

C A N A D A

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Class Action Division)

No.: 500-06-000008-264

THE TRUSTEES OF THE DRYWALL ACOUSTIC LATHING AND INSULATION LOCAL 675 PENSION FUND, having their principal place of business at 222 Rowntree Dairy Road, in the city and district of Woodbridge, Province of Ontario, L4L 9T2

Plaintiffs

-v-

ATKINSRÉALIS GROUP INC., a legal person incorporated pursuant to the laws of Canada, having its principal place of business at 455 René-Lévesque Boulevard West, in the city and district of Montréal, Province of Québec, H2Z 1Z3

- and -

NEIL BRUCE, residing at Westholme Farm, Goring Heath, Oxfordshire, RG8 7RH, United Kingdom

- and -

SYLVAIN GIRARD, residing at 698 Grosvenor Avenue, in the city of Westmount, Province of Québec, H3Y 2T2

Defendants

REQUEST FOR AUTHORIZATION TO BRING AN ACTION PURSUANT TO SECTION 225.4 OF THE QUÉBEC SECURITIES ACT AND APPLICATION FOR AUTHORIZATION TO INSTITUTE A CLASS ACTION AND TO OBTAIN THE STATUS OF REPRESENTATIVE
(Article 225.4 et seq. Québec Securities Act and Article 574 et seq. CCP)

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TO ONE OF THE JUDGES OF THE SUPERIOR COURT OF QUÉBEC, IN SUPPORT OF THEIR REQUEST FOR AUTHORIZATION TO BRING AN ACTION PURSUANT TO SECTION 225.4 OF THE QUÉBEC *SECURITIES ACT* AND APPLICATION FOR AUTHORIZATION TO INSTITUTE A CLASS ACTION AND TO OBTAIN THE STATUS OF REPRESENTATIVE, THE PLAINTIFFS RESPECTFULLY SUBMIT AS FOLLOWS:

I. DEFINITIONS

1. In this document, in addition to the terms that are defined elsewhere herein, the following terms are defined as follows:
 - (a) “**AMF**” means the Autorité des marchés financiers;
 - (b) “**Baamir Expert Report**” has the meaning given to that term in paragraph 102;
 - (c) “**Bruce**” means the **Defendant**, Neil Bruce;
 - (d) “**CCP**” means the *Code of Civil Procedure*, CQLR c C-25.01, as amended;
 - (e) “**CEO**” means Chief Executive Officer;
 - (f) “**CFO**” means Chief Financial Officer;
 - (g) “**Class**” and “**Class Members**” have the meaning given to those terms in paragraph 21;
 - (h) “**Class Period**” has the meaning given to that term in paragraph 21;
 - (i) “**Codelco**” means Corporación Nacional del Cobre de Chile;
 - (j) “**Codelco Contract**” has the meaning given to that term in paragraph 49;
 - (k) “**Codelco Project**” means the project undertaken by **SNC** for **Codelco** for the construction of acid plants No. 3 and 4 at **Codelco**’s Chuquicamata smelter site in Calama, Chile, which was the subject of an EPC (Engineering, Procurement and Construction) fixed-price contract between **SNC** and **Codelco**;
 - (l) “**DALI Pension Fund**” has the meaning given to that term in paragraph 22;
 - (m) “**DC&P**” means disclosure controls and procedures;
 - (n) “**Defendants**” means **SNC** and the **Individual Defendants**;
 - (o) “**EBIT**” means earnings before interest and taxes;

- (p) “**EBITDA**” means earnings before interest, taxes, depreciation and amortization;
- (q) “**EIMISA**” means Echeverría Izquierdo Montajes Industriales S.A.;
- (r) “**EIMISA Subcontract**” has the meaning given to that term in paragraph 56;
- (s) “**Elitzur Expert Report**” has the meaning given to that term in paragraph 76;
- (t) “**EPS**” means earnings per share;
- (u) “**Excluded Persons**” means the **Defendants**, members of the immediate families of the **Individual Defendants**, and **SNC**’s past and present directors, officers, subsidiaries, affiliates, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns;
- (v) “**February 1, 2019 Agreement**” has the meaning given to that term in paragraph 55;
- (w) “**Gallegos Rojas Sworn Statement**” has the meaning given to that term in paragraph 55;
- (x) “**Girard**” means the **Defendant**, Sylvain Girard;
- (y) “**Girard Transcript**” has the meaning given to that term in paragraph 51;
- (z) “**Graaf Proceeding**” has the meaning given to that term in paragraph 38;
- (aa) “**Hartzmark Expert Report**” has the meaning given to that term in paragraph 133;
- (bb) “**IAS 36**” means IAS 36 – *Impairment of Assets*;
- (cc) “**IAS 37**” means IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*;
- (dd) “**ICFR**” means internal controls over financial reporting;
- (ee) “**IFRS**” means International Financial Reporting Standards;
- (ff) “**IFRS 15**” means IFRS 15 – *Revenue from Contracts with Customers*;
- (gg) “**Individual Defendants**” (each being an “**Individual Defendant**”) means, collectively, **Bruce** and **Girard**;
- (hh) “**Kentz**” means Kentz Corporation Limited;

- (ii) “**Malatrassi Mozó Expert Report**” has the meaning given to that term in paragraph 51;
- (jj) “**MD&A**” means Management’s Discussion and Analysis;
- (kk) “**M&M Division**” means **SNC**’s Mining & Metallurgy division or segment;
- (ll) “**October 29, 2018 Agreement**” has the meaning given to that term in paragraph 61;
- (mm) “**October 9, 2019 Agreement**” has the meaning given to that term in paragraph 57;
- (nn) “**O&G Division**” means **SNC**’s Oil & Gas division or segment;
- (oo) “**Other Securities Legislation**” means, collectively, the *Securities Act*, RSO 1990, c S.5, as amended; the *Securities Act*, RSA 2000, c S-4, as amended; the *Securities Act*, RSBC 1996, c 418, as amended; the *Securities Act*, CCSM c S50, as amended; the *Securities Act*, SNB 2004, c S-5.5, as amended; the *Securities Act*, RSNL 1990, c S-13, as amended; the *Securities Act*, SNWT 2008, c 10, as amended; the *Securities Act*, RSNS 1989, c 418, as amended; the *Securities Act*, S Nu 2008, c 12, as amended; the *Securities Act*, RSPEI 1988, c S-3.1, as amended; the *Securities Act, 1988*, SS 1988-89, c S-42.2, as amended; and the *Securities Act*, SY 2007, c 16, as amended;
- (pp) “**Plaintiffs**” means the Trustees of the Drywall Acoustic Lathing and Insulation Local 675 Pension Fund;
- (qq) “**Q3 2018**” means **SNC**’s quarter ended September 30, 2018;
- (rr) “**Q3 2018 CEO Certification**” means the Form 52-109F2, Certification of Interim Filings, Full Certificate of **Bruce**, communicated herewith as **Exhibit AP-1**;
- (ss) “**Q3 2018 CFO Certification**” means the Form 52-109F2, Certification of Interim Filings, Full Certificate of **Girard**, communicated herewith as **Exhibit AP-2**;
- (tt) “**Q3 2018 Disclosure**” means, collectively:
 - (i) the **MD&A** for **Q3 2018** dated October 31, 2018 and filed on **SEDAR** on November 1, 2018, communicated herewith as **Exhibit AP-3**; and
 - (ii) the interim financial statements for **Q3 2018** dated October 31, 2018 and filed on **SEDAR** on November 1, 2018, communicated herewith as **Exhibit AP-4**;

- (iii) the **Q3 2018 CEO Certification** (Exhibit AP-1); and
- (iv) the **Q3 2018 CFO Certification** (Exhibit AP-2);

in each case, where applicable, including all documents incorporated by reference therein;

- (uu) “**Q3 2018 Public Oral Statements**” means the public oral statements made by **Bruce** on November 1, 2018 cited in paragraph 122 hereof;
- (vv) “**QSA**” means the Québec *Securities Act*, CQLR c V-1.1, as amended;
- (ww) “**Rojas Gaete Sworn Statement**” has the meaning given to that term in paragraph 55;
- (xx) “**Royal Order No. 60245**” has the meaning given to that term in paragraph 12;
- (yy) “**Saudi Arabia**” means the Kingdom of Saudi Arabia;
- (zz) “**SNC**” means the **Defendant**, AtkinsRéalis Group Inc., which was known as SNC-Lavalin Group Inc. prior to its corporate name change on May 16, 2024 and, as the context dictates, its subsidiaries and affiliates, including its wholly-owned Chilean subsidiary, **SNC Chile**;
- (aaa) “**SNC Chile**” means SNC-Lavalin Chile S.A.;
- (bbb) “**SEDAR**” means the system for electronic document analysis and retrieval of the Canadian Securities Administrators;
- (ccc) “**TecnoCorp**” means Sociedad Tecnocys SA, Sociedad Tecnocys Limitada and their subsidiaries and affiliates from time to time; and
- (ddd) “**TSX**” means the Toronto Stock Exchange.

II. OVERVIEW

2. This proposed securities class action concerns:

- (a) SNC’s misrepresentations in its Q3 2018 Disclosure relating to substantial budget overruns and a massive schedule delay on an EPC fixed-price contract that SNC entered into with Chilean state-owned copper producer Codelco for the Codelco Project, leading to a \$346 million loss for SNC; and
- (b) SNC’s misrepresentations in its Q3 2018 Disclosure and the related investor conference call relating to the loss of SNC’s business prospects in Saudi Arabia as a result of Royal Order No. 60245 proclaimed by the King of Saudi Arabia during Q3 2018 on August 6, 2018.

3. These misrepresentations misled SNC's shareholders. The ultimate disclosure in 2019 of: (a) the \$346 million loss on the Codelco Project; and (b) the need for SNC to take a \$1.24 billion write-down of goodwill associated with its O&G Division, which was the historical driver of SNC's work in Saudi Arabia, all of which directly caused substantial decreases in SNC's share price and thereby caused substantial losses to Class Members.
4. All of the subsequently disclosed information leading to the massive share price drops was known to, or reasonably knowable by, SNC in Q3 2018 and should have been disclosed to shareholders at that time, and not kept hidden by SNC until 2019.

1) SNC's misrepresentations in Q3 2018 relating to the Codelco Project in Chile

5. In 2016, SNC entered into an EPC fixed-price contract with Codelco for the Codelco Project, which required SNC to engineer, design and construct two sulphuric acid plants at Codelco's existing Chuquicamata copper smelter facility in Calama, Chile.
6. By the time of the release of the Q3 2018 Disclosure, SNC had lost control of the Codelco Project's budget and schedule, resulting in material adverse financial consequences for SNC.
7. SNC failed to disclose these consequences in its Q3 2018 Disclosure. In fact, it actively concealed them by improperly recognizing revenue on the Codelco Project in Q3 2018, contrary to IFRS accounting standards.
8. Specifically, in the Q3 2018 Disclosure, SNC:
 - (a) improperly recognized US\$50 million (approximately \$65 million) in variable revenue on the Codelco Project in violation of IFRS 15;
 - (b) improperly recognized other revenue on the Codelco Project in violation of IFRS 15;
 - (c) improperly failed to record a material loss provision on the Codelco Project of up to \$346 million in violation of IFRS since SNC knew or reasonably should have known by Q3 2018, and in fact long before then, that it would incur a substantial loss on the Codelco Project;
 - (d) misrepresented that its Q3 2018 financial statements were prepared in accordance with IFRS and fairly presented the financial condition, financial performance and cash flows of SNC;
 - (e) failed to disclose the material operational and contract execution problems which had arisen on the Codelco Project by Q3 2018, which meant that the project would not be completed by SNC's project completion deadline of

October 30, 2018 (and not for at least another 6 months) and that SNC would incur a material loss of hundreds of millions of dollars on the Codelco Project; and

- (f) misrepresented that its ICFR and DC&P were properly designed and operating effectively when, in fact, SNC had a material weakness in the design and operation of ICFR and a significant weakness in the design and operation of DC&P.
9. These misrepresentations led SNC to: (a) materially overstate its financial performance; (b) fail to disclose a material loss; and (c) misstate the quality of its internal controls.
 10. When SNC disclosed the true state of affairs regarding the \$346 million loss on the Codelco Project in public disclosures on January 28, 2019 and February 11, 2019, SNC's share price declined significantly. The Plaintiffs and the Class Members suffered massive losses on their investment in SNC.

