UPDATE AND CLARIFICATION OF THE PRELIMINARY NOTICE TO MARKET published on June 23, 2026

Alto Project

Central Segment

Presented by: Projet Cadence Rail s.e.c.
Date: October 2026

1. Introduction: Purpose of This Update

Projet Cadence Rail s.e.c. ("**Cadence**") is publishing this document (the "**Update**") to clarify and update certain information presented in the June 23, 2026 Preliminary Notice to Market concerning the Central Segment of the Alto Project (the "**PNM**"). The PNM outlined the overall procurement strategy, the proposed work packaging, and the principal delivery models. It also stated that these elements were preliminary and could be amended, supplemented, or clarified as the Project evolved, further analysis was completed, and additional consultations were held. Since then, consideration of the Project has continued. The multi-criteria assessments conducted, together with the questions, comments, and suggestions received during the information sessions held on July 8, 9, and 10 and through market soundings relating to certain work packages, have helped refine some of the directions initially presented. This Update reflects those developments and Cadence's intention to consider the views expressed by the market. It should therefore be read together with the PNM.

More specifically, the Update is intended to:

(i) describe changes to the Central Segment work packaging and to the delivery models contemplated for the various work packages; and

(ii) clarify the principles applicable to consortium formation.

This Update does not constitute a solicitation, a qualification process, a request for expressions of interest, a request for proposals, a call for tenders, or a commitment by Cadence or Alto to procure goods, works, or services. The information presented is provided for information purposes only and may change in future procurement documents as the Project progresses, further analysis is completed, additional consultations are held, and decisions are made. Capitalized terms and expressions not otherwise defined in this Update have the meanings given to them in the PNM.

2. Clarification of Delivery Models

The delivery models are tailored to the nature of the work packages, the maturity of the solutions, the interfaces, and market capacity. In accordance with the direction set out in the PNM, three principal delivery models are currently contemplated for the major Central Segment contracts:

i. Design-Build (DB);

ii. Progressive Design-Build (PDB); and

iii. Bid-Build (BB).

The final delivery model and the contractual terms specific to each work package will be set out in the applicable procurement documents.

2.1 Design-Build (DB)

Under a DB model, the contractor assumes integrated responsibility for design and construction based on the requirements, data, and documents provided through the procurement process. The contractor develops the detailed solution based on a preliminary design prepared by Cadence and delivers it under an integrated contractual framework.

2.2 Progressive Design-Build (PDB)

Under a PDB model, the contractor is engaged early and assumes responsibility for design during a co-development phase with Cadence. The model comprises two phases:

- a co-development phase, during which the parties develop and optimize the design, constructability, risk allocation, schedule, and commercial terms for delivery; and
- a delivery phase, which begins subject to satisfaction of the conditions applicable to the Project and the contract and proceeds in accordance with the terms agreed during the co-development phase.

This approach depends on close collaboration between the parties. Proponents' ability to work collaboratively and contribute effectively to co-development may therefore form part of the evaluation criteria.

2.3 Bid-Build (BB)

Under a BB model, Cadence develops the design separately from the construction contract, enabling competition for construction once the work has been defined in sufficient detail. The construction contract is then awarded through the applicable procurement process.

3. Update to Work Packaging and Delivery Models

The table below sets out the contemplated changes to the work packaging and delivery models presented in the PNM. The nature of each change is described in the "Principal change from the PNM" column.

For the matters addressed, this table replaces the corresponding information previously set out in the PNM. The scopes may be adjusted as the Project and procurement processes progress.

Work package	Indicative scope	Proposed model	Principal change from the PNM
WP1	Rolling stock	DB	No change from the PNM. The request for expressions of interest (RFEOI) for this work package was published on September 18, 2026. The request for proposals will comprise two distinct phases, the second of which will be a competitive dialogue following which a network-wide framework agreement will be awarded.
WP2	Rail Systems	PDB	The delivery model has changed from DB to PDB, although a network-wide framework agreement is still contemplated.
WP3	Montréal Maintenance Centre	PDB	The delivery model has changed from DB to PDB. The scope remains centred on the Montréal Maintenance Centre.

