

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
No.:

500-06-000975-199

SUPERIOR COURT
(Class Action)

RUEDIGER MARTIN GRAAF, [REDACTED]

Plaintiff

-v-

SNC-LAVALIN GROUP INC., a moral 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 Montreal, province of Quebec, H2Z 1Z3

and

NEIL BRUCE doing business at 455 René-Lévesque Boulevard West, in the city and district of Montreal, province of Quebec, H2Z 1Z3

and

SYLVAIN GIRARD doing business at 455 René-Lévesque Boulevard West, in the city and district of Montreal, province of Quebec, H2Z 1Z3

Defendants

MOTION FOR AUTHORIZATION OF A CLASS ACTION AND FOR AUTHORIZATION TO BRING AN ACTION PURSUANT TO SECTION 225.4 OF THE QUEBEC SECURITIES ACT

IN SUPPORT OF HIS MOTION FOR AUTHORIZATION, THE PLAINTIFF RESPECTFULLY SUBMITS AS FOLLOWS:

I. DEFINITIONS

1. In this document, in addition to the terms that are defined elsewhere herein, the following terms have the following meanings:

SISKINDS, DESMEULES, AVOCATS
S.E.N.C.R.L.

- a. "AIF" means Annual Information Form;
- b. "AMF" means the Autorité des marchés financiers;
- c. "Annual CEO Certification" means Form 52-109F1, Certification of Annual Filings Full Certificate certified by **Bruce** on February 22, 2018;
- d. "Annual CFO Certification" means Form 52-109F1, Certification of Annual Filings Full Certificate certified by **Girard** on February 22, 2018;
- e. "**Bruce**" means the **Defendant**, Neil Bruce;
- f. "**Class**" and "**Class Members**" means all persons and entities, wherever they may reside or be domiciled, who acquired **Common Shares** in the secondary market during the **Class Period** and held some or all of such **Common Shares** as of the commencement of trading on the **TSX** on January 28, 2019, other than the **Excluded Persons**;
- g. "**Class Period**" means the period from February 22, 2018 to January 27, 2019, inclusive;
- h. "**CCQ**" means the *Civil Code of Quebec*;
- i. "**Common Shares**" means common shares of **SNC**;
- j. "**DC&P**" means Disclosure controls and procedures;
- k. "**Defendants**" means **SNC** and the **Individual Defendants**;
- l. "**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;
- m. "**Girard**" means the **Defendant**, Sylvain Girard;
- n. "**ICFR**" means Internal control over financial reporting;
- o. "**IFRS**" means International Financial Reporting Standards;
- p. "**Impugned Documents**" (each being an "**Impugned Document**") means, collectively:
 - i. the **MD&A** for the quarter ended December 31, 2017 and year ended December 31, 2017 filed on **SEDAR** on February 22, 2018;

- ii. the audited annual financial statements for the quarter ended December 31, 2017 and year ended December 31, 2017 filed on **SEDAR** on February 22, 2018;
- iii. the **AIF** for the year ended December 31, 2017 filed on **SEDAR** on February 22, 2018;
- iv. the **Annual CEO Certification** for the year ended December 31, 2017 filed on **SEDAR** on February 22, 2018;
- v. the **Annual CFO Certification** for the year ended December 31, 2017 filed on **SEDAR** on February 22, 2018;
- vi. the news release dated February 22, 2018 announcing **SNC's** results for the quarter ended December 31, 2017 and for the year ended December 31, 2017 filed on **SEDAR** on February 22, 2018;
- vii. the annual report for the year ended December 31, 2017 filed on **SEDAR** on April 3, 2018;
- viii. the **MD&A** for the quarter ended March 31, 2018 filed on **SEDAR** on May 3, 2018;
- ix. the interim financial statements for the quarter ended March 31, 2018 filed on **SEDAR** on May 3, 2018;
- x. the **Interim CEO Certification** for the quarter ended March 31, 2018 filed on **SEDAR** on May 3, 2018;
- xi. the **Interim CFO Certification** for the quarter ended March 31, 2018 filed on **SEDAR** on May 3, 2018;
- xii. the news release dated May 3, 2018 announcing **SNC's** results for the quarter ended March 31, 2018 filed on **SEDAR** on May 3, 2018;
- xiii. the **MD&A** for the quarter ended June 30, 2018 filed on **SEDAR** on August 2, 2018;
- xiv. the interim financial statements for the quarter ended June 30, 2018 filed on **SEDAR** on August 2, 2018;
- xv. the **Interim CEO Certification** for the quarter ended June 30, 2018 filed on **SEDAR** on August 2, 2018;
- xvi. the **Interim CFO Certification** for the quarter ended June 30, 2018 filed on **SEDAR** on August 2, 2018;