2) SNC's misrepresentations in Q3 2018 arising from Saudi Arabia's Royal Order No. 60245 of August 6, 2018

11. On August 2, 2018, the Canadian Foreign Affairs Minister made public statements about human rights issues in Saudi Arabia. These statements were poorly received by Saudi Arabia's rulers, and immediately and adversely impacted diplomatic relations between Canada and Saudi Arabia.
12. Saudi Arabia's retaliatory measures against Canada included the King of Saudi Arabia, King Salman bin Abdulaziz Al Saud, signing Royal Order No. 60245 on August 6, 2018 ("**Royal Order No. 60245**"). It ordered all government and semi-government (state-owned/controlled) entities: (a) not to enter into any new commercial dealings with Canadian companies like SNC; and (b) to investigate the viability of terminating existing commercial dealings with such companies. The import of Royal Order No. 60245 was crystal clear: Canadian businesses were *persona non grata* in Saudi Arabia.
13. Royal Order No. 60245 had a devastating impact on SNC's business in Saudi Arabia. In the lead-up to the events in August 2018, SNC had acquired and developed a very profitable business in Saudi Arabia that was a key component of the company's overall success. SNC's most important customers in Saudi Arabia were state-owned/controlled entities, in particular state-owned/controlled oil and gas companies such as the Saudi Arabian Oil Company (known as Saudi Aramco), the world's largest integrated oil and gas enterprise. These customers were directed by Royal Order No. 60245 not to do future business with Canadian companies, and to investigate the termination of existing business with such companies.
14. SNC had recorded goodwill in its financial statements for the O&G Division that reflected the value of its ongoing and future business in Saudi Arabia with these state-owned/controlled oil and gas companies. However, with the issuance of

Royal Order No. 60245, that value largely evaporated. SNC's business in Saudi Arabia was essentially in run-off or wind-down mode.

15. The effect of Royal Order No. 60245 was immediate and unappealable, but SNC failed to disclose until January 2019 the need to take a \$1.24 billion write-down of goodwill for the O&G Division tied to the value of its Saudi Arabia business.
16. In the Q3 2018 Disclosure, which was the first set of mandatory quarterly disclosures released by SNC after Royal Order No. 60245 was issued, SNC made misrepresentations by: (a) failing to disclose any of the material information about the effect of Royal Order No. 60245 on its Saudi Arabia business; and (b) overstating the goodwill for the O&G Division.
17. In the related Q3 2018 investor conference call on November 1, 2018, SNC's CEO Bruce misrepresented that the souring of diplomatic relations between Canada and Saudi Arabia had no adverse impact on SNC's business and operations in Saudi Arabia, including SNC's ability to secure new work.
18. These representations were false.
19. SNC first disclosed the true impact of Royal Order No. 60245 in a public disclosure on January 28, 2019, when it revealed that SNC was unable to obtain new work in Saudi Arabia consistent with prior expectations, especially in its all-important O&G Division. This resulted in a material deterioration in the O&G Division's expected profitability, which drove a \$1.24 billion impairment charge against the goodwill associated with that division.
20. When the previously undisclosed material facts were revealed on January 28, 2019, there was a substantial drop in the SNC share price and a decline in the market capitalization of SNC of billions of dollars.

III. THE PARTIES

1) The Plaintiffs and the Class

21. The proposed Class and Class Period in this proceeding are defined as follows:

"Class" and **"Class Members"** means all persons and entities, wherever they may reside or be domiciled, other than the Excluded Persons, who acquired SNC's shares in the secondary market during the Class Period and held some or all of such shares through one or both of the following: (i) the release of SNC's news release entitled "SNC-Lavalin announces lower than anticipated Q4 results impacting full year 2018" on January 28, 2019; and (ii) the release of SNC's news release entitled "SNC-Lavalin provides update on new facts about the Mining & Metallurgy project" on February 11, 2019; and

“Class Period” means the period from the time of the release of the Q3 2018 Disclosure on November 1, 2018, to the time of the release of SNC’s news release entitled “SNC-Lavalin provides update on new facts about the Mining & Metallurgy project” on February 11, 2019 (inclusive).

22. The Plaintiffs are the trustees of the Drywall Acoustic Lathing and Insulation Local 675 Pension Fund (**“DALI Pension Fund”**). The DALI Pension Fund is a multi-employer pension plan established on November 1, 1977 for the benefit of its current and retired members and beneficiaries.
23. The Plaintiffs, on behalf of the DALI Pension Fund, purchased 7,160 shares of SNC during the Class Period, and they continued to hold all of those shares at the end of the Class Period, as appears from the Sworn Statement of Lisa Watt sworn February 6, 2026, communicated herewith as **Exhibit AP-5**.
24. The Plaintiffs seek the status of representatives for the Class.
25. The Plaintiffs also seek authorization pursuant to section 225.4 of the QSA and, if necessary, the concordant provisions of the Other Securities Legislation.

2) The Defendant, SNC

26. SNC is a global, fully integrated professional services and project management company and a major player in the ownership of infrastructure. After the events at issue in this proceeding, SNC changed its name to AtkinsRéalis Group Inc.
27. SNC’s principal place of business is located at 455 René-Lévesque Boulevard West, Montréal, Québec, H2Z 1Z3.
28. SNC is a reporting issuer and a responsible issuer in Québec and all other provinces of Canada. The AMF is SNC’s principal regulator.
29. SNC’s shares are listed for trading on the TSX. During the Class Period, SNC’s shares traded under the ticker symbol “SNC” on the TSX. They also traded on other secondary market trading venues in Canada and elsewhere.
30. As a reporting issuer in Québec during the Class Period, SNC was required to issue and file with the AMF and on SEDAR:
 - (a) within 45 days of the end of each quarter, quarterly interim financial statements prepared in accordance with IFRS that must include a comparative statement to the end of each of the corresponding periods in the previous financial year;
 - (b) contemporaneously with the quarterly financial statements, an MD&A of the above financial statements. An MD&A is a narrative explanation of how the company performed during the period covered by the financial statements, and of the company’s financial condition and outlook. The MD&A must

discuss important trends and risks that have affected the financial statements, and trends and risks that are reasonably likely to affect them in future; and

- (c) contemporaneously with the above, certifications from SNC's CEO and CFO certifying their review of the documents and certain other matters.

3) The Individual Defendants

- 31. Bruce was SNC's President and CEO during the Class Period. He was also a director of SNC for that same period. He retired as President and CEO of SNC in June 2019.
- 32. In his capacity as SNC's CEO, Bruce: (a) certified the Q3 2018 Disclosure; and (b) signed the Q3 2018 CEO Certification.
- 33. At all relevant times, Bruce was a director and an officer of SNC within the meaning of the QSA and the Other Securities Legislation, if necessary.
- 34. During the Class Period, Girard was SNC's Executive Vice-President and CFO. Girard departed as CFO in April 2020.
- 35. In his capacity as SNC's CFO, Girard: (a) certified the Q3 2018 Disclosure; and (b) signed the Q3 2018 CFO Certification.
- 36. At all relevant times, Girard was an officer of SNC within the meaning of the QSA and the Other Securities Legislation, if necessary.
- 37. SNC and the Individual Defendants applied for, subscribed to, and received the delivery of insurance contracts in Québec covering their liability for acts, errors, and omissions relating to SNC's operations in Québec and internationally.

IV. PROCEDURAL HISTORY

1) The Graaf Proceeding

- 38. In *Graaf et al v SNC-Lavalin Group Inc et al*, Superior Court of Québec, Court File No. 500-06-000975-199 ("**Graaf Proceeding**"), Plaintiffs Ruediger Martin Graaf and Normand Lafrenière sought authorization to institute a class action against SNC, Bruce and Girard and authorization under section 225.4 of the QSA, as set out in the original Motion for Authorization filed on February 6, 2019, communicated herewith as **Exhibit AP-6**, and the Amended Motion for Authorization filed on October 15, 2019, communicated herewith as **Exhibit AP-7**.
- 39. The Graaf Proceeding included claims against the Defendants for misrepresentations relating to the Codelco Project and SNC's business in Saudi Arabia on behalf of a proposed class that encompassed, but was broader than, the

Class in the present proceeding. The class period in the Graaf Proceeding ran from February 22, 2018 to July 22, 2019.

40. Around the same time that the Graaf Proceeding was commenced, the Plaintiffs herein, on behalf of the DALI Pension Fund, commenced a similar action in the Ontario Superior Court of Justice, Court File No. CV-19-00621334-00CP, seeking similar relief on behalf of a proposed class of shareholders similar to that in the Graaf Proceeding. The class period in the Ontario action ran from February 22, 2018 to August 1, 2019. At the urging of the Defendants, the Plaintiffs agreed to a consent order dismissing its action in Ontario without prejudice to its claims being advanced in the Superior Court of Québec in the Graaf Proceeding. However, unlike Messrs. Graaf and Lafrenière, the Plaintiffs had purchased SNC shares in the class period after the release of the Q3 2018 Disclosure on November 1, 2018.
41. In a judgment dated October 11, 2022 in the Graaf Proceeding (*Graaf c SNC-Lavalin Group Inc*, 2022 QCCS 3727), the authorization judge dismissed the motion for authorization to institute a class action and for authorization under section 225.4 of the QSA. The Québec Court of Appeal upheld the authorization judge's decision on March 8, 2024 (*Graaf c SNC-Lavalin Group Inc*, 2024 QCCA 303) and the Supreme Court of Canada denied leave to appeal on September 26, 2024 (*Ruediger Martin Graaf, et al v AtkinsRéalisis Group Inc. (formerly known as SNC-Lavalin Group Inc) et al*, 2024 CanLII 90830).
42. With respect to the allegations in the Graaf Proceeding of misrepresentations in the Q3 2018 Disclosure and the Q3 2018 Public Oral Statements (being the allegations that correspond to the allegations in the present proceeding), the authorization judge in the Graaf Proceeding did not decide the merits of those allegations, stating that “the Court will not deal with Q3 2018 in relation to the Plaintiffs’ authorization application pursuant to the QSA” (para 314; see also paras 167-172, 191-192 and 350-354).
43. Instead, the authorization judge refused to grant authorization under section 225.4 of the QSA in respect of those allegations because of the particular circumstances of Messrs. Graaf and Lafrenière, holding that those two specific individuals did not have a viable QSA claim based on those allegations because they acquired their SNC shares *before* those alleged misrepresentations were made.
44. The authorization judge did not decide and left open the question of whether authorization under section 225.4 of the QSA could be granted for the Q3 2018 claims if they were brought by a plaintiff who, unlike Messrs. Graaf and Lafrenière, acquired SNC securities during the relevant period, stating that: “[i]t is useful to note that the outcome might possibly be different as to Q3 2018 [...] however, the Court does not consider Q3 2018 to be relevant to the claim of either of the Plaintiffs [Messrs. Graaf and Lafrenière], given the timing of their acquisition and partial divesting of their shares in SNC” (paras 332, 334).

45. The DALI Pension Fund is precisely such a class member as contemplated by the authorization judge in the Graaf Proceeding. The Plaintiffs and the Class Members in the present proceeding acquired SNC securities *after* the release of the Q3 2018 Disclosure and the making of the Q3 2018 Public Oral Statements.
46. The authorization judge's decision in the Graaf Proceeding did not address the issue of whether the QSA claims of the Plaintiffs and the Class Members asserted in the present proceeding have a reasonable possibility of success within the meaning of section 225.4 (paragraph 3) of the QSA.

2) The suspension of prescription

47. Pursuant to section 235 of the QSA and/or article 2908 of the CCQ, the prescription provided for in section 235 of the QSA in respect of the Plaintiffs' and Class Members' claims under Title VIII, Chapter II, Division II of the QSA was suspended by the filing of the request for authorization under section 225.4 of the QSA on February 6, 2019. That suspension continued until September 26, 2024 when the Supreme Court of Canada refused leave to appeal and, accordingly, the authorization judge's decision on the request for authorization could no longer be appealed.
48. The claims of the Plaintiffs and Class for misrepresentation under the QSA asserted herein are, therefore, well within the time to bring an action under section 235 of the QSA.

