submission Deadline and time to process claims deficiencies and appeals, the distribution of payments will likely take place several months after the Settlement Agreement and Plan of Allocation are approved. It is not uncommon for the whole process to take close to or over a year.

Please check [**Website**] after the settlement approval hearing for information concerning the timing of settlement payments.

Questions? Visit [**insert website**], email [**insert claims admin email**]
or call toll-free •.

18. HOW WILL I RECEIVE THE PAYMENT?

If the Settlement Agreement is approved and you are an Eligible Claimant, your compensation will be paid to you in Canadian dollars by cheque, e-transfer or Interac transfer. Corporate entities will receive cheques.

If your address changes between the time you file your claim and the time of payment, you must contact the Claims Administrator as soon as possible to inform them of your change of address. You will need to validate your identity.

Cheques will become stale-dated six (6) months after their issuance. It is your responsibility to cash the cheque on time. E-Transfers and Interac transfers will be valid for thirty (30) days after issuance.

19. WHAT HAPPENS TO ANY UNCLAIMED FUNDS IN THE SETTLEMENT?

If the Settlement Agreement is approved, the amount paid by the Defendants will be irreversible, which means that no portion of the amount paid by the Defendants will be returned to them.

If there are any settlement funds that remain after paying all eligible claims, Class Counsel Fees and Administration Expenses, and if it is not feasible and/or economically reasonable to distribute the remaining funds to Eligible Claimants, the remaining balance will be distributed pursuant to the laws of Québec. This will include:

- 1) A payment to the *Fonds d'aide aux actions collectives*; and
- 2) A payment a third party or charitable causes that indirectly benefit Class Members. In that case, the recipient, if any, will be recommended by the Class representative and subject to the approval of the Court. Please check [Website] for updates about any such payment.

OPTING OUT OF THE SETTLEMENT

Explanation about what “opting out” is as well as how you can exclude yourself from the Class Action.

20. WHAT DOES OPTING OUT OF THE CLASS ACTION MEAN?

Opting out of the Class Action means you exclude yourself from the Settlement.

This gives you the option to sue Defendants yourself over the claims being resolved by this Settlement Agreement, at your own expense. It also means that you will **not** be able to submit a claim under the Settlement Agreement.

Questions? Visit [insert website], email [insert claims admin email]
or call toll-free •.

21. WHAT HAPPENS IF I OPT OUT OF THE CLASS ACTION?

If you opt out of the Class Action:

- 1) You will not be able to participate in the Settlement. You will therefore not be able to make a claim and will not receive any compensation.
- 2) You will not be bound by the Class Action, including the Settlement Agreement.
- 3) You will retain your right to sue the Defendants, at your expense, to the extent permitted by law; and
- 4) You will not be able to challenge the Settlement Agreement.

22. IF I DO NOT WISH TO BE BOUND BY THE SETTLEMENT, HOW DO I OPT OUT?

To opt out of the Class Action, you must mail or email a properly completed Opt-Out Form (available in the **Documents** section of the Settlement website) along with copies of: (i) all trade confirmation slips regarding CAE common shares during the Class Period; or (ii) all monthly statements sufficient to show your transactions in CAE common shares during the Class Period.

The Opt-Out Form must be postmarked or emailed to the Claims Administrator no later than [Opt-out deadline]:

CAE Inc. Settlement
c/o Verita Global
INSERT ADDRESS
INSERT EMAIL

If you initiated a lawsuit against the Defendants with respect to the same subject matter covered by the Class Action and you do not discontinue it before [Opt-out deadline], you will be automatically excluded from the Class Action.

23. IF I DO NOT OPT OUT, CAN I SUE THE DEFENDANTS FOR THE SAME THING LATER?

No. If you do not opt-out before [Opt-out deadline], you will remain a Class Member. You will not be able to sue the Defendants about the claims that the Settlement Agreement resolves. If you do not opt out, you will be bound like all other Class Members by the Court's orders and judgments in the Class Action, even if you do not file a claim for compensation.

24. IF I OPT OUT, CAN I STILL GET A SETTLEMENT PAYMENT?

Questions? Visit [insert website], email [insert claims admin email]
or call toll-free •.

No. You will not get money from the Settlement Agreement if you opt out. If you opt out, do not send in a Claim Form asking for compensation from the Settlement Agreement.

25. WHAT AM I GIVING UP BY REMAINING A CLASS MEMBER?

If the Settlement Agreement is approved and you did not opt out, you will release the Defendants and released parties from all liability for all released claims and you will not be able to sue them about the issues alleged in the Class Action.