WP4	Montréal Urban Hub	PDB	The work package has been expanded to cover the Montréal Urban Hub, including the approach structure, station, associated buildings, access works, and Operations Control Centre (OCC).
WP5	Montréal–Laval Underground Works	PDB	The delivery model has changed from DB to PDB. WP6 has been integrated into this work package, and the scope of the underground and civil works has been expanded.
WP6	Not applicable		This work package has been integrated into WP5.
WP7	Laval Station	PDB	The work package has been refocused on Laval Station and its building systems.
WP8	Mille-Îles Bridge and Elevated Structures	DB	The scope of the elevated structures has been clarified.
WP9	Québec Corridor 1	BB	The Québec corridor has been divided into two work packages (see new WP19).
WP10	Outaouais Bridge and Related Structures	DB	The scope of the bridges and related works has been clarified.
WP11	Ontario Corridor 1	BB	No change from the PNM. Confirmation of the BB model for Ontario Corridor 1.
WP12	Ontario Corridor 2	BB	No change from the PNM. Confirmation of the BB model for Ontario Corridor 2.
WP13	Ontario Corridor 3	BB	No change from the PNM. The BB model is confirmed; procurement of this work package may be advanced ahead of WP11 and WP12.
WP14	Ottawa Urban Hub	PDB	The work package has been expanded to cover the Ottawa urban hub, including the station, associated buildings, civil works providing access to the station, and interface works. The Ottawa Maintenance Centre has been separated into its own work package.
WP15	Not applicable		The enabling works are now expected to be included primarily in the other relevant work packages. Additional information on these works will be provided in the relevant procurement documents, or the works may be procured separately under processes to be announced later.

WP16	Track, Turnouts, Rail Construction Logistics Hubs, Power Supply and Overhead Contact System	Under consideration	The packaging and delivery method for this work package, which includes railway works, power supply, the overhead contact system, and rail construction logistics hubs, are still being defined. Market soundings on ballast, turnouts, and sleepers are expected to be held in the coming weeks.
WP17	Not applicable		The "Third-Party Works" package is no longer contemplated as a single standalone work package. These works may be procured and delivered through separate, smaller work packages or carried out by the relevant third parties.
WP18 (new)	Ottawa Maintenance Centre	DB	A standalone work package has been created for the Ottawa Maintenance Centre. It is contemplated that this work package will be delivered under a DB model.
WP19 (new)	Québec Corridor 2	BB	A second Québec corridor work package has been created. It is contemplated that this work package will be delivered under a BB model.

The principal scope changes from the PNM are set out below. They are intended, to place closely related works and interfaces under a single, coherent responsibility, reduce interfaces between work packages, and better align the work packaging with the delivery conditions of the Central Segment.

WP4 – Montréal Urban Hub

WP4 becomes an urban hub comprising the approach structure, station, associated building systems, the main OCC, and Alto's head office and central functions.

WP5 – Montréal–Laval Underground Works

WP5 includes the tunnel fit-out previously assigned to WP6, the civil works extending to the interface with WP8, and the cut-and-cover works extending to the WP3 Montréal Maintenance Centre.

WP5 also includes the supply, pulling, protection, and identification of cables within the tunnel, in accordance with the requirements and specifications of the relevant system work packages.

The WP16 contractor is responsible for installing the track, turnouts, and overhead contact system within the works delivered under WP5. The WP5 contractor coordinates this installation with the WP16 contractor and incorporates into its works the access arrangements, openings, embedded provisions, supports, interfaces, tolerances, and handover conditions required to install this equipment.

WP7 – Laval Station

WP7 remains focused on Laval Station and the associated building systems. The civil works between the station and the interface with WP8 are transferred to WP5.

WP8 – Mille-Îles Bridge and Elevated Structures

WP8 retains the Mille-Îles Bridge and the associated elevated structures. The interface with WP5 is located where the underground works meet the elevated structures.

WP9 and WP19 – Québec Corridor

The Québec corridor, previously contemplated as a single work package, is divided into two work packages to better distribute the volume of work and reflect market delivery capacity. WP9 becomes Québec Corridor 1, and the new WP19 becomes Québec Corridor 2.