V. THE CODELCO PROJECT: BACKGROUND AND MISREPRESENTATIONS

1) Background on the Codelco Project

49. On November 3, 2016, SNC entered into an EPC fixed-price contract with Codelco for the Codelco Project, as appears from the contract between SNC Chile and Codelco dated November 3, 2016, as amended ("**Codelco Contract**") and the certified English translation of the contract, communicated herewith as **Exhibit AP-8 en liasse**.
50. An EPC fixed-price contract is a contract with a client (Codelco, in this case) under which the contractor (SNC, in this case) provides engineering services and materials, provides or fabricates equipment, and undertakes construction activities for a lump-sum price.
51. Under the terms of the Codelco Contract, SNC was entitled to fixed compensation of approximately US\$175 million. Because the Codelco Contract was for a fixed price, SNC was responsible for any cost overruns to complete the Codelco Project, absent contract modifications or reimbursement from successful claims for compensation against Codelco or other parties, all as appears from the Codelco Contract (Exhibit AP-8), the transcript of the cross-examination of Sylvain Girard on September 18, 2020 in the action in the Ontario Superior Court of Justice under Court File No. CV-19-00621334-00CP ("**Girard Transcript**"), communicated

herewith as **Exhibit AP-9**, and the Expert Report of Guillermo Malatrassi Mozó dated October 7, 2025, communicated herewith as **Exhibit AP-10** ("**Malatrassi Mozó Expert Report**").

52. Codelco undertook the Codelco Project to comply with Chilean emissions standard DS No. 28, which was passed in 2013 and had to be complied with by December 12, 2018.
53. The Codelco Project involved the construction of two complex acid plants (acid plants 3 and 4) to reduce emissions which were emitted from the old acid plants that were part of Codelco's large copper smelters at the Chuquicamata mining complex in northern Chile, one of the largest copper mining and smelting complexes not only in Chile but in the world.
54. The 2013 law mandated that all copper smelters in Chile must comply with new emission standards by December 12, 2018.
55. If the Codelco Project was not completed by December 12, 2018, Codelco's smelting operations would have to be suspended until the Codelco Project was completed and its emissions were compliant with DS No. 28. Consequently, the contractual arrangement between SNC and Codelco was subject to stringent deadlines, as appears from the Codelco Contract (Exhibit AP-8), the Girard Transcript (Exhibit AP-9), the Sworn Statement of Nelson Gallegos Rojas sworn October 21, 2025 ("**Gallegos Rojas Sworn Statement**"), Spanish original and a certified English translation, communicated herewith as **Exhibit AP-11 en liasse**, the Sworn Statement of Sergio Rojas Gaete sworn October 21, 2025 ("**Rojas Gaete Sworn Statement**"), Spanish original and a certified English translation, communicated herewith as **Exhibit AP-12 en liasse**, and the agreement between SNC Chile, SNC-Lavalin Inc. and Codelco dated February 1, 2019 ("**February 1, 2019 Agreement**"), communicated herewith, under seal, as **Exhibit AP-13**.
56. To meet the deadline for compliance with emissions standards, the Codelco Contract contained several key construction milestones, including a mechanical completion deadline of July 31, 2018. After mechanical completion, SNC was required to commission the two acid plants and conduct performance testing by October 30, 2018, which would afford Codelco sufficient time to complete the necessary final steps in advance of the December 12, 2018 regulatory deadline, all as appears from the Codelco Contract (Exhibit AP-8), and the subcontract between EIMISA and SNC Chile dated January 27, 2017 ("**EIMISA Subcontract**") and the certified English translation of the subcontract, communicated herewith as **Exhibit AP-14 en liasse**.
57. If SNC did not meet the stringent contractual deadlines imposed by Codelco, it would be subject to liquidated damages and other claims from Codelco, all as appears from the Codelco Contract (Exhibit AP-8), the Girard Transcript (Exhibit AP-9), the February 1, 2019 Agreement (Exhibit AP-13 filed under seal), Codelco's termination letter to SNC dated January 29, 2019 and the certified English

translation of the letter, communicated herewith as **Exhibit AP-15 en liasse**, and the agreement between SNC Chile, SNC-Lavalin Inc. and Codelco dated October 9, 2019 ("**October 9, 2019 Agreement**") and the certified English translation of the agreement, communicated herewith as **Exhibit AP-16 en liasse**.

58. In early 2017, SNC selected an experienced Chilean construction company EIMISA as its main construction subcontractor for the Codelco Project, as appears from the EIMISA Subcontract (Exhibit AP-14).
59. However, after the Codelco Project fell substantially behind schedule, and it was clear that SNC could not complete the Codelco Project by the contract deadline, SNC retained other subcontractors in June and July 2018, including TecnoCorp and Promet, in an attempt to complete the contract. Those other subcontractors were retained at considerable additional cost for which SNC was solely responsible under the fixed-price Codelco Contract.

2) SNC's disastrous execution of the Codelco Project

60. SNC's execution of the Codelco Project was marred by problems and errors throughout, causing significant delays and substantial cost overruns. These problems and errors occurred from the outset, including in the bidding process in advance of entering into the Codelco Contract.
61. These problems and errors included, among other things, the following:
 - (a) SNC was desperate to acquire the contract for the Codelco Project, and prepared an aggressive bid with a tight profit margin. For example, during the bidding process, SNC underestimated the materials and equipment required for the Codelco Project, which meant that SNC underestimated the costs to complete the Codelco Project. Codelco even pointed out many of these underestimations to SNC during the bidding process, but SNC did not change its bid and accepted responsibility for the negative cost implications of these underestimations;
 - (b) SNC also underestimated the construction costs to complete the Codelco Project, including the costs of materials, equipment, tools and labour;
 - (c) SNC was late in delivering engineering plans to EIMISA;
 - (d) SNC contracted with a Japanese company to manufacture major equipment for the Codelco Project at a facility in China, but the equipment did not comply with the required technical specifications, which required SNC to have the equipment re-manufactured at substantial additional cost to SNC, and which led to a lengthy delay in the project;
 - (e) there were delays in the fabrication, assembly and installation of the gas supports and ducts (large metal tubes constructed out of steel), which conveyed gases throughout the new acid plants. The delay arose in part

because of the delay in the construction of the physical building structure, which had to be completed before the gas supports and ducts could be installed. There were also delays in the fabrication of the ducts, in part, because of SNC's delays in providing the engineering plans to the fabricator. They had originally been fabricated in Santiago and shipped to Chuquicamata by TPI, but they subsequently had to be fabricated in Calama by TecnoCorp. Because the installation of the gas supports and ducts was a task on the critical path for the Codelco Project, these delays held up the progress of the entire project;

- (f) new acid plants 3 and 4 were being constructed near existing acid plants, which continued to operate throughout much of the period during which the new acid plans were under construction. This meant that there was pollution in the air, requiring safety precautions such as: (i) workers using cumbersome personal protective equipment (e.g., full face masks and protective clothing), (ii) workers taking extended breaks because they had to remove all of their protective equipment and be transported to authorized eating areas, (iii) workers having to shower at the end of the day before leaving the work site, and (iv) regular site evacuations when the pollution reached unsafe levels. This severely constrained the effective working hours during shifts and the productivity of the workers during those working hours. Codelco identified these adverse site conditions to SNC in the technical specifications for the Codelco Project, but SNC failed to address this issue when planning and budgeting for the Codelco Project at the outset of the process;
- (g) the construction site was very confined, which limited the number of workers and equipment that could effectively and safely work on site;
- (h) SNC had a poor relationship with EIMISA, and SNC failed to manage and correct the underperformance by EIMISA on the project;
- (i) there was poor coordination between SNC personnel in Chile and Canada;
- (j) there was poor organization at the construction site by SNC and its subcontractors; and
- (k) SNC's Chilean operations faced financial solvency problems because of the financial challenges on the Codelco Project. As a result, there were disputes between SNC and its subcontractors, including EIMISA, because SNC did not pay them in a timely fashion, and at certain points in time, Codelco had to intervene and deal directly with the subcontractors;

all as appears from:

- (a) the Girard Transcript (Exhibit AP-9);

- (b) a May 29, 2018 letter from SNC Chile to EIMISA and an English translation, communicated herewith as **Exhibit AP-17 en liasse**;
 - (c) SNC's Q2 2018 Position Paper dated July 9, 2018, communicated herewith, under seal, as **Exhibit AP-18**;
 - (d) SNC's Q3 2018 Position Paper dated October 23, 2018, communicated herewith, under seal, as **Exhibit AP-19**;
 - (e) an agreement between SNC and Codelco dated October 29, 2018 ("**October 29, 2018 Agreement**"), communicated herewith as **Exhibit AP-20**;
 - (f) Codelco's termination letter to SNC dated January 29, 2019 (Exhibit AP-15);
 - (g) Codelco's termination letter to SNC dated March 25, 2019 and a certified English translation, communicated herewith as **Exhibit AP-21 en liasse**;
 - (h) an April 5, 2019 letter from Nelson Pizarro Contador to the Board of Directors of Codelco and a certified English translation, communicated herewith as **Exhibit AP-22 en liasse**;
 - (i) the Gallegos Rojas Sworn Statement (Exhibit AP-11 *en liasse*);
 - (j) the Rojas Gaete Sworn Statement (Exhibit AP-12 *en liasse*); and
 - (k) the Sworn Statement of Eduardo Simian Déjean sworn November 4, 2025, communicated herewith as **Exhibit AP-23**.
62. In Q3 2018, the problems with the Codelco Project and their financial repercussions were known to the Defendants. The Codelco Project was significantly behind schedule (by 8 months or more) and there was no realistic possibility that SNC would meet its contractual deadlines, despite SNC undertaking acceleration measures at a substantial cost to try to speed up completion of the Codelco Project, all as appears from the documents referred to in paragraph 61 above.
63. The missed deadlines exposed SNC to significant liquidated damages claims and the risk that it would not be paid its fixed price for completing the Codelco Project, as appears from the Codelco Contract (Exhibit AP-8), the Girard Transcript (Exhibit AP-9), the October 29, 2018 Agreement (Exhibit AP-20), and the October 9, 2019 Agreement (Exhibit AP-16).
64. By Q3 2018, SNC incurred substantial cost overruns on the Codelco Project. SNC's actual foreseeable costs to complete the Codelco Project were up to \$346 million, as appears from the documents referred to in paragraph 61 above.

65. Rather than disclosing these facts, SNC improperly *recognized* revenue from the Codelco Project in Q3 2018, including US\$50 million in variable revenue, which had the effect of concealing the massive cost overrun and the expected loss of up to \$346 million.
66. SNC recognized the US\$50 million in variable revenue in Q3 2018 based on either:
- (a) a purported *verbal* commitment from Codelco to SNC to convert the fixed-price Codelco Contract into a “time and materials” contract, or for Codelco to otherwise assume responsibility for SNC’s past and future cost overruns, including those arising from EIMISA. However, Codelco never made any such verbal commitment, as appears from the Rojas Gaete Sworn Statement (Exhibit AP-12 *en liasse*).

Further, SNC’s reliance on an alleged verbal commitment as modifying the terms of the fixed-price Codelco Contract was contrary to both Chilean law and industry practice in Chile, as appears from the Malatrassi Mozó Expert Report (Exhibit AP-10).

- (b) a purported written contract that converted the fixed-price Codelco Contract into a “time and materials” contract or otherwise made Codelco responsible for SNC’s past and future cost overruns, including those arising from EIMISA.

There was no such written contract.

In fact, before the release of the Q3 2018 Disclosure, SNC signed the October 29, 2018 Agreement (Exhibit AP-20), which provided that SNC remained responsible for the costs of the Codelco Project. That included SNC’s responsibility for costs that exceeded the fixed price of the Codelco Contract (subject to future renegotiations or successful litigation claims for compensation).

SNC senior management in Canada, including Jose Suarez (President of the M&M Division) and William Harroun (Senior Vice President, Project Management and Services), were aware of the terms of the agreement when it was signed.

That outcome reflected in the October 29, 2018 Agreement was consistent with the terms of a draft memorandum of understanding (titled “Summary of Meeting between SNC and Codelco 20 October, 2018”), attached to SNC’s Q3 2018 Position Paper dated October 23, 2018 (Exhibit AP-19 under seal) provided by Codelco to SNC on or around October 22, 2018, as appears from the Malatrassi Mozó Expert Report (Exhibit AP-10).