This means that you can no longer sue the Defendants for any of the issues that were raised in the Class Action.

Sections **2 and 14** of the Settlement Agreement describe the released claims and released parties, so read it carefully. The Settlement Agreement is available at **[Website]**.

OBJECTING TO THE SETTLEMENT

Explanation of how to tell the Court that it should not approve the Settlement Agreement.

26. HOW DO I TELL THE COURT IF I DO NOT AGREE WITH THE SETTLEMENT?

You may object only if you do not opt out of the Settlement Agreement. The Court will consider your views in deciding whether to approve or reject this Settlement Agreement.

To comment on or object to the Settlement Agreement, the Plan of Allocation, or Class Counsel Fees, you or your representative should submit a written objection to the Claims Administrator with the following information:

- 1) Sufficient information identifying the Class Action;
- 2) Your name and contact information, including a telephone number and email address (as may be applicable);
- 3) Trading records establishing that you purchased at least one CAE common share during the Class Period;
- 4) A brief statement of the nature of and reason for your objection; and
- 5) Whether you or your representative intend to appear at the hearing.

Your objection, along with any supporting materials, should be delivered to the Claims Administrator by **[Date of the day prior to the settlement approval hearing]**, at the contact information listed below in **Question 22**.

Questions? Visit **[insert website]**, email **[insert claims admin email]**
or call toll-free •.

27. WHAT IS THE DIFFERENCE BETWEEN OBJECTING TO THE SETTLEMENT AGREEMENT AND OPTING OUT?

Excluding yourself (by opting out) means that you do not want to be part of the Class, you do not want to receive any compensation under the Settlement Agreement, and you do not want to release any of the parties or claims resolved by the Settlement Agreement. If you opt out, you have no basis to object because the Settlement Agreement no longer affects you.

Objecting is telling the Court that you do not like something about the Settlement Agreement, the Plan of Allocation, or Class Counsel Fees. You may object only if you stay in the Class. You do not need to submit a claim to object, but if you make an objection, you must still submit a claim to receive compensation under the Settlement Agreement. If you object to the Settlement Agreement, you are expressing your views, but you will remain a Class Member (if you qualify as such) and you will still release the parties and the claims covered by the Settlement Agreement.

THE APPROVAL HEARING

Description of the Court's approval process for the Settlement Agreement.

28. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

To take effect, the Settlement Agreement must be approved by the Court. The Court will hold an approval hearing at the following time and place:

Québec Superior Court, at 1 Notre-Dame Street East, Montreal, Québec, H2Y 1B6, in a room to be determined by the Court, on ● at ● am ET.

At the hearing, the Court will consider whether to approve the Settlement Agreement, the Plan of Allocation, the reimbursement for the Administration Expenses and Class Counsel fees and disbursements.

In order to do so, the Court will determine whether the Settlement Agreement is fair, reasonable, and in the best interests of Class Members.

It is possible that the hearing will be conducted remotely by videoconference. For more information, see [Website].

29. DO I HAVE TO COME TO THE HEARING?

No, you do not need to attend this hearing. Class Counsel will answer any questions the Court may have. If you wish to attend the hearing, you are welcome to come at your own expense. If you submit an objection, you do not have to come to court, but you have the option to do so if you provide advance notice of your intention to appear (see **Question Questions?** Visit [insert website], email [insert claims admin email] or call toll-free ●.

30 below). As long as you submitted a written objection with all of the required information on time, Class Counsel will bring your objection to the Court. You may have your own lawyer attend at your expense, but it is not required.

30. MAY I SPEAK AT THE HEARING?

You may ask the Court for permission to speak at the approval hearing. If you wish to speak at the approval hearing, please contact Class Counsel before **[Objection Deadline]**. Class Counsel's contact information is listed below in **Question 31**. If you do not provide your written comments and do not contact Class Counsel by this deadline, it is possible that you will not be allowed to speak at the approval hearing.

THE LAWYERS REPRESENTING YOU

Find out more about Class Counsel and how they will be paid.