- xvii. the news release dated August 2, 2018 announcing **SNC's** results for the quarter ended June 30, 2018 filed on **SEDAR** on August 2, 2018;
- xviii. the **MD&A** for the quarter ended September 30, 2018 filed on **SEDAR** on November 1, 2018;
- xix. the interim financial statements for the quarter ended September 30, 2018 filed on **SEDAR** on November 1, 2018;
- xx. the **Interim CEO Certification** for the quarter ended September 30, 2018 filed on **SEDAR** on November 1, 2018;
- xxi. the **Interim CFO Certification** for the quarter ended September 30, 2018 filed on **SEDAR** on November 1, 2018; and
- xxii. the news release dated November 1, 2018 announcing **SNC's** results for the quarter ended September 30, 2018 filed on **SEDAR** on November 1, 2018;

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

- q. "**Impugned Public Oral Statements**" means the public oral statements referred to in paragraph 23 hereof;
- r. "**Individual Defendants**" (each being an "**Individual Defendant**") means, collectively, **Bruce** and **Girard**;
- s. "**Interim CEO Certifications**" (each being an "**Interim CEO Certification**") means the Form 52-109F2, Certification of Interim Filings, Full Certificates certified by **Bruce**;
- t. "**Interim CFO Certifications**" (each being an "**Interim CFO Certification**") means the Form 52-109F2, Certification of Interim Filings, Full Certificates certified by **Girard**;
- u. "**MD&A**" means Management's Discussion and Analysis;
- v. "**M&M Segment**" means SNC's Mining & Metallurgy segment;
- w. "**O&G Segment**" means SNC's Oil & Gas segment;
- x. "**Plaintiff**" and "**Plaintiff Representative**" means Ruediger Martin Graaf;
- y. "**QSA**" means the Quebec *Securities Act*, CQLR C V-1.1, as amended;
- z. "**SNC**" means the Defendant, SNC-Lavalin Group Inc. and, as the context dictates, its subsidiaries and affiliates;

- aa. **"Securities Legislation"** means, collectively, the **QSA**; 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;
- bb. **"SEDAR"** means the system for electronic document analysis and retrieval of the Canadian Securities Administrators; and
- cc. **"TSX"** means the Toronto Stock Exchange;

II. THE PARTIES

1) The Plaintiff Representative and the Class He Seeks to Represent

- 2. The proposed Class is defined at paragraph 1.f);
- 3. The Plaintiff purchased 2,000 Common Shares of SNC during the Class Period. The Plaintiff continues to hold those Common Shares. The Plaintiff resides in Mississauga, Ontario;
- 4. Plaintiff Representative seeks the status of representative for the Class;
- 5. Plaintiff Representative also seeks authorization pursuant to article 225.4 of the QSA and, if necessary, the concordant provisions of other Securities Legislation;

2) SNC

- 6. SNC is a global fully integrated professional services and project management company and a major player in the ownership of infrastructure;
- 7. SNC is a reporting issuer and a responsible issuer in Quebec and all other provinces of Canada;
- 8. SNC's Common Shares are listed for trading on the TSX. During the Class Period, SNC's Common Shares traded under the ticker symbol "SNC" on the TSX and they also traded on other secondary market trading venues in Canada and elsewhere;