SNC senior management in Canada, including Mr. Suarez, Mr. Harroun, Olivier D’Ambra (Senior Vice President and Corporate Controller) and

Charles Nieto (Vice-President, Legal Affairs, M&M Division), were aware of the terms of the draft memorandum of understanding.

67. On a conference call with analysts on January 28, 2019 after the problems with the Codelco Project were first disclosed to investors, Bruce stated that one of the issues with the Codelco Project was that SNC had “gone out on a limb” and made agreements with subcontractors and the supply chain in an effort to meet project deadlines, which was outside of the scope of the Codelco Contract.
68. Without Codelco’s approval of the contract modification, SNC was unable to recognize revenue related thereto pursuant to IFRS 15, as appears from a transcript of the conference call, communicated herewith as **Exhibit AP-24**, a transcript of SNC’s conference call with investors on February 22, 2019 discussing the annual results, communicated herewith as **Exhibit AP-25**, and the Malatrassi Mozó Expert Report (Exhibit AP-10).
69. By a letter dated March 25, 2019, Codelco advised SNC that it was terminating the Codelco Contract because SNC had “seriously and repeatedly breached” its contractual obligations, as appears from the Spanish original of the letter and a certified English translation (Exhibit AP-21 *en liasse*).
70. On March 25, 2019, Codelco publicly announced the contract termination, stating that it was due to SNC’s “serious breach in the contractual milestones” and that “[a]mong the breaches are delayed payments to subcontractors, delays in project execution and issues with the quality of the works, among others”, as appears from a statement issued by Codelco on March 25, 2019 and a certified English translation, communicated herewith as **Exhibit AP-26 en liasse**.
71. SNC later confirmed the cancellation in a news release issued on March 25, 2019, communicated herewith as **Exhibit AP-27**.
72. In a news release issued by SNC on October 11, 2019 entitled “SNC-Lavalin reaches settlement with Codelco on Acid Plant Project, further de-risking the Lump-Sum Turnkey backlog”, communicated herewith as **Exhibit AP-28**, SNC announced that it had reached a full and final settlement with Codelco following Codelco’s decision to terminate the Codelco Contract. The news release did not indicate that SNC had achieved any recoveries on its claims against Codelco, as had been suggested in SNC’s news releases dated February 11, 2019 and March 25, 2019.
73. As is apparent from the October 9, 2019 Agreement (Exhibit AP-16 *en liasse*), SNC did not in fact achieve any recoveries on its claims.

3) Material weakness in ICFR and significant weakness in DC&P

74. The fundamental purpose of DC&P and ICFR is to ensure the integrity of a company’s financial reporting and instill investor confidence in the reliability of a

company's disclosures. The existence of DC&P and ICFR that are properly designed and operating effectively is, therefore, of utmost importance to investors.

75. SNC had a material weakness in its ICFR and a significant weakness in its DC&P. Those weaknesses existed before SNC filed its Q3 2018 Disclosure, as appears from the Girard Transcript (Exhibit AP-9).
76. The weaknesses in SNC's ICFR and DC&P, among other things, resulted in SNC failing to prevent or detect the improper recognition of revenue on the Codelco Project in Q3 2018, including the US\$50 million in variable revenue from the Codelco Project contrary to the terms of the Codelco Contract (and amendments thereto), and its failure to record a loss provision on the Codelco Project, and, as it pertained to SNC's Saudi Arabia business, its failure to record a \$1.24 billion goodwill impairment triggered by Royal Order No. 60245, as appears from the Expert Report of Professor Ramy Elitzur, Ph.D. dated November 17, 2025 ("**Elitzur Expert Report**"), communicated herewith as **Exhibit AP-29**.
77. After the Class Period, on February 22, 2019, SNC filed its financial statements and accompanying MD&A for the quarter and year ended December 31, 2018, and issued a related news release, communicated herewith as **Exhibit AP-30**, **Exhibit AP-31**, and **Exhibit AP-32**, respectively.
78. The MD&A confirmed the existence of a material weakness in ICFR and a significant weakness in DC&P related to the Codelco Project. The MD&A stated that:

Based on these evaluations, the CEO and the CFO have concluded that, as at December 31, 2018, **the Company did not maintain effective controls over the reporting of forecasted costs and revenues of a major project in the Mining & Metallurgy segment. Specifically, the Company's controls over the reporting of estimated costs and related assessment of variable consideration were not operating effectively because project management did not appropriately consider the terms and conditions of the project contract and their impact on the overall project forecast. Additionally, the CEO and the CFO noted that there was no compensating control that detected the control deficiencies on a timely basis.** The control deficiencies did not result in any material adjustment to the 2017 annual or 2018 interim consolidated financial statements. However, in light of the overall magnitude of the project these control deficiencies could have resulted in a misstatement to the estimated costs to complete this contract and its related variable consideration resulting in a material misstatement to the interim financial statements that would not be prevented or detected. Accordingly, management determined that these control deficiencies constitute a "material weakness" (as that term is defined in NI 52-109) relating to the operational effectiveness of the Company's internal control over financial reporting as at December 31, 2018.

Furthermore, in light of the substantial overlap in the definitions of disclosure controls and procedures and internal control over financial reporting contained in NI 52-109, **the CEO and the CFO have also concluded that this material weakness in the Company's internal control over financial reporting also represented a weakness relating to the operation of the Company's disclosure controls and procedures that was significant and existing as at December 31, 2018**, such that there was a reasonable possibility that the Company would not disclose material information required to be disclosed under applicable securities legislation within the time periods specified in such legislation. Accordingly, management could not conclude that the Company's disclosure controls and procedures were effective as at December 31, 2018.

[Emphasis added]

79. In that MD&A, SNC also stated that it had implemented various remediation measures to address its control deficiencies, including: (a) the creation of appropriate compensating controls to ensure forecasted costs and revenues were adequately controlled and communicated on a timely basis; (b) a detailed review of costs on the Codelco Project incurred to date; (c) a detailed review of the estimated costs to complete the Codelco Project; (d) a review of the Codelco Project terms and conditions; and (e) experienced personnel and specialists were assigned to the Codelco Project team. These are all measures that should already have been in place during the Class Period.

4) Misrepresentations related to the Codelco Project

(a) Improper revenue recognition

80. In SNC's MD&A and financial statements for Q3 2018, SNC reported revenue (including revenue broken down for the M&M Division which was responsible for the Codelco Project), as well as various financial performance measures that depended on the revenue, such as adjusted diluted EPS from its engineering and construction business, EBIT (including EBIT per business segment), EBITDA, and net income or net loss attributable to shareholders (including for its engineering and construction business specifically).
81. These financial disclosures were misrepresentations.
82. In Q3 2018, SNC recognized revenue from the Codelco Project that was artificially inflated by a material amount due to the inclusion of US\$50 million in variable revenue that did not meet the IFRS requirement that it be "highly probable" that a significant reversal of the recognized revenue would not occur, as appears from the Elitzur Expert Report (Exhibit AP-29).
83. In Q3 2018, SNC also improperly recognized other revenue on the Codelco Project due to performance obligations not being satisfied, the inability to reliably measure

progress on the project, and the absence of an enforceable right to payment, as appears from the Elitzur Expert Report (Exhibit AP-29).

84. If SNC had not improperly included the US\$50 million in variable revenue and other revenue from the Codelco Project in its Q3 2018 financial disclosures, revenue, adjusted diluted EPS from its engineering and construction business, EBIT (including EBIT per business segment), EBITDA, and net income or net loss attributable to shareholders would have been materially lower. That includes the reduction of \$181.4 million in reported revenue attributable to SNC's M&M Division by at least US\$50 million.

(b) Failure to record a material loss provision

85. In SNC's MD&A and financial statements for Q3 2018, SNC reported various financial performance measures, including adjusted diluted EPS from its engineering and construction business, EBIT (including EBIT per business segment), EBITDA, net income or net loss attributable to shareholders (including for its engineering and construction business specifically), and capitalized losses.
86. These financial disclosures were misrepresentations.
87. SNC's cost of meeting its contractual obligations to Codelco exceeded the economic benefits it expected to receive. Therefore, pursuant to IAS 37, SNC had to record a loss provision of at least \$82 million and up to \$346 million in its Q3 2018 financial statements and MD&A, as appears from the Elitzur Expert Report (Exhibit AP-29). SNC failed to do so in its Q3 2018 report and only disclosed the massive loss on the Codelco Project in its January 28, 2019 and February 11, 2019 disclosures.
88. If SNC had properly recorded a loss provision, adjusted diluted EPS from its engineering and construction business, EBIT (including EBIT per business segment), EBITDA, and net income or net loss attributable to shareholders, would have been materially lower than what was disclosed to investors. For instance, SNC's Q3 2018 financial statements and MD&A recorded a negative quarterly EBIT of \$3.3 million and a cumulative positive EBIT for the nine months ended September 30, 2018 of \$3.7 million, which would have been lower by up to \$346 million.

(c) Non-compliance with IFRS and failure of fair presentation

89. The Q3 2018 Disclosure represented that:
- (a) SNC's financial statements had been prepared in accordance with IFRS;
 - (b) SNC's financial statements fairly presented in all material respects the financial condition, financial performance and cash flows of SNC;

- (c) SNC was applying a revenue recognition policy that was consistent with IFRS, including that it recognized revenue over time using an input method, based on costs incurred to date relative to total estimated costs at completion, to measure progress toward satisfying performance obligations;
 - (d) SNC was complying with IFRS rules with respect to the recognition of revenue arising from contract modifications;
 - (e) SNC had updated and implemented revised procedures and controls in order to meet the requirements of IFRS 15; and
 - (f) SNC was complying with IAS 37.
90. Those representations were false. The Q3 2018 Disclosure did not comply with IFRS, including IFRS 15 and IAS 37. SNC improperly recorded revenue and failed to take a loss provision related to the Codelco Project, as appears from the Elitzur Expert Report (Exhibit AP-29).

(d) Material operational and execution problems

91. SNC's MD&A for the full year ended December 31, 2017, communicated herewith as **Exhibit AP-33**, represented that SNC was "continuing our progress in operational excellence" and that SNC was sustainably and profitably growing by maintaining "world-class" practices related to governance and business de-risking. That MD&A was incorporated by reference into the Q3 2018 MD&A.
92. Those statements were misrepresentations. As described at paragraphs 60 to 73, by Q3 2018, SNC had experienced material operational and execution problems on the Codelco Project and, therefore, was not continuing its progress in operational excellence and was not maintaining "world-class" practices related to governance and business de-risking.
93. Further or in the alternative, it was an omission of a material fact for the Defendants to fail to disclose these material operational and execution problems in the Q3 2018 MD&A.

(e) ICFR and DC&P weaknesses

94. SNC's MD&A for Q3 2018 stated that:

The Company's Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") are responsible for establishing and maintaining the Company's disclosure controls and procedures as well as its internal control over financial reporting, as those terms are defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109") of the Canadian securities regulatory authorities.

The CEO and CFO have designed disclosure controls and procedures, or caused them to be designed under their supervision, to provide reasonable assurance that:

- › Material information relating to the Company is made known to them by others, particularly during the period in which the interim filings are being prepared; and
- › Information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

The CEO and CFO have also designed internal control over financial reporting, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

95. In the MD&A for Q3 2018, SNC also stated that there had been no changes in its ICFR that occurred during the most recent reporting period that materially affected or was reasonably likely to materially affect SNC's ICFR, other than in relation to its Linxon acquisitions (which were unrelated to the Codelco Project).
96. Additionally, under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, Bruce signed the Q3 2018 CEO Certification and Girard signed the Q3 2018 CFO Certification certifying, among other things, that:
- (a) such documents did not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made;
 - (b) they were responsible for establishing and maintaining SNC's DC&P and ICFR;
 - (c) they had designed DC&P, or caused it to be designed under their supervision, to provide reasonable assurance that material information relating to SNC was made known to them by others, particularly during the period in which the documents were being prepared, and information required to be disclosed by SNC in its annual filings, interim filings or other reports filed or submitted under securities legislation was recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - (d) they had designed ICFR, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of

financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

97. The Q3 2018 Disclosure contained misrepresentations because:
- (a) SNC's ICFR was not designed to provide, and did not provide, reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS with respect to the Codelco Project, as appears from the Elitzur Expert Report (Exhibit AP-29);
 - (b) further or in the alternative, SNC's DC&P was not designed to provide, and did not provide, reasonable assurance that material information with respect to the Codelco Project was made known to Bruce and Girard, or that the information required to be disclosed in SNC's periodic financial reporting with respect to the Codelco Project was disclosed within the relevant time periods, as appears from the Elitzur Expert Report (Exhibit AP-29); and
 - (c) further or in the alternative, it was an omission of a material fact for the Defendants to fail to disclose in the MD&A for Q3 2018 that SNC had a material weakness relating to the operation of its ICFR and a significant weakness relating to the operation of its DC&P with respect to the Codelco Project, which existed at the time of the release of the MD&A for Q3 2018, as appears from the Elitzur Expert Report (Exhibit AP-29).
98. SNC directly or indirectly admitted these weaknesses in its post-Class Period disclosures as described above.