31. WHO ARE THE LAWYERS WORKING ON THE CLASS ACTION?

The Court has appointed the law firms of Scott+Scott CA ULC and Belleau Lapointe LLP to represent Class Members as Class Counsel. Their contact information is as follows:

SCOTT+SCOTT CA ULC

306, Place d'Youville, Suite B-10
Montréal (Québec) H2Y 2B6
Tel : 514-251-1471
Toll Free : 1-888-225-9119
info@scott-scott.com

BELLEAU LAPOINTE LLP

300, Place d'Youville, Suite B-10
Montreal (Québec) H2Y 2B6
Tel : 514-987-6700
Toll Free : 1-888-987-6701
info@belleaulapointe.com

If you want to be represented by your own lawyer, you may hire one at your own expense.

It is not necessary to retain a lawyer to make a claim. The Claims Administrator is available, free of charge, to answer any questions you may have about the claim procedure or the Claim Form.

You can also contact Class Counsel for free assistance with the Settlement Agreement.

32. HOW WILL CLASS COUNSEL BE PAID?

For their work in litigating the Class Action and securing the Settlement Agreement, Class Counsel will ask the Court to award up to 25% of the Settlement Amount plus reimbursement of costs incurred prosecuting the Class Action (i.e., disbursements), and all applicable taxes. The Court must approve Class Counsel's Fees before they can be paid.

Questions? Visit **[insert website]**, email **[insert claims admin email]**
or call toll-free •.

If you would like to object to Class Counsel seeking a maximum fee of 25%, you may do so at the Settlement Approval hearing. Please follow the process set out in **Question 26**.

ADDITIONAL INFORMATION

33. WHO IS THE CLAIMS ADMINISTRATOR?

The Court has appointed **Verita Global** as the Claims Administrator. If the Plan of Allocation is approved, Verita Global will distribute the settlement funds pursuant to the Plan of Allocation. You can view the Plan of Allocation at **[Website]**.

The Claims Administrator's contact information is listed at the bottom of this page.

34. HOW DO I GET MORE INFORMATION?

This notice summarizes the proposed Settlement Agreement. For more information, including important documents related to the Class Action, please consult the following links:

- The Settlement Agreement **[add hyperlink]**;
- The *Re-reamended Motion for Authorization to Institute a Class Action and for Authorization to Bring an Action for Damages under Section II Chapter II Title VIII of the Québec Securities Act – October 2, 2025* (in French only);
- The Plan of Allocation **[add hyperlink]**;
- The websites of Scott+Scott CA ULC and Belleau Lapointe LLP **[add hyperlink]**.

If you have any additional questions, please contact the Claims Administrator at the contact information provided below:

- By email: **INSERT ADDRESS**
- By mail: CAE Inc. Settlement
c/o Verita Global
INSERT ADDRESS
- By telephone: **INSERT**

For definitions of any capitalized terms used in this notice, please see the Settlement Agreement, available on the Important Documents page of the Settlement website at **[Website]**.

Questions? Visit **[insert website]**, email **[insert claims admin email]**
or call toll-free •.

Purchasers of CAE Inc.'s common shares may be eligible to claim compensation from a \$38.25 million class action settlement

MONTREAL, QC – [DATE] – A proposed settlement has been reached in a class action lawsuit in Québec against CAE Inc. (“**CAE**”), and its former CEO and CFO (collectively, the “**Defendants**”). The claim period is now open.

The class action alleges that the Defendants released documents and made oral public statements which contained misrepresentations about material facts and failed to disclose material changes in the business, operations or capital of CAE.

Defendants deny all allegations and liability, and no court has found them liable. The parties agreed to settle to avoid the delays and risks associated with continued litigation and trial. Under the proposed settlement, Defendants will pay CAD \$38,250,000 to resolve all claims. CAE will pay for the amounts up to CAD\$5M as per the deductible under CAE’s insurance coverage (which deductible is eroded by the defense fees and disbursements incurred by CAE) and the outstanding amounts will be paid by the insurers.

The class consists of all persons who purchased one or more common shares of CAE during the period from August 10, 2022, to May 21, 2024, inclusive, and still held some or all of these common shares at any time between February 14, 2024, and May 22, 2024 (the “**Class Period**”).

The settlement agreement requires approval from the Superior Court of Québec. If the settlement agreement is approved, the class action lawsuit will be fully resolved, and the settlement amounts will be distributed to class members who file valid claim forms. The settlement approval hearing is scheduled for [DATE] in Montréal, Québec.

The settlement agreement provides that, after the payment of fees for the lawyers representing the class and of administration expenses, the settlement amounts will be distributed among all eligible class members who submit a valid claim, in proportion to the respective value of each valid claim.