WP14 – Ottawa Urban Hub

WP14 becomes an urban hub comprising Ottawa Station, the associated building systems, and the works and interfaces relating to the adjacent corridors and existing railway infrastructure. The Ottawa Maintenance Centre, previously included in this scope, is now a standalone work package under WP18. The final boundaries between WP14 and the adjacent corridor work packages will be set out in future procurement documents.

WP16 – Track, Turnouts, Rail Construction Logistics Hubs, Power Supply and Overhead Contact System

WP16 combines the track, turnouts, rail construction logistics hubs, power supply, and overhead contact system. It therefore incorporates the electrification scope previously identified separately, including substations, and is intended to ensure coordinated management of the interfaces among the track, traction power supply, and overhead contact system equipment.

WP16 could also include the coordination of the installation of the track, turnouts, power supply, and overhead contact system with the contractors responsible for the civil, tunnel, structures, and corridor work packages, in accordance with the interfaces and handover conditions set out in the procurement documents

However, as mentioned in the table above, the packaging and delivery method for this work package are still being defined.

Given the challenges associated with industrial capacity, logistics, local sourcing, and adaptation to the Canadian climate, Cadence intends to engage the market early for certain critical components, including ballast, sleepers, and turnouts. Specific procurement strategies, including prequalification processes or framework agreements where appropriate, may be implemented.

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5. Principles Applicable to Consortium Formation

The Preliminary Notice to Market (“PNM”) sets out certain restrictions on consortium formation. Following questions raised during the PNM information sessions, Cadence, in collaboration with Alto, considered the matter further. The guiding principles below update the relevant provisions of the PNM.

The guiding principles in this document apply to any Company or Consortium that may be awarded a major work package or may directly perform a substantial portion of the work (collectively, the "participants", as further defined below). A participant may be:

- a corporation, company, partnership, general partnership, or other legal entity, other than a Consortium (a "**Company**"); or
- a group of operating Companies, regardless of legal form (a "**Consortium**").

GUIDING PRINCIPLE 1: OBJECTIVES

The objectives guiding Cadence's decisions under these principles include the following (for this purpose, "Cadence" includes any entity created specifically to carry out and deliver the Project):

- attract leading local and international expertise;
- ensure coherent integration across the Project;
- take into account the realities of the Canadian and international markets; and
- promote efficient and resilient delivery of the Project.

GUIDING PRINCIPLE 2: CONSORTIUM FORMATION

Maximum number of Companies within the same Consortium	Conditions to be met by Companies that are members of a Consortium
3 unless an exception is specified in the relevant procurement documents	• Each Company in the Consortium must be an operating company and must itself perform a portion of the applicable services (self-perform). The nature and/or required percentage of those services will be specified in the relevant procurement documents. • Depending on the nature of the work package, at least one Company in the Consortium may be required to have high-speed rail experience. • At least one Company in the Consortium must have its head office in Canada. • The Companies in the Consortium will be jointly and severally liable. • One member Company must be designated as the Consortium's "lead". That Company must have an establishment in Canada where it regularly conducts business. Additional criteria may be specified in the relevant procurement documents.

GUIDING PRINCIPLE 3: ADAPTABILITY AND FLEXIBILITY

Cadence may adjust the applicable rules and, for example, establish limits on the number of work packages that may be awarded to the same participant or principal subcontractor, taking into account, among other things:

- market conditions;

- the observed level of competition;
- the number and quality of bids received;
- the demonstrated capacity of the industry or participants;
- the development of the Project;
- lessons learned from the previous segment or segments;
- the cumulative value, strategic importance, or scale of major work packages already awarded to the same participant or its affiliates; and
- the best interests of the Project.

6. Status of This Update

This Update supplements and, where expressly indicated, amends the information in the PNM concerning work packaging, delivery models, consortium formation, and the award of multiple work packages. The remaining information in the PNM continues to apply for information purposes, subject to the ongoing development of the Project and future procurement documents. If there is any discrepancy concerning a matter expressly addressed in this Update, this Update reflects the direction currently contemplated by Cadence.