VI. SAUDI ARABIA BUSINESS: BACKGROUND AND MISREPRESENTATIONS

1) SNC's business in Saudi Arabia before the issuance of Royal Order No. 60245

99. On June 23, 2014, SNC announced its plans to acquire Kentz, a global oil and gas services company with a significant presence in Saudi Arabia. After its acquisition, Kentz was mainly incorporated into SNC's O&G Division. The former Chief Executive Officer of Kentz, Christian Brown, became the President of SNC's O&G Division.
100. SNC's Saudi Arabia business was critically important to SNC's overall financial success. In 2016 and 2017, and in the three-month period ended June 30, 2018, just prior to the issuance of Royal Order No. 60245, Saudi Arabia was one of only four countries from which SNC derived more than 10% of its revenues, all as appears from SNC's MD&A for the period ended December 31, 2017 (Exhibit AP-31), SNC's financial statements for the period ended December 31, 2017, communicated herewith as **Exhibit AP-34**, and SNC's financial statements for the period ended June 30, 2018, communicated herewith as **Exhibit AP-35**.

101. Prior to the issuance of Royal Order No. 60245, SNC's key customers in Saudi Arabia included government and semi-government (state-owned/controlled) entities, including:

- (a) the Saudi Arabian Oil Company (known as Saudi Aramco);
- (b) Saudi Basic Industries Corporation (known as SABIC);
- (c) Saudi Arabian Mining Company (known as Maaden);
- (d) the National Water Company;
- (e) Saudi District Cooling Company (known as Saudi Tabreed) (including Saudi Dhahran Cooling Company, Central District Cooling Company and Saudi Riyadh Cooling Company); and
- (f) Khafji Joint Operations (a joint venture between Aramco Gulf Operations Company and Kuwait Gulf Oil Company);

as appears from the bundle of SNC news releases, SNC's Investor Day presentation dated September 2017, and other news releases and news articles, communicated herewith as **Exhibit AP-36 en liasse**.

102. The driver of SNC's critically important Saudi Arabia business was work in the oil and gas industry with state-owned/controlled companies, including in particular:

- (a) Saudi Aramco, which was at all material times (and is) Saudi Arabia's national oil company and the world's largest integrated oil and gas enterprise. At the time when Royal Order No. 60245 was issued, Saudi Aramco was fully state-owned. Since Saudi Aramco's IPO in 2019, the government of Saudi Arabia owns 98.5% and manages it as a state-owned company. Saudi Aramco played, and continues to play, a significant role in both the domestic economy in Saudi Arabia and the global energy market, making it the most strategically important business entity in the Kingdom; and
- (b) SABIC, which was at all material times (and is) among the world's largest petrochemical producers. As a majority-owned subsidiary of Saudi Aramco, it operated (at the time of Royal Order No. 60245) and continues to operate under the umbrella of state ownership and control;

as appears from the bundle of SNC news releases, SNC's Investor Day presentation dated September 2017, and other news releases and news articles, (Exhibit AP-36 *en liasse*), and the Expert Report of Dr. Abdulrahman Yahya Baamir dated August 6, 2025 ("**Baamir Expert Report**"), communicated herewith as **Exhibit AP-37**.

2) Royal Order No. 60245 and its impact on SNC

103. On August 2, 2018, the Canadian Foreign Affairs Minister made public statements via social media that two human rights activists jailed in Saudi Arabia should be immediately released.
104. On August 5, 2018, the Canadian embassy in Saudi Arabia translated the statement into Arabic and re-posted it.
105. Following the August 5, 2018 re-posting, Saudi Arabia recalled its ambassador to Canada and barred Canada's diplomatic envoy from returning to Saudi Arabia.
106. In addition, on August 6, 2018, the King of Saudi Arabia signed Royal Order No. 60245, which ordered as follows with immediate effect (as appears from the Arabic original of Royal Order No. 60245 and the certified English translation, attached as Appendix 2 to the Baamir Expert Report (Exhibit AP-37)):

We have reviewed what has been issued by the Canadian Foreign Minister and the Canadian Embassy in the Kingdom regarding what she has called civil society activists, who have been arrested in the Kingdom and whom she urges the authorities in the Kingdom to release immediately.

You are hereby instructed to refrain from any new commercial dealings with Canadian companies or entities, examine all procedures necessary to stop existing dealings, identify available alternatives, report on that, and complete all actions necessary in regards thereto.

[Emphasis added]

107. Under the law in Saudi Arabia, Royal Order No. 60245 was an instrument of the sovereign will and carried the unchallengeable highest legal authority, as appears from the Baamir Expert Report (Exhibit AP-37).
108. As a result of the issuance of Royal Order No. 60245: (a) SNC was unable to secure new contracts in Saudi Arabia from government and semi-government (state-owned/controlled) entities; and (b) its existing contractual arrangements with such entities were to be reviewed and terminated where viable alternatives existed.
109. Royal Order No. 60245 applied to SNC's key customers identified in paragraph 101 above, including the key oil and gas customers, Saudi Aramco and SABIC, all as appears from the Baamir Expert Report (Exhibit AP-37).
110. The effect of Royal Order No. 60245 was immediate and unappealable, all as appears from the Baamir Expert Report (Exhibit AP-37). SNC knew or ought to have known that its impact on SNC's business and operations in Saudi Arabia was profound. SNC's prospects in Saudi Arabia had been devastated with the stroke of the "Royal Pen".

111. The impact of Royal Order No. 60245 in profoundly changing SNC's Saudi Arabia business was evidenced by, without limitation, the fact that, on or around December 10, 2018, SNC applied directly to the King of Saudi Arabia for a waiver from Royal Order No. 60245, as appears from the Arabic original of SNC's application and the certified English translation, communicated herewith as **Exhibit AP-38 en liasse**. In its application, SNC acknowledged that it had already felt the effect of Royal Order No. 60245. The application stated that:

King Salman bin Abdulaziz Al Saud, may Allah protect and bless you, we are aware of Royal Order No. 60245 issued on Dhul Qadah 24, 1439 A.H. [08/06/2018 A.D.], which stipulates the suspension of any new business dealings with Canadian companies or entities. **We have begun feeling the impact of the implementation and application of this Royal Decree to our local Saudi companies. Indeed, we have begun noticing that we are not included in some tenders, or not winning or implementing some important projects that we have all of the capabilities to implement locally.** To that end, we respectfully ask Your Majesty to order that our local Saudi companies be exempted from this decision, and that any ban on them be lifted, because our Saudi companies were incorporated in accordance with the foreign investment regulations in Saudi Arabia, with the participation of Saudi partners as well as other investors from the UK and Canada.

[...]

King Salman bin Abdulaziz Al Saud, may Allah protect and bless you, we are respectfully presenting you with this request in the hopes that you will order the removal of any restrictions on the SNC-Lavalin's Saudi group of companies and subsidiaries. **Such a directive from Your Majesty would enable us to obtain new contracts, move forward with existing key projects, and continue developing our business in the Kingdom** to meet the Kingdom's needs and contribute to its national economy in all fields, thus increasing employment and training opportunities for talented Saudi men and women in all fields, including engineering, technology, the oil and gas business, and the other areas of expertise that our companies possess.

[Emphasis added]

112. In SNC's annual financial statements for the period ended December 31, 2018 released on February 22, 2019 (Exhibit AP-29), SNC stated that the O&G Division goodwill was impaired *as at October 31, 2018*. This statement constitutes an admission by SNC that the facts indicating a material decline in the future prospects of the O&G Division in Saudi Arabia were in existence as of October 31, 2018, the day *before* the release, on November 1, 2018, of the Q3 2018 Disclosure and the Q3 2018 Public Oral Statements, and many months before the first corrective disclosure on January 28, 2019.

113. The O&G Division goodwill was also impaired in Q3 2018, as appears from the Elitzur Expert Report (Exhibit AP-29).
114. On a conference call with analysts on January 28, 2019, Bruce confirmed that the goodwill impairment was driven by the inability to secure work in Saudi Arabia, stating that SNC was securing work in Saudi Arabia “up until — round about October-November [2018] time”, as appears from a transcript of the conference call (Exhibit AP-24).
115. SNC’s business in Saudi Arabia did not recover from the issuance of Royal Order No. 60245. Its oil and gas business, including in Saudi Arabia, continued to decline throughout the remainder of 2019 and into 2021.
116. In 2021, SNC sold its oil and gas business, including the business in Saudi Arabia, as appears from news releases issued by SNC on February 9, 2021 and August 16, 2021, communicated herewith as **Exhibit AP-39** and **Exhibit AP-40**, respectively.

3) Misrepresentations regarding SNC’s business in Saudi Arabia

(a) O&G Division goodwill impairment

117. Under IAS 36, the issuance of Royal Order No. 60245 on August 6, 2018 was an impairment indicator that required SNC to estimate the recoverable amount of the O&G Division in Q3 2018 and, if it was lower than the carrying amount of the O&G Division, to recognize an impairment loss in SNC’s financial statements for Q3 2018, with a corresponding reduction in the carrying amount of goodwill in SNC’s financial statements. If that impairment test had been conducted, it would have shown that SNC was required to recognize a \$1.24 billion impairment of its goodwill in the Q3 2018 financial statements.
118. Instead, SNC’s Q3 2018 interim financial statements stated that the carrying amount of its goodwill as of September 30, 2018 was \$6,227,683,000, with \$2,762,396,000 of that goodwill allocated to its O&G Division, as appears from the interim financial statements (Exhibit AP-4).
119. These statements were misrepresentations because the O&G Division goodwill was impaired by \$1.24 billion in Q3 2018 and, therefore, the interim financial statements materially overstated the goodwill by \$1.24 billion, as appears from the Elitzur Expert Report (Exhibit AP-29).
120. The O&G Division goodwill impairment arose largely because of the negative impact that Royal Order No. 60245 had on SNC’s: (a) ability to secure new work from state-owned/controlled oil and gas customers in Saudi Arabia; and/or (b) existing contracts with such customers, which were being terminated where available alternatives existed or for which there was a material risk of termination where available alternatives existed.

(b) Saudi Arabia business decline

121. SNC's financial statements and MD&A for Q3 2018 contained a misrepresentation because:

- (a) they failed to disclose that, as a result of Royal Order No. 60245, SNC was not securing, and SNC could not secure in the future, contracts for new work in Saudi Arabia from government and semi-government (state-owned/controlled) entities, including in particular such entities operating in the oil and gas industry in Saudi Arabia; and
- (b) further or in the alternative, they failed to disclose the material risk created by Royal Order No. 60245 that SNC's existing contracts with government and semi-government (state-owned/controlled) entities, including in particular such entities operating in the oil and gas industry in Saudi Arabia, would be terminated where an available alternative existed.

122. During a conference call on November 1, 2018 discussing SNC's results for Q3 2018, Bruce stated as follows (as appears from a transcript of the conference call, communicated herewith as **Exhibit AP-41**, and audio of the conference call at 24:08 to 25:14 and 54:58 to 56:00, communicated herewith as **Exhibit AP-42**):

[Analyst:] And maybe, could you talk — the last question for me — could you talk a little bit about the prospect in Saudi Arabia and give an update on the situation?

[Bruce:] Yeah, sure. So I was there [Saudi Arabia] last week. I went there to visit with our clients in their operations. I mean, I was not at the investment conference, just for the avoidance of doubt. But I was with our clients and our projects and our staff across multi-sectors. And basically, as I said before, you know, at the time that we had the unfortunate diplomatic incident between Canada and KSA. And we had just over 9,000 employees there, actively progressing, working. And today we've got exactly the same. **And our clients are really happy, our employees are continuing to deliver, and it's basically all on track. So no effect there.**

[...]