Class members must file a claim to be considered for compensation. While claims will not be paid unless the settlement agreement is approved by the court, **class members can file their claims now**. The deadline for filing claims is [DATE]. Class members are required to prove their identity and provide certain share transaction documents to obtain compensation. Visit [WEBSITE] to learn more about how to file a claim.

Anyone who does not want to be part of the class action or receive benefits under this settlement must opt out before [date]. Visit [WEBSITE] to learn more about how to opt out.

For more detailed information, to view the settlement agreement and the court-approved notices and to learn more about your rights at this stage of the litigation, please visit [WEBSITE].

Class members are represented by:

Scott+Scott CA ULC
Belleau Lapointe LLP

Media contacts:

English: Emilie B. Kokmanian (Scott+Scott CA ULC) – ekokmanian@scott-scott.com – 514.251.1471

Français: Maxime Nasr (Belleau Lapointe LLP) – mnasr@belleaulapointe.com – 514.987.6670

SCHEDULE B – NOTICE PLAN

500-06-001312-244

NOTICE PLAN

1. Capitalized terms that are not defined in this notice plan (the “**Notice Plan**”) have the meanings ascribed to them in the Settlement Agreement dated July 31, 2026, and in the Plan of Allocation.
2. All documents referred to below shall be prepared in English and in French and disseminated accordingly.

I. SETTLEMENT NOTICE

3. The Settlement Notice as referred to in the Settlement Agreement and attached thereto as Schedule A, consists of:
 - a. a short-form notice (the “**Short-Form Notice**”);
 - b. a long-form notice (the “**Long-Form Notice**”); and
 - c. a press release (the “**Press Release**”).
4. The noticing effort shall include, along with the Settlement Notice, a digital media campaign, as described below at sections 13 and 14.

II. PUBLICATION AND DISSEMINATION

5. As soon as practicable following the First Order, the Settlement Notice shall be:
 - a. published on the Website;
 - b. published on Class Counsel’s websites (www.belleaulapointe.com and <https://scott-scott.ca>);
 - c. published on the *Registre des actions collectives*; and
 - d. disseminated, along with the Banner Ad, in the manner described below.

Press release

6. The Press Release shall include basic details about the Settlement Agreement, the Second Application hearing date, the right to object and opt-out, attorneys’ fees and costs, the beginning of the Claims Period and how to access the Website to file a claim and obtain more information about the Settlement.
7. In addition to the dissemination measures mentioned at section 5, the Press Release shall be issued through Canada Newswire and PR Newswire.

8. The date on which the Press Release is published shall be deemed to be the date on which the Settlement Notice is first published under the Settlement Agreement.

Short-Form Notice

9. In addition to the dissemination measures mentioned at section 5, the Short-Form Notice shall be:
 - (i) emailed to all persons and entities who have previously contacted Class Counsel for the purposes of receiving alerts and/or updates about the Action for whom a valid email address is available, and mailed to all persons and entities who have previously contacted Class Counsel for the purposes of receiving alerts and/or updates about the Action for whom only a valid mailing address is available.
 - (ii) sent to the Claims Administrator's proprietary list of Canadian and United States-based brokers (the "**Brokers**") with a request that each Broker, within fifteen (15) days of receipt:
 - a. provide the Claims Administrator with lists of names, mailing addresses and email addresses of beneficial owners of Eligible Shares; or
 - b. confirm they elect to send the Short-Form Notice to the beneficial owners of Eligible Shares themselves by email or by mail. If a broker elects to send the Short-Form Notice by mail, they may, within the same delay, request copies of the Short-Form Notice from the Claims Administrator, which the Claims Administrator shall provide as soon as practicable. Brokers who elect to send the Short-Form Notice to the beneficial owners of Eligible Shares shall send a statement to the Claims Administrator that the mailing was completed as directed within 30 days of being sent the Long Form Notice by the Claims Administrator.
 - c. post the Short-Form Notice or otherwise make it available on their internal electronic bulletin boards to their retail investors, institutional investors, internal investment advisors, and portfolio manager network.
10. Regardless of whether a Broker chooses to complete the mailing itself or elects to have the mailing performed by the Claims Administrator, the Broker may obtain reimbursement of their reasonable expenses, as provided in the Plan of Allocation.
11. When the present Notice Plan requires the Claims Administrator to mail the Short-Form Notice to Canadian residents, recipients' addresses shall be validated with Canada Post's NCOA Mover Data.