9. As a reporting issuer in Quebec, SNC was required during the Class Period to issue and file with the AMF and SEDAR:
- (i) 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;
 - (ii) within 90 days of the end of the fiscal year, annual financial statements prepared in accordance with IFRS, including comparative financial statements relating to the period covered by the preceding financial year;
 - (iii) contemporaneously with each of the above, an MD&A of each of the above financial statements; and
 - (iv) within 90 days of the end of the fiscal year, an AIF, including material information about the company and its business at a point in time in the context of its historical and possible future development;
10. MD&As are a narrative explanation of how the company performed during the period covered by the financial statements, and of the company's financial condition and future prospects. 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;
11. AIFs are an annual disclosure document intended to provide material information about the company and its business at a point in time in the context of its historical and future development. The AIF must describe the company, its operations and prospects, risks and other external factors that impact the company specifically;
12. In addition, as soon as practicable and in any event within 10 days of the occurrence of a material change in the affairs of SNC, a material change report was required to be filed pursuant to National Instrument 51-102. A material change report must be filed in accordance with Form 51-102F3 and include a brief but accurate summary of the nature and substance of the material change as well as sufficient additional disclosure to enable a reader to appreciate the significance and impact of the material change without having to refer to other material;
- 3) The Individual Defendants**
13. At all material times during the Class Period, Bruce was SNC's President and Chief Executive Officer ("CEO"). He was also a director of SNC during the Class Period. In his capacity as SNC's CEO, Bruce: (a) certified each of the Impugned Documents that are the quarterly and annual disclosures of SNC; (b) signed the Impugned Document that is SNC's AIF; and (c) certified and signed the Annual CEO Certification and Interim CEO Certifications for SNC. At all relevant times, Bruce was a director and an officer of SNC within the meaning of the Securities Legislation;

14. At all material times during the Class Period, Girard was SNC's Executive Vice-President and Chief Financial Officer ("CFO"). In his capacity as SNC's CFO, Girard: (a) certified each of the Impugned Documents that are the quarterly and annual disclosures of SNC; (b) signed the Impugned Document that is SNC's AIF; and (c) certified and signed the Annual CFO Certification and Interim CFO Certifications for SNC. At all relevant times, Girard was an officer of SNC within the meaning of the Securities Legislation;
15. SNC and the Individual Defendants applied for, subscribed to and received the delivery of insurance contracts in Quebec covering their liability for acts, errors and omissions relating to SNC's operations in Quebec and throughout the world;

III. THE DEFENDANTS' MISREPRESENTATIONS

16. All of the Impugned Documents contained misrepresentations by making false and/or misleading statements of material fact or omitting to state material facts;
17. Some or all of the Impugned Documents contained statements of guidance and/or outlook with respect to SNC's performance in 2018, which overstated SNC's reasonable expectations for its financial performance for 2018 or were inconsistent with the facts and risks relating to SNC's M&M Segment and O&G Segment. All such statements were misrepresentations;
18. Some or all of the Impugned Documents contained statements regarding the design and/or effectiveness of SNC's ICFR, the implication of which was that SNC's ICFR was designed and operating effectively so as to provide reasonable assurance regarding the reliability of SNC's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. All such statements were misrepresentations;
19. Some or all of the Impugned Documents contained statements regarding the design and/or effectiveness of SNC's DC&P, the implication of which was that SNC's DC&P was designed and operating effectively so as to provide reasonable assurance that material information relating to SNC was made known to the CEO and the CFO by others, particularly during the period in which filings were being prepared, and that information required to be disclosed by SNC in its annual filings, interim filings or other reports filed or submitted by it under securities legislation was recorded, processed, summarized and reported within the time periods specified in securities legislation. All such statements were misrepresentations;
20. Some or all of the Impugned Documents contained statements regarding SNC's revenues and/or costs. SNC materially overstated revenues and/or materially understated costs relating to projects in the M&M Segment and/or the O&G Segment. All such statements were misrepresentations;
21. Some or all of the Impugned Documents contained statements regarding the goodwill allocated to the O&G Segment. The goodwill allocated to the O&G Segment was in fact impaired because the future prospects of the O&G Segment were materially worse than

those reflected in the carrying value of the O&G Segment in SNC's financial statements. All such statements were misrepresentations;