[Analyst:] And last week, we saw that Saudi Aramco announced some pretty significant project awards. Just wondering, the new 5-year framework agreement in Saudi Arabia that you referenced in the presentation, is that part of the announcement from Saudi Aramco? And is there other opportunities that you were involved in?

[Bruce:] So, no, there's not a direct correlation between the two things. I mean, these were, I think they came very much from the investment conference. These were all about sort of fairly high-level partnership

type agreements. I mean, **what we are winning is contracts that are real and there today, and we are lining up and executing on them. So from that perspective, the prospects, the additional work that we're getting, completion of the existing work we've got, is going very much according to plan.**

[Emphasis added]

123. These Q3 2018 Public Oral Statements were misrepresentations because:
- (a) as a result of Royal Order No. 60245, SNC was not securing, and SNC could not secure in the future, contracts for new work in Saudi Arabia from government and semi-government (state-owned/controlled) entities, including in particular such entities operating in the oil and gas industry in Saudi Arabia; and
 - (b) further or in the alternative, Royal Order No. 60245 created a material risk that SNC's existing contracts with government and semi-government (state-owned/controlled) entities, including in particular such entities operating in the oil and gas industry in Saudi Arabia, would be terminated where an available alternative existed.

(c) Non-compliance with IFRS and failure of fair presentation

124. The Q3 2018 Disclosure represented that:
- (a) SNC's financial statements had been prepared in accordance with IFRS;
 - (b) SNC's financial statements fairly presented in all material respects the financial condition, financial performance and cash flows of SNC; and
 - (c) SNC was complying with IAS 36.
125. Those representations were false. SNC did not comply with IFRS, including IAS 36. It failed to recognize a goodwill impairment related to its O&G Division in Q3 2018, as appears from the Elitzur Expert Report (Exhibit AP-29).

(d) ICFR and DC&P weaknesses

126. The Plaintiffs repeat and rely on the allegations in paragraphs 94 to 96.
127. The Q3 2018 Disclosure contained misrepresentations because:
- (a) SNC's ICFR was not designed to provide, and did not provide, reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS with respect to SNC's Saudi Arabia business and its O&G Division, as appears from the Elitzur Expert Report (Exhibit AP-29);

- (b) further or in the alternative, SNC's DC&P was not designed to provide, and did not provide, reasonable assurance that material information with respect to SNC's Saudi Arabia business and its O&G Division was made known to Bruce and Girard, or that the information required to be disclosed in SNC's periodic financial reporting with respect to SNC's Saudi Arabia business and its O&G Division was disclosed within the relevant time periods, as appears from the Elitzur Expert Report (Exhibit AP-29); and
- (c) further or in the alternative, it was an omission of a material fact for the Defendants to fail to disclose in the MD&A for Q3 2018 that SNC had a material weakness relating to the operation of its ICFR and a significant weakness relating to the operation of its DC&P with respect to SNC's Saudi Arabia business and its O&G Division, which existed at the time of the release of the MD&A for Q3 2018, as appears from the Elitzur Expert Report (Exhibit AP-29).

VII. SNC'S PUBLIC CORRECTIONS

128. The Defendants' misrepresentations were corrected by two public corrections on January 28, 2019 and February 11, 2019.

1) First public correction: January 28, 2019

129. The first public correction was a news release entitled "SNC-Lavalin announces lower than anticipated Q4 results impacting full year 2018" issued by SNC before the commencement of trading on the TSX on January 28, 2019, communicated herewith as **Exhibit AP-43**.

130. The disclosure revealed a "serious problem" with a project in SNC's M&M Division—which was subsequently confirmed to be the Codelco Project—leading to significantly lower EBIT for 2018, problems with projects in SNC's O&G Division, and a \$1.24 billion impairment charge against goodwill attributable to the O&G Division, in large part due to the impact of Saudi Arabia/Canada relations on SNC's ability to secure future work in Saudi Arabia.

131. These disclosures also implicitly revealed that there was a material weakness in SNC's ICFR and a significant weakness in SNC's DC&P.

132. The January 28, 2019 news release stated that:

SNC-Lavalin Group Inc. (TSX: SNC) announces that its full year 2018 results will be lower than expected.

Neil Bruce, President and Chief Executive Officer said "**A serious problem has just come to light in relation to a single project in the Mining & Metallurgy segment**. The contract was awarded in 2016 and its year-end under-performance relative to internal budgets will materially affect our Q4 results, and therefore our full year 2018 results. This isolated incident is

unacceptable and I intend to take appropriate actions to mitigate the financial impacts for the Company.”

The Mining & Metallurgy Segment EBIT will be lower in 2018 than the Company expected due to the under-performance of aforementioned project, mainly due to the fact that we cannot meet the required level of agreement at this time with our client in order to meet the IFRS standards for revenue recognition, as well as the substantially increased costs in Q4 associated with delivering this project. This unfavorable cost reforecast surfaced as we were closing 2018. We will be aggressively pursuing our project claims through the contract protocols up to and including engaging in a dispute resolution process.

In addition, **we are experiencing worse than expected trading challenges in Oil & Gas in the Middle East, and Saudi Arabia in particular**, the potential impact of which was highlighted in our August disclosure <http://www.snclavalin.com/en/media/press-releases/2018/snc-lavalin-comments-canada-kingdom-saudi-arabia-commercial-relations.aspx>. Since that announcement, relations between Saudi Arabia and Canada have further deteriorated. Over 15% of our global workforce is employed on work in Saudi Arabia, which has been an important source of revenue growth for our Company in recent years.

The Oil & Gas Segment EBIT will be lower in 2018 than the Company expected, mainly due to lower revenue recognition on some costs incurred on projects whereby we cannot meet the required level of agreement at this time with our clients to meet the IFRS 15 standards for revenue recognition. We will continue to progress these contracts and are confident that over time a proportion of these revenues will be agreed with our clients. We also lost an arbitration process with a client for an Oil & Gas project in Australia, in respect of which we recently received a preliminary decision, the financial impact of which we are recognizing in the final quarter of 2018.

Our business continues to face several well-documented macro challenges as well as some Company specific headwinds, which are impacting our ability to grow. **Inter-governmental relations between Canada and Saudi Arabia, together with unpredictable commodity prices and uncertain client investment plans, have led to deterioration in our near-term prospects which we cannot ignore. Consequently, the impairment tests we carry out on an on-going basis indicate that the fair value of our Oil & Gas segment is lower than the carrying value in our financial statements. We will therefore be taking a non-cash after-tax goodwill impairment charge of approximately \$1.24 billion, or \$7.06 per diluted share.**

Mr. Bruce also commented “We have already announced the appointment of Craig Muir as President, Oil & Gas – see disclosure <http://www.snclavalin.com/en/media/press-releases/2019/craig-muir-appointed-president-oil-gas-effective-april-2019.aspx> and I will ensure a smooth transition takes place in the leadership team of Oil & Gas. A further update on our plans will be provided with our results announcement on February 22, 2019.”

Due to the above-mentioned forecasted loss in Q4 and revised revenue forecasts, **the Company expects that its adjusted diluted EPS from E&C for the year ended December 31, 2018 to be in the range of \$1.15 to \$1.30, and expects that its adjusted consolidated diluted EPS to be in the range of \$2.15 to \$2.30.**

As a result of all these factors, unavoidably we will take a more cautious view towards our 2019 prospects to reflect these uncertainties. Details on our 2019 guidance will be provided in our upcoming fourth quarter earnings release, on February 22, 2019, at which time the Company will also provide further details concerning our 2018 results and goodwill impairment during its conference call and webcast.

[Emphasis added; footnotes omitted]

133. Following the first public correction on January 28, 2019, the price of SNC’s shares declined by \$13.49 or approximately 28% from a closing price of \$48.50 on the TSX on January 25, 2019 to a closing price of \$35.01 on the TSX on January 28, 2019. The statistically significant abnormal decline in the SNC share price on January 28, 2019 was \$13.58 per share, representing an abnormal decline in SNC’s equity value of approximately \$2.4 billion, as appears from the Expert Report of Michael L. Hartzmark, Ph.D. dated February 18, 2026 (“**Hartzmark Expert Report**”), communicated herewith as **Exhibit AP-44**.
134. In a separate but related news release issued on January 28, 2019, communicated herewith as **Exhibit AP-45**, SNC announced the appointment of Ian Edwards to a newly created Chief Operating Officer position with a project oversight function in an attempt to rectify the issues that had arisen with the Codelco Project.
135. In other management changes connected to the problems first disclosed on January 28, 2019, in a news release issued on January 22, 2019, communicated herewith as **Exhibit AP-46**, SNC had announced the departure of Christian Brown as the head of the O&G Division.
136. During a January 28, 2019 conference call, Bruce also explained that there were cost overruns on the Codelco Project and stated that the issues were driven in part by problems with site conditions, environmental issues, subcontractor problems and supply chain performance. These were all issues that had long existed on the Codelco Project.

137. On January 29, 2019, SNC filed a material change report, communicated herewith as **Exhibit AP-47**. That report confirmed that the loss on the Codelco Project and SNC's inability to secure future business in Saudi Arabia with government and semi-government (state-owned/controlled) entities were material to investors.
138. In the January 28, 2019 public correction and in other disclosures around that time, the Defendants maintained that the problems with the Codelco Project had just arisen. However, given the magnitude of the issues with the project and SNC's later admissions with respect to material weaknesses in its ICFR and DC&P related to the project, these statements were either inaccurate or, in the alternative, the problems were readily discoverable with reasonable diligence.
139. Despite revealing part of the truth, SNC failed to disclose the true extent of the revenue and costs problems with the Codelco Project.

2) Second public correction: February 11, 2019

140. The second public correction occurred via a news release entitled "SNC-Lavalin provides update on new facts about the Mining & Metallurgy project" issued by SNC on February 11, 2019, communicated herewith as **Exhibit AP-48**.
141. In that news release, SNC revealed that the financial impact of the Codelco Project on 2018 financial results would be even more significant than previously disclosed, as a result of revenue recognition problems and costs issues. SNC also disclosed that, because of these issues, it would no longer bid on EPC fixed-price contracts in the M&M Division. The increase in the size of the loss and cessation of bids on EPC fixed-price contracts in the M&M Division implicitly revealed that there was a material weakness in SNC's ICFR and a significant weakness in SNC's DC&P.
142. The February 11, 2019 news release stated:

SNC-Lavalin Group Inc. (TSX: SNC) announces that its full year 2018 results will be lower than expected and announced on January 28, 2019 (www.snclavalin.com/en/media/press-releases/2019/snc-lavalin-announces-lower-than-anticipated-q4-results-impacting-full-year-2018.aspx), due to the inability to reach an agreement with the Company's client on the Mining & Metallurgy project indicated in the January 28th press release.

Following further negotiations and discussions with the Mining & Metallurgy client in question subsequent to January 28, 2019, the parties have agreed to settle the dispute through an accelerated arbitration process, out of which the Company currently expects significant recoveries in the future. Management concluded that having the project claims fast-tracked into arbitration by an independent third party was the appropriate alternative, given the circumstances. In the meantime, SNC-Lavalin will continue to work to complete the project. **Due to the fact that SNC-Lavalin cannot achieve the necessary required level of agreement at this time with the**

client to meet the IFRS standards for revenue recognition, the loss in the Company's Mining & Metallurgy Segment EBIT will be higher in 2018 than the Company expected or could have known on January 28, 2019. The challenges on this mining project are mainly due to unexpected site conditions, greater than expected environmental and safety measures, and under-performance from sub-contractors. As the Company expects some recoveries in the future, significant of the current write-downs on the project should not be considered a permanent write-off until the arbitration process is concluded. The project is located in Latin America and is anticipated to be completed in the second quarter of 2019. Due to the negative impact from the above-mentioned project, **the Mining & Metallurgy fourth quarter Segment EBIT will be up to negative \$350 million.**

The Company continues to view this as an isolated incident of a non-recurring nature. The Company does not have any other Mining & Metallurgy projects that have similar characteristics.

To address this disappointing result, management has so far taken the following actions: stopped all bidding on future Mining EPC projects, reviewed the Mining & Metallurgy management structure and asked Mr. Ian Edwards, the new Chief Operating Officer, to personally engage to immediately strengthen the local project team.

