

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 Superior Court of Québec (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 an amount of up to CAD \$5M as per the deductible under CAE’s insurance coverage (which deductible is eroded by the defence fees and disbursements incurred by CAE) and the outstanding amount will be paid by the insurers.

On August 26, 2026, 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 CAESecuritiesSettlement.com 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 Class Members who submit a properly completed claim and all required supporting documentation on or before March 22, 2027, 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 CAESecuritiesSettlement.com.

No claims will be analysed by the claims administrator and no payments will be made unless and until the Settlement Agreement is approved by the Court.

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 December 22, 2026, at 9:15 a.m. at the courthouse located at 1 Notre-Dame Street East, Montréal, Québec, in room 15.02.

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 CAESecuritiesSettlement.com 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 March 22, 2027, Claims must be submitted electronically or by mail. Visit CAESecuritiesSettlement.com 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 December 1, 2026. 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 CAESecuritiesSettlement.com.
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 December 1, 2026. 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 CAESecuritiesSettlement.com.
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).

The full details of the Settlement Agreement and the Plan of Allocation, and other important documents are available at CAESecuritiesSettlement.com. 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:

CAE Inc. Settlement
c/o Verita Global LLC
P.O. Box 3355
London, ON N6A 4K3
Toll Free: 1-888-808-2649
Email: info@CAESecuritiesSettlement.com

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 CAESecuritiesSettlement.com.

The main documents relating to the Class Action proceedings are available on CAESecuritiesSettlement.com 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 who purchased one or more common shares of CAE during the period from August 10, 2022, to May 21, 2024, inclusive or (b) confirm to the Claims Administrator that you will send the notice, in English and/or in French (according to the language commonly used in your communications), to such 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.