22. Some or all of the Impugned Documents represented that SNC was sustainably and profitably growing by maintaining "world-class" practices related to governance and business risk mitigation. All such statements were misrepresentations because SNC's governance and business risk mitigation practices were failing and/or inadequate and, as a result, had a material adverse impact on SNC's business at the time such statements were made and/or were reasonably likely to have a material adverse impact on SNC's business in the future;

23. During a conference call on November 1, 2018, Bruce stated that:

So I was there [Saudi Arabia] last week. I went there to visit with our clients in their operations [...] And basically, as I said before, at the time that we had the unfortunate diplomatic incident between Canada and [the KSA]. And we had just over 9,000 employees there, actively progressing, working. And to me, [it would go] exactly the same. And our clients are really happy, are employees are continuing to deliver, and its basically all on track. So no effect there.

[...]

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

Such statements were misrepresentations because diplomatic relations between Canada and the Kingdom of Saudi Arabia were in fact having a material adverse effect on SNC's business as at the time such statements were made;

24. Such statements were misrepresentations because diplomatic relations between Canada and the Kingdom of Saudi Arabia were in fact having a material adverse effect on SNC's business as at the time such statements were made;

25. Some or all of the Impugned Documents contained misrepresentations by failing to disclose material risks to SNC arising from the M&M Segment and the O&G Segment, including that: SNC's future performance would be materially adversely affected by a decline in the O&G Segment caused in whole or in part by a decline in business in the Kingdom of Saudi Arabia; that SNC could face a material loss in its O&G Segment from ongoing arbitration relating to an Australian project; and that revenues and/or costs relating to projects in the M&M Segment and/or O&G Segment would be, or were reasonably likely to be, materially worse than planned, expected or projected;

26. During the Class Period, SNC failed to make timely disclosure of material changes relating to the M&M Segment and the O&G Segment, including that: SNC had been unsuccessful in securing new business in the O&G Segment, particularly in the Kingdom of Saudi Arabia, at the level that was planned or projected by SNC; SNC had incurred a material

loss in its O&G Segment from an arbitration decision relating to an Australian project; and that SNC's revenues and/or costs for projects in the M&M Segment and/or the O&G Segment were materially worse than the level that was expected, planned or projected by SNC;

27. Pursuant to National Instrument 52-109, Bruce and Girard certified some or all of the Impugned Documents released during the Class Period, including certifying 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 as well as SNC's ICFR;
 - c. they had designed the 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;
 - 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;
 - e. they had evaluated, or caused to be evaluated under their supervision, the effectiveness of SNC's DC&P and stated that the DC&P was designed and operating effectively; and
 - f. they had evaluated, or caused to be evaluated under their supervision, the effectiveness of SNC's ICFR and stated that the ICFR was designed and operating effectively;
28. The Individual Defendants oversaw the preparation and reporting of SNC's disclosures to the market and knew or should have known of the foregoing misrepresentations;
29. The Individual Defendants authorized, permitted or acquiesced to the release of the Impugned Documents, which contained the foregoing misrepresentations;

IV. CORRECTIVE DISCLOSURE

30. The Defendants' Class Period misrepresentations were corrected by way of a corrective disclosure made by SNC on January 28, 2019;

31. A press release issued by SNC before the commencement of trading on January 28, 2019 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⁽⁵⁾ 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.snc-lavalin.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⁽⁵⁾ 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⁽¹⁾ 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⁽²⁾ 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.