The Company has discussed the cash flow impact of this project with its lenders, with whom it has been agreed that the net recourse debt to EBITDA covenant and ratio calculation be temporarily increased to 4 times and that the forecasted loss on the Mining & Metallurgy project be considered as a non-recurring item, up to a maximum of \$310 million. The Company confirms that it has no plans to raise equity, as it continues to have nearly \$1.8 billion drawings available under its credit facility and it is not in breach of its covenants under its credit agreement, as amended.

Due solely to the above mentioned Mining & Metallurgy project revised forecasts resulting from newly uncovered facts and developments since January 28th, the Company now expects that its adjusted diluted EPS from E&C for the year ended December 31, 2018 to be in the range of \$0.20 to \$0.35, and expects that its adjusted consolidated diluted EPS to be in the range of \$1.20 to \$1.35.

The Company is also establishing its initial 2019 outlook for the adjusted diluted EPS from E&C in the range of \$2.00 to \$2.20, and for the adjusted consolidated diluted EPS in the range of \$3.00 to \$3.20.

[Emphasis added; footnotes omitted]

143. Following this second corrective disclosure on February 11, 2019, the price of SNC's shares declined by \$2.71 or approximately 7.4% from a closing price of \$36.71 on February 8, 2019 to a closing price of \$34.00 on February 11, 2019. The statistically significant abnormal decline in the SNC share price on February 11, 2019 was \$2.53 per share, representing an abnormal decline in SNC's equity value of approximately \$0.44 billion, as appears from the Hartzmark Expert Report (Exhibit AP-44).
144. On February 15, 2019, DBRS (Dominion Bond Rating Service, a global credit rating agency) placed SNC's rating under review due to "concerns regarding risk management and project control issues following the Company's announcement of a considerable project loss within the Mining and Metallurgy division", as appears from a DBRS news release dated February 15, 2019, communicated herewith as **Exhibit AP-49**.
145. On February 22, 2019, SNC filed its MD&A for the quarter and year ended December 31, 2018 (Exhibit AP-31), which confirmed what the January 28, 2019 and February 11, 2019 corrective disclosures implicitly revealed to investors, namely that SNC had a material weakness in its ICFR and a significant weakness in its DC&P with respect to the reporting of estimated costs and related assessment of revenue.
146. In a news release issued by SNC on March 28, 2019, communicated herewith as **Exhibit AP-50**, SNC announced a new operating structure designed to "de-risk the business", including introducing a Project Oversight function to ensure delivery and execution of projects and to allow SNC to "foresee and fix project-related issues in a timely fashion".

VIII. THE RIGHTS OF ACTION

147. The Plaintiffs seek to institute a class action in damages against the Defendants.
148. On behalf of themselves and all other Class Members, the Plaintiffs assert, as against the Defendants, the right of action found in sections 225.8 and 225.9 of the QSA and, if necessary, the concordant provisions of the Other Securities Legislation.
149. This claim is being asserted in respect of the Q3 2018 Disclosure and the Q3 2018 Public Oral Statements, which contained misrepresentations within the meaning of the QSA, as particularized herein.
150. SNC is a reporting issuer in Québec.
151. Bruce was a director of SNC at the time of the release of the Q3 2018 Disclosure. Further or in the alternative, Bruce was an officer of SNC at the time of the release of the Q3 2018 Disclosure, and he authorized, permitted or acquiesced in the release of the Q3 2018 Disclosure.

152. Bruce made the Q3 2018 Public Oral Statements.
153. Girard was an officer of SNC at the time of the release of the Q3 2018 Disclosure, and he authorized, permitted or acquiesced in the release of the Q3 2018 Disclosure.
154. Girard was an officer of SNC at the time of the making of the Q3 2018 Public Oral Statements, and he authorized, permitted or acquiesced in the making of the Q3 2018 Public Oral Statements.
155. With respect to: (1) any Q3 2018 Disclosure that is not a “core document” for purposes of section 225.3 of the QSA (and, if necessary, the concordant provisions of the Other Securities Legislation); and (2) the Q3 2018 Public Oral Statements:
 - (a) the Defendants knew, at the time the document was released or the statement was made, that the document or statement contained a misrepresentation;
 - (b) alternatively, the Defendants deliberately avoided acquiring knowledge of the misrepresentations in the document or statement at or before the time they were released or made; or
 - (c) in the further alternative, the Defendants were guilty of gross fault in connection with the release of document or the making of the statement.
156. The Plaintiffs and the other Class Members are entitled to damages calculated under the provisions of the QSA and, if necessary, the concordant provisions of the Other Securities Legislation.
157. In accordance with section 225.4 of the QSA, attached as **Exhibit AP-51** is the projected Originating Application Instituting a Class Action that Plaintiffs intend to file.

IX. THE CLASS ACTION AUTHORIZATION CRITERIA IN ARTICLE 575 CCP

- 1) The claims of the Class Members raise identical, similar or related questions of law or fact**
158. The claims of the Class Members raise the following identical, similar or related questions of fact or law, which the Plaintiffs seek to have decided collectively:
- (a) Did the Q3 2018 Disclosure contain one or more misrepresentations within the meaning of the QSA and, if necessary, the Other Securities Legislation? If so, which documents contained which misrepresentations?
 - (b) Did the Q3 2018 Public Oral Statements contain one or more misrepresentations within the meaning of the QSA and, if necessary, the

Other Securities Legislation? If so, which statements contained which misrepresentations?

- (c) Are any of the Defendants liable to the Plaintiffs and the Class, or any of them, under Title VIII, Chapter II, Division II of the QSA and, if necessary, the concordant provisions of the Other Securities Legislation? If so, which Defendants are liable and to whom?
- (d) Are the Plaintiffs and the Class entitled to damages and, if so, in what amount?

2) The facts alleged appear to justify the conclusions sought

- 159. As detailed above, the Defendants made misrepresentations to the Class in the Q3 2018 Disclosure and/or the Q3 2018 Public Oral Statements, all within the meaning of the QSA and the Other Securities Legislation, supporting the Plaintiffs' and the Class Members' claims.
- 160. Class Members seek compensation for financial losses directly caused by the Defendants' misrepresentations, for which the Defendants are liable.

3) The composition of the Class makes it difficult or impracticable to apply the rules for mandates to take part in judicial proceedings on behalf of others or for consolidation of proceedings

- 161. SNC is a multinational company having issued, at the material time, approximately 174 million shares which were publicly traded on the TSX, alternative electronic stock exchanges, over-the-counter exchanges, and dark-pools (*i.e.*, private exchanges for trading securities that are not accessible to the investing public.)
- 162. There are thousands of investors, likely located around the world, who could be members of the putative Class.
- 163. In this context, it would be impracticable for each member of the Class to bring a separate action or to apply the rules for mandates in judicial proceedings

4) The Plaintiffs are in a position to properly represent the Class Members

- 164. The Plaintiffs have instituted these proceedings in good faith. They have a good understanding of the case, they understand the time and dedication required of their role, and are prepared to devote the necessary resources to advance this proposed class action on behalf of the Class.
- 165. The Plaintiffs, on behalf of the DALI Pension Fund, purchased SNC shares during the Class Period and suffered a financial loss. As such, the Plaintiffs are members of the Class.

166. The Plaintiffs have no conflict of interest with other members of the Class and are represented by counsel with experience litigating shareholder claims in class actions against multinational corporations with securities listed on a stock exchange. They undertake to cooperate fully with counsel.

5) Judicial District

167. The Plaintiffs request that the class action be instituted in the judicial district of Montréal where SNC has its head office and is domiciled, and where one of the law firms representing the Plaintiffs have their offices.

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

GRANT the present *Request for Authorization to Bring an Action Pursuant to Section 225.4 of the Québec Securities Act and Application for Authorization to Institute a Class Action and to Obtain the Status of Representative*;

AUTHORIZE these class action proceedings under section 225.4 of the QSA;

AUTHORIZE the Class as described herein:

“**Class**” and “**Class Members**” means all persons and entities, wherever they may reside or be domiciled, other than the Excluded Persons, who acquired SNC’s shares in the secondary market during the Class Period and held some or all of such shares through one or both of the following: (i) the release of SNC’s news release entitled “SNC-Lavalin announces lower than anticipated Q4 results impacting full year 2018” on January 28, 2019; and (ii) the release of SNC’s news release entitled “SNC-Lavalin provides update on new facts about the Mining & Metallurgy project” on February 11, 2019;

“**Class Period**” means the period from the time of the release of the Q3 2018 Disclosure on November 1, 2018, to the time of the release of SNC’s news release entitled “SNC-Lavalin provides update on new facts about the Mining & Metallurgy project” on February 11, 2019 (inclusive);

“**Excluded Persons**” means the Defendants, members of the immediate families of the Individual Defendants, and SNC’s past and present directors, officers, subsidiaries, affiliates, senior employees, partners, legal representatives, heirs, predecessors, successors and assigns;

GRANT the status of representative to the Trustees of the Drywall Acoustic Lathing and Insulation Local 675 Pension Fund;

IDENTIFY the following questions of fact and law be dealt with collectively:

- (a) Did the Q3 2018 Disclosure contain one or more misrepresentations within the meaning of the QSA and, if necessary, the Other Securities

Legislation? If so, which documents contained which misrepresentations?

- (b) Did the Q3 2018 Public Oral Statements contain one or more misrepresentations within the meaning of the QSA and, if necessary, the Other Securities Legislation? If so, which statements contained which misrepresentations?
- (c) Are any of the Defendants liable to the Plaintiffs and the Class, or any of them, under Title VIII, Chapter II, Division II of the QSA and, if necessary, the concordant provisions of the Other Securities Legislation? If so, which Defendants are liable and to whom?
- (d) Are the Plaintiffs and the Class entitled to damages and, if so, in what amount?

IDENTIFY the conclusions sought by the class action proceedings as:

GRANT this class action on behalf of the Class against the Defendants;

GRANT the Plaintiffs' action against the Defendants in respect of the rights of action asserted against the Defendants under Title VIII, Chapter II, Division II of the QSA;

CONDEMN the Defendants to pay to the Plaintiffs and the Class compensatory damages for all monetary losses, the whole with interest and the additional indemnity provided for by law;

ORDER collective recovery of Class Members' claims in accordance with articles 595 to 598 *CCP*;

THE WHOLE with legal costs, including the costs of all reports, experts, publication of notices, and fees relating to administering the plan of distribution of the recovery in this class action;

APPROVE the notice to Class Members in the form to be submitted to the Court;

ORDER the publication of the notice to Class Members no later than thirty (30) days after the date of the judgment authorizing the class proceedings;

ORDER that the deadline for a Class Member to exclude themselves from the class action shall be sixty (60) days from the publication of the notice to the Class Members;

DECLARE that any member of the Class who has not requested their exclusion from the Class will be bound by any judgment on the class action;

REFER the file to the Chief Justice so that she may determine the district in which the class action is to be filed and the Judge before whom the proceedings will be heard;

THE WHOLE WITH LEGAL COSTS, including the costs of all publication of notices and experts' fees.

Montréal, February 18, 2026

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Toronto, February 18, 2026

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Toronto, February 18, 2026

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Toronto, February 18, 2026

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SUMMONS

(Article 145 and following C.C.P.)

Filing of a judicial application

Take notice that the Plaintiffs have filed this *Request for Authorization to Bring an Action Pursuant to Section 225.4 of the Québec Securities Act and Application for Authorization to Institute a Class Action and to Obtain the Status of Representative* in the office of the Superior Court in the Judicial District of Montreal.