Long-Form Notice

12. In addition to the dissemination measures mentioned at section 5, the Long-Form Notice shall be sent to the Brokers along with the Short-Form Notice and the request provided for at section 9(iii)(c).

Digital Media Campaign

13. A call to action formatted for publication as a web advertisement directing readers to the Claims Administrator's website (the "**Banner Ad**") shall be published for an anticipated duration of 30 days via approximately 700,000 digital media impressions purchased programmatically through Google Display Network. The impressions will be targeted to adults 18+ in English and French as appropriate and will appear alongside Investing-related content (excluding Hedge Funds).
14. A "Featured News Link" published on Stockhouse.com will direct readers to the Claims Administrator's website.

III. NOTICE TO THE AUTORITÉ DES MARCHÉS FINANCIERS

15. Within seven days after the First Order, Class Counsel shall send a written notice together with a copy of the Press Release to the *Autorité des Marchés Financiers*, as per section 225.5 (2) of the *Québec Securities Act*, CQLR c V-1.1.

Schedule C – Opt-Out Form

CAE INC. SECURITIES CLASS ACTION OPT-OUT FORM

Instructions: Submit this form by mail, courier or email **ONLY IF YOU WISH TO BE EXCLUDED** from the CAE Inc. Securities Class Action. To be valid, your form must be sent on or before **XXXX, 2026**.

*** Asterisk indicates mandatory section**

1. IDENTIFICATION*

Provide the following information about yourself **OR**, if applicable, about the person or entity you represent and on behalf of whom you are submitting this opt-out form.

Full Name:			Middle Initial:
Address:			Suite Number:
City:	Province/State:	Postal Code/Zip Code:	Country:
Phone Number:		Email Address:	

Provide the following information about yourself **ONLY** if you are submitting this opt-out form on behalf of another person or an entity.

Full Name:	Title or relationship with the person or entity you represent:
Email Address:	Phone Number:

2. TRANSACTION DATA*

Provide the following information and supporting documents for each transaction (sale or purchase) of CAE Inc.'s common shares between August 10, 2022, and May 22, 2024. For each transaction, supporting documents consist of either a trade confirmation slip **OR** a monthly statement with information concerning the transaction. You can submit additional transaction data on separate sheets as needed.

	Date (YYYY-MM-DD):	Transaction Type:	Number of Common Shares:	Supporting documents:
1	YYYY-MM-DD	☐ Purchase ☐ Sale		☐ Trade confirmation slips ☐ Monthly statements
2	YYYY-MM-DD	☐ Purchase ☐ Sale		☐ Trade confirmation slips ☐ Monthly statements
3	YYYY-MM-DD	☐ Purchase ☐ Sale		☐ Trade confirmation slips ☐ Monthly statements
4	YYYY-MM-DD	☐ Purchase ☐ Sale		☐ Trade confirmation slips ☐ Monthly statements
5	YYYY-MM-DD	☐ Purchase ☐ Sale		☐ Trade confirmation slips ☐ Monthly statements
6	YYYY-MM-DD	☐ Purchase ☐ Sale		☐ Trade confirmation slips ☐ Monthly statements
7	YYYY-MM-DD	☐ Purchase ☐ Sale		☐ Trade confirmation slips ☐ Monthly statements
8	YYYY-MM-DD	☐ Purchase ☐ Sale		☐ Trade confirmation slips ☐ Monthly statements

3. CONFIRM THAT YOU WISH TO OPT OUT*

Check the box below to confirm your intention to opt out of the CAE Inc. Securities Class Action.

I, or the person I represent, wish to be excluded from the CAE Inc. Securities Class Action and am opting out.

☐ **OPT OUT**

4. BRIEFLY DESCRIBE YOUR REASON FOR OPTING OUT

5. SIGNATURE*

By submitting this form, I declare that the information provided herein is complete and true. I understand that I will not be eligible to receive any benefits that may otherwise be available to me, nor will I be bound by the release provided to CAE Inc. and related entities under the settlement of the CAE Inc. Securities Class Action. I retain the right to pursue claims settled by the settlement agreement against CAE Inc., the other defendants and related entities in separate proceedings and at my own expense.

Your Signature

____/____/____
YYYY MM DD

CHECKLIST

Your completed Opt-Out Form MUST:

- ✓ be signed;
- ✓ include supporting documents for each transaction listed at section 2;
- ✓ be sent on or before **XXXX, 2026**, to VERITA GLOBAL
 - By Mail: P.O. Box **[ADDRESS]**,
 - By email at **[WEBSITE]**.