32. Following that disclosure, the price of SNC's Common Shares declined by \$13.49 or approximately 28% during trading on the TSX on January 28, 2019, 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;

V. THE RIGHTS OF ACTION

1) Statutory right of action for misrepresentation in secondary market disclosures

33. On behalf of himself and all other members of the Class, the Plaintiff asserts, as against SNC and the Individual 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;
34. This claim is being asserted in respect of all Impugned Documents and Impugned Public Oral Statements, which contained misrepresentations within the meaning of the QSA, as particularized herein;
35. SNC is a reporting issuer in Quebec and is closely and significantly connected to Quebec for the purposes of Title VIII, Chapter II, Division II of the QSA;
36. Bruce was a director of SNC at the time of the release of the Impugned Documents, and was an officer of SNC at those times and he authorized, permitted or acquiesced in the release of the Impugned Documents;
37. Girard was an officer of SNC at the time of the release of the Impugned Documents and he authorized, permitted or acquiesced in the release of the Impugned Documents;
38. Bruce made the Impugned Public Oral Statements;

39. Girard was an officer of SNC at the time of the making of the Impugned Public Oral Statements and he authorized, permitted or acquiesced in the making of the Impugned Public Oral Statements;
40. With respect to any Impugned Document 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 the Impugned Public Oral Statements, the Defendants knew at the time the Impugned Document was released or the Impugned Public Oral Statements were made that the Impugned Document or the Impugned Public Oral Statements contained a misrepresentation; or, alternatively, the Defendants deliberately avoided acquiring knowledge of the misrepresentations in the Impugned Document or the Impugned Public Oral Statements at or before the time they were released or made; or, in the further alternative, the Defendants were guilty of gross fault in connection with the release of the Impugned Document or the making of the Impugned Public Oral Statements;

2) Statutory right of action for failure to make timely disclosure of a material change

41. On behalf of himself and all other members of the Class, the Plaintiff asserts, as against SNC and the Individual Defendants, the right of action found in section 225.11 of the QSA and, if necessary, the concordant provisions of the other Securities Legislation;
42. SNC failed to disclose a material change or material changes, as particularized herein;
43. SNC is a reporting issuer in Quebec and is closely and significantly connected to Quebec for the purposes of Title VIII, Chapter II, Division II of the QSA;
44. Bruce was a director and officer of SNC at the time of the failure to make timely disclosure and he authorized, permitted or acquiesced in the failure to make timely disclosure;
45. Girard was an officer of SNC at the time of the failure to make timely disclosure and he authorized, permitted or acquiesced in the failure to make timely disclosure;

3) Article 1457 of the CCQ

46. On behalf of himself and all other members of the Class, as against SNC and the Individual Defendants, the Plaintiff pleads a fault in violation of the general private law duty of diligence they owed the members of the Class, as particularized herein;
47. The Defendants failed to abide by the rules of conduct incumbent on them in the circumstances of their relationships with the members of the Class as well as the transactions in which they acted, at law and as reasonably required from them;
48. The Defendants' duties, which they breached, are particularized at paragraphs 51 to 566 below;

49. As a result, the Defendants committed a fault and therefore caused injuries to the members of the Class by causing their significant monetary damages and losses, and are bound to compensate the Class Members for those losses;

50. The negligence, want of due diligence, faults and breaches occurred in or emanated from Quebec;

VI. THE CRITERIA OF ARTICLE 575 C.C.P.

1) The claims of the members raise identical, similar or related questions of law or fact

51. During the Class Period, SNC and the Individual Defendants had legal obligations of periodic and timely disclosure of material facts and changes, under the QSA and the other Securities Legislation. They violated those legal obligations;

52. Additionally, SNC and the Individual Defendants owed SNC's shareholders duties under article 1457 CCQ. These duties were informed by the Securities Legislation, subsidiary instruments including National Instrument 51-102, National Instrument NI 52-109, National Instrument NI 52-110 and their related rules and policies and SNC's own stated policies, including the charters of its Board's Audit Committee;

53. During the Class Period, the Defendants committed a fault in respect of the Class by failing to comply with their duties and responsibilities and by making the misrepresentations pleaded herein;

54. The Individual Defendants oversaw the preparation and reporting of SNC's disclosures to the market and knew or should have known of the misleading statements and the omissions of material facts they contained;

