

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.