Exhibits supporting the application

In support of the Motion, the Plaintiffs intend to use the following exhibits:

| | |
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| Exhibit AP-1 | Neil Bruce's Form 52-109F2, Certification of Interim Filings, Full Certificate for Q3 2018 |
| Exhibit AP-2 | Sylvain Girard's Form 52-109F2, Certification of Interim Filings, Full Certificate for Q3 2018 |
| Exhibit AP-3 | SNC's MD&A for Q3 2018 dated October 31, 2018 and filed on SEDAR on November 1, 2018 |
| Exhibit AP-4 | SNC's Interim Financial Statements for Q3 2018 dated October 31, 2018 and filed on SEDAR on November 1, 2018 |
| Exhibit AP-5 | Sworn Statement of Lisa Watt sworn February 6, 2026 |
| Exhibit AP-6 | Motion for Authorization, February 6, 2019 in the Graaf Proceeding |
| Exhibit AP-7 | Amended Motion for Authorization, October 15, 2019 in the Graaf Proceeding |
| Exhibit AP-8 | Contract between Codelco and SNC Chile dated November 3, 2016 and a certified English translation, <i>en liasse</i> |
| Exhibit AP-9 | Transcript of the cross-examination of Sylvain Girard on September 18, 2020 in the action in the Ontario Superior Court of Justice under Court File No. CV-19-00621334-00CP |
| Exhibit AP-10 | Expert Report of Guillermo Malatrassi Mozó dated October 7, 2025 |
| Exhibit AP-11 | Sworn Statement of Nelson Gallegos Rojas sworn October 21, 2025, Spanish original and a certified English translation, <i>en liasse</i> |
| Exhibit AP-12 | Sworn Statement of Sergio Rojas Gaete sworn October 21, 2025, Spanish original and a certified English translation, <i>en liasse</i> |

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| Exhibit AP-13 | Agreement between SNC Chile, SNC-Lavalin Inc. and Codelco dated February 1, 2019 (Filed under seal) |
| Exhibit AP-14 | Subcontract between EIMISA and SNC Chile dated January 27, 2017 and a certified English translation, <i>en liasse</i> |
| Exhibit AP-15 | Codelco's termination letter to SNC dated January 29, 2019 and a certified English translation, <i>en liasse</i> |
| Exhibit AP-16 | Agreement between SNC Chile, SNC-Lavalin Inc. and Codelco dated October 9, 2019 and a certified English translation, <i>en liasse</i> |
| Exhibit AP-17 | May 29, 2018 letter from SNC Chile to EIMISA and an English translation, <i>en liasse</i> |
| Exhibit AP-18 | SNC's Q2 2018 Position Paper dated July 9, 2018 (Filed under seal) |
| Exhibit AP-19 | SNC's Q3 2018 Position Paper dated October 23, 2018 (Filed under seal) |
| Exhibit AP-20 | Agreement between SNC and Codelco dated October 29, 2018 |
| Exhibit AP-21 | Codelco's termination letter to SNC dated March 25, 2019 and a certified English translation, <i>en liasse</i> |
| Exhibit AP-22 | April 5, 2019 letter from Nelson Pizarro Contador to the Board of Directors of Codelco and a certified English translation, <i>en liasse</i> |
| Exhibit AP-23 | Sworn Statement of Eduardo Simian Déjean sworn November 4, 2025 |
| Exhibit AP-24 | Conference call transcript, January 28, 2019 |
| Exhibit AP-25 | Conference call transcript, February 22, 2019 |
| Exhibit AP-26 | Statement issued by Codelco dated March 25, 2019 and a certified English translation, <i>en liasse</i> |
| Exhibit AP-27 | SNC news release dated March 25, 2019 – "SNC-Lavalin confirms Codelco's decision to terminate its Mining & Metallurgy contract" |
| Exhibit AP-28 | SNC news release dated October 11, 2019 – "SNC-Lavalin reaches settlement with Codelco on Acid Plant Project, further de-risking the Lump-Sum Turnkey backlog" |
| Exhibit AP-29 | Expert Report of Professor Ramy Elitzur, Ph.D. dated November 17, 2025 |

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| Exhibit AP-30 | SNC's Audited Financial Statements for quarter and year ended December 31, 2018 filed on SEDAR on February 22, 2019 |
| Exhibit AP-31 | SNC's MD&A for quarter and year ended December 31, 2018 filed on SEDAR on February 22, 2019 |
| Exhibit AP-32 | SNC news release dated February 22, 2019 – "SNC-Lavalin reports fourth quarter and year-end results" |
| Exhibit AP-33 | SNC's MD&A for quarter and year ended December 31, 2017 filed on SEDAR on February 21, 2018 |
| Exhibit AP-34 | SNC's Annual Financial Statements for the period ended December 31, 2017 filed on SEDAR on February 21, 2018 |
| Exhibit AP-35 | SNC's Financial Statements for the period ended June 30, 2018 filed on SEDAR on August 2, 2018 |
| Exhibit AP-36 | Bundle of SNC news releases, SNC's Investor Day presentation dated September 2017, and other news releases and news articles, <i>en liasse</i> |
| Exhibit AP-37 | Expert Report of Dr. Abdulrahman Yahya Baamir dated August 6, 2025 |
| Exhibit AP-38 | SNC's application for waiver from Royal Order No. 60245, Arabic original and a certified English translation, <i>en liasse</i> |
| Exhibit AP-39 | SNC news release dated February 9, 2021 – "SNC-Lavalin announces agreement to sell Resources Oil & Gas business, results of legacy LSTK litigation matters and reassessment of Canadian LSTK infrastructure projects in light of COVID-19" |
| Exhibit AP-40 | SNC news release dated August 16, 2021 – "SNC-Lavalin completes closing of Resources Oil & Gas business" |
| Exhibit AP-41 | Conference call transcript, November 1, 2018 |
| Exhibit AP-42 | Conference call audio, November 1, 2018 |
| Exhibit AP-43 | SNC news release dated January 28, 2019 – "SNC-Lavalin announces lower than anticipated Q4 results impacting full year 2018" |
| Exhibit AP-44 | Expert Report of Michael L. Hartzmark, Ph.D. dated February 18, 2026 |

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| Exhibit AP-45 | SNC news release dated January 28, 2019 – “SNC-Lavalin appoints Ian Edwards as Chief Operating Officer” |
| Exhibit AP-46 | SNC news release dated January 22, 2019 – “Craig Muir appointed as President, Oil & Gas, effective April 2019” |
| Exhibit AP-47 | Material Change Report dated January 29, 2019 |
| Exhibit AP-48 | SNC news release dated February 11, 2019 – “SNC-Lavalin provides update on new facts about the Mining & Metallurgy project” |
| Exhibit AP-49 | DBRS news release dated February 15, 2019 – “DBRS Places SNC-Lavalin Group Inc. Under Review with Negative Implications” |
| Exhibit AP-50 | SNC news release dated March 28, 2019 – “SNC-Lavalin announces a simplified consolidated operational structure” |
| Exhibit AP-51 | Projected Originating Application Instituting a Class Action |

These exhibits are available on request.

Defendants’ answer

You must answer the Motion in writing, personally or through a lawyer, at the courthouse of Montreal situated at 1, Notre-Dame Est street, Montreal, Québec, H2Y 1B6, within 15 days of service of the Motion or, if you have no domicile, residence or establishment in Québec, within 30 days. The answer must be notified to the plaintiffs’ lawyer or, if the plaintiffs are not represented, to the plaintiffs.

Failure to answer

If you fail to answer within the time limit of 15 or 30 days, as applicable, a default judgement may be rendered against you without further notice and you may, according to the circumstances, be required to pay the legal costs.

Content of answer

In your answer, you must state your intention to:

- negotiate a settlement;
- propose mediation to resolve the dispute;
- defend the application and, in the case required by the Code, cooperate with the plaintiff in preparing the case protocol that is to govern the conduct of the proceeding. The protocol must be filed with the court office in the district specified above within 45 days after service of the summons or, in family matters or if you

have no domicile, residence or establishment in Québec, within 3 months after service;

- propose a settlement conference.

The answer to the summons must include your contact information and, if you are represented by a lawyer, the lawyer's name and contact information.

Change of judicial district

You may ask the court to refer the originating Motion to the district of your domicile or residence, or of your elected domicile or the district designated by an agreement with the plaintiff.

If the Motion pertains to an employment contract, consumer contract or insurance contract, or to the exercise of a hypothecary right on an immovable serving as your main residence, and if you are the employee, consumer, insured person, beneficiary of the insurance contract or hypothecary debtor, you may ask for a referral to the district of your domicile or residence or the district where the immovable is situated or the loss occurred. The request must be filed with the special clerk of the district of territorial jurisdiction after it has been notified to the other parties and to the office of the court already seized of the originating application.

Transfer of application to Small Claims Division

If you qualify to act as a plaintiff under the rules governing the recovery of small claims, you may also contact the clerk of the court to request that the application be processed according to those rules. If you make this request, the plaintiff's legal costs will not exceed those prescribed for the recovery of small claims.

Calling to a case management conference

Within 20 days after the case protocol mentioned above is filed, the court may call you to a case management conference to ensure the orderly progress of the proceeding. Failing this, the protocol is presumed to be accepted.

Notice of presentation of an application

If the application is an application in the course of a proceeding or an application under Book III, V, excepting an application in family matters mentioned in article 409, or VI of the Code, the establishment of a case protocol is not required; however, the application must be accompanied by a notice stating the date and time it is to be presented.

NOTICE OF PRESENTATION

TO: ATKINSRÉALIS GROUP INC.
455 René-Lévesque Boulevard West
Montréal, Québec H2Z 1Z3

AND: NEIL BRUCE
Westholme Farm
Goring Heath, Oxfordshire
RG8 7RH, United Kingdom

AND: SYLVAIN GIRARD
698 Grosvenor Avenue
Westmount, Québec H3Y 2T2

TAKE NOTICE that the present *Request for Authorization to Bring an Action Pursuant to Section 225.4 of the Québec Securities Act and Application for Authorization to Institute a Class Action and to Obtain the Status of Representative* shall be presented before the Superior Court of Québec, at the Montréal Courthouse, located at 1 Notre-Dame East, Montréal, Québec, H2Y 1B6, at a date to be determined by the coordinating judge of the Class Action Division.

DO GOVERN YOURSELVES ACCORDINGLY.

Montréal, February 18, 2026

Kugler Kandestin LLP

KUGLER KANDESTIN LLP
Co-counsel for Plaintiffs

Toronto, February 18, 2026

Siskinds LLP

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Toronto, February 18, 2026

Rochon Genova

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Toronto, February 18, 2026

Kalloghlian Myers LLP

KALLOGHLIAN MYERS LLP
Co-counsel for Plaintiffs

C A N A D A

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
(Class Action Division)

No.: 500-06-000008-264

THE TRUSTEES OF THE DRYWALL ACOUSTIC LATHING AND INSULATION LOCAL 675 PENSION FUND, having their principal place of business at 222 Rowntree Dairy Road, in the city and district of Woodbridge, Province of Ontario, L4L 9T2

Plaintiffs

-v-

ATKINSRÉALIS GROUP INC., a legal person incorporated pursuant to the laws of Canada, having its principal place of business at 455 René-Lévesque Boulevard West, in the city and district of Montréal, Province of Québec, H2Z 1Z3

- and -

NEIL BRUCE, residing at Westholme Farm, Goring Heath, Oxfordshire, RG8 7RH, United Kingdom

- and -

SYLVAIN GIRARD, residing at 698 Grosvenor Avenue, in the city of Westmount, Province of Québec, H3Y 2T2

Defendants

ATTESTATION OF ENTRY IN THE NATIONAL CLASS ACTION REGISTER
(Article 55 of the *Regulation of the Superior Court of Québec in Civil Matters*)

The Plaintiffs, through their undesignated attorneys, attest that the *Request for Authorization to Bring an Action Pursuant to Section 225.4 of the Québec Securities Act and Application for Authorization to Institute a Class Action and to Obtain the Status of Representative* will be entered in the National Class Action Registry.

Montréal, February 18, 2026

Toronto, February 18, 2026

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Toronto, February 18, 2026

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SUPERIOR COURT
(Class Action Division)
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

**THE TRUSTEES OF THE DRYWALL ACOUSTIC
LATHING AND INSULATION LOCAL 675 PENSION
FUND**

Plaintiffs

-v-

ATKINSRÉALIS GROUP INC.

-and-

NEIL BRUCE

-and-

SYLVAIN GIRARD

Defendants

**REQUEST FOR AUTHORIZATION TO BRING AN
ACTION PURSUANT TO SECTION 225.4 OF THE
QUÉBEC *SECURITIES ACT* AND
APPLICATION FOR AUTHORIZATION TO
INSTITUTE A CLASS ACTION AND TO OBTAIN
THE STATUS OF REPRESENTATIVE
(Article 225.4 et seq. Québec *Securities Act* and
Article 574 et seq. *CCP*)**

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