55. The Individual Defendants authorized, permitted or acquiesced to the release of SNC's public disclosure documents during the Class Period by SNC which contained the omissions of material facts and the misrepresentations;

56. In addition to its direct liability, SNC is liable for the faults committed by the Individual Defendants and its other officers, directors, partners and/or employees;

57. As a result of the Defendants' conduct and their misrepresentations in the Impugned Documents and the Impugned Public Oral Statements, SNC's securities traded at artificially inflated prices during the Class Period and the Class acquired those securities at prices that were inflated and did not reflect their true value. When the truth emerged, the market price or value of SNC's shares plummeted, causing significant losses and damages to the Plaintiff and the Class;

58. In this context, the principal questions of fact and law to be dealt with collectively are the following:
- a. did the Impugned Documents and/or the Impugned Public Oral Statements contain one or more misrepresentations within the meaning of the QSA and, if necessary, the other Securities Legislation? If so, what documents contained what misrepresentations and what public oral statements contained what misrepresentations?
 - b. did SNC fail to make timely disclosure of a material change or material changes within the meaning of the QSA and, if necessary, the other Securities Legislation? If so, when did that failure or failures occur?
 - c. are any of the Defendants liable to 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, what Defendant is liable and to whom?
 - d. did any of the Defendants owe a duty of diligence to the Class, or any of them, under the general private law of Quebec? If so, what Defendant owed a duty of diligence and to whom?
 - e. if some or all of the Defendants owed a duty of diligence to the Class, or any of them, did any of the Defendants violate such duty of diligence and commit a fault under article 1457 CCQ? If so, what Defendant committed a fault and with respect to whom?
 - f. what damages are sustained by the Plaintiff and the other members of the Class?
 - g. are any of the Defendants liable to the Plaintiff and the Class, or any of them, for damages? If so, what Defendant is liable, to whom and in what amount?
59. Consequently, the Plaintiff Representative and the members of the Class seek for this honourable Court to authorize the following conclusions to the proposed proceedings:

GRANT this class action on behalf of the Class;

GRANT the Plaintiff's action against the Defendants in respect of the rights of action asserted against Defendants under Title VIII, Chapter II, Division II of the QSA and, if necessary, the concordant provisions of the other Securities Legislation, and article 1457 CCQ;

CONDEMN the Defendants to pay to the Plaintiff and the Class compensatory damages for all monetary losses;

ORDER collective recovery in accordance with articles 595 to 598 of the *Code of Civil Procedure*;

THE WHOLE with interest and additional indemnity provided for in the CCQ and with full costs and expenses, including expert fees, notice fees and fees relating to administering the plan of distribution of the recovery in this action;

2) The facts alleged appear to justify the conclusions sought

60. As particularized herein, the Defendants violated their legal obligations and their duties and responsibilities to the Class, and made misrepresentations to the Class in the Impugned Documents and/or the Impugned Public Oral Statements within the meaning of the QSA and the other Securities Legislation, and failed to make timely disclosure of a material change or material changes, supporting the Plaintiff Representative and the Class's claims;

3) The composition of the group 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

61. SNC is a multinational company having issued approximately 175 million Common Shares which are publicly traded on worldwide stock exchanges, alternative electronic stock exchanges, over-the-counter exchanges and dark-pools;

62. There are thousands of investors that could be members of the putative Class and are likely located throughout the world;

63. In this context, it would be impracticable for each member of the Class to bring a separate action;

4) The class member appointed as representative plaintiff is in a position to properly represent the class members

64. Plaintiff Representative understands the requirements of time and dedication required of his role and is prepared to devote the required resources to carry forward this proposed class action on behalf of the Class;

65. Plaintiff Representative purchased SNC's Common Shares during the Class Period and endured a financial loss;

66. Plaintiff Representative has no conflict of interest with other members of the Class and is represented by counsel that are experienced at litigating shareholders' claims in class actions against multinational corporations that list their securities on multiple stock exchanges;

FOR THESE REASONS, MAY IT PLEASE THE COURT TO:

AUTHORIZE the Class as described herein;

"Class" and "Class Members" means all persons and entities, wherever they may reside or be domiciled, who acquired Common Shares in the secondary market during the Class Period and held some or all of such Common Shares as of the commencement of trading on the TSX on January 28, 2019, other than the Excluded Persons;

"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;

NAME Ruediger Martin Graaf as the Class representative;

DECLARE that the following questions of fact and law be dealt with collectively are:

- a. did the Impugned Documents and/or the Impugned Public Oral Statements contain one or more misrepresentations within the meaning of the QSA and, if necessary, the other Securities Legislation? If so, what documents contained what misrepresentations and what public oral statements contained what misrepresentations?
- b. did SNC fail to make timely disclosure of a material change or material changes within the meaning of the QSA and, if necessary, the other Securities Legislation? If so, when did that failure or failures occur?
- c. are any of the Defendants liable to 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, what Defendant is liable and to whom?
- d. did any of the Defendants owe a duty of diligence to the Class, or any of them, under the general private law of Quebec? If so, what Defendant owed a duty of diligence and to whom?
- e. if some or all of the Defendants owed a duty of diligence to the Class, or any of them, did any of the Defendants violate such duty of diligence and commit a fault under article 1457 of the CCQ? If so, what Defendant committed a fault and with respect to whom?
- f. what damages are sustained by the Plaintiff and the other members of the Class?
- g. are any of the Defendants liable to the Plaintiff and the Class, or any of them, for damages? If so, what Defendant is liable, to whom and in what amount?

AUTHORIZE the class action proceedings to seek the following conclusions:

GRANT this class action on behalf of the Class;

GRANT the Plaintiff's action against the Defendants in respect of the rights of action asserted against Defendants under Title VIII, Chapter II, Division II of the QSA and, if necessary, the concordant provisions of the other Securities Legislation, and article 1457 CCQ;

CONDEMN the Defendants to pay to the Plaintiff and the Class compensatory damages for all monetary losses;

ORDER collective recovery in accordance with articles 595 to 598 of the *Code of Civil Procedure*;

THE WHOLE with interest and additional indemnity provided for in the CCQ and with full costs and expenses, including expert fees, notice fees and fees relating to administering the plan of distribution of the recovery in this action;

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


APPROVE the notice to the members of the Class in the form to be submitted to the Court;

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

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

THE WHOLE WITH COSTS including experts' fees.

February 6, 2019.



SISKINDS, DESMEULES, AVOCATS

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(Me Erika Provencher)

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SUMMONS
(Articles 145 and following C.c.p.)

Filing of a judicial application

Take notice that the Plaintiff have filed this *Motion for Authorization of a Class Action and for Authorization to Bring an Action Pursuant to Section 225.4 of the Quebec Securities Act* in the office of the Superior Court in the Judicial District of Montreal.

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, Quebec, H2Y 1B6, within 15 days of service of the Motion or, if you have no domicile, residence or establishment in Quebec, within 30 days. The answer must be notified to the Plaintiff's lawyer or, if the Plaintiff is not represented, to the Plaintiff.

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 Quebec, 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.

Exhibits supporting the application

In support of the *Motion for Authorization of a Class Action and for Authorization to Bring an Action Pursuant to Section 225.4 of the Quebec Securities Act*, the Plaintiff intend to use the following exhibits :

These exhibits are available on request.

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.

February 6, 2019



SISKINDS, DESMEULES, AVOCATS

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**C A N A D A
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL**

**(Class Action)
SUPERIOR COUR** 500-06-000975-199
NO :

RUEDIGER MARTIN GRAAF

Plaintiff

v.

SNC-LAVALIN GROUP INC.

and

NEIL BRUCE

and

SYLVAIN GIRARD

Defendants

**MOTION FOR AUTHORIZATION OF A CLASS
ACTION AND FOR AUTHORIZATION TO BRING
AN ACTION PURSUANT TO SECTION 225.4 OF
THE QUEBEC SECURITIES ACT**

BB-6852

Casier 15

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