



## **Disclosure required by Section 303A.11 of NYSE's Listed Company Manual**

### **Summary of significant ways corporate governance practices followed by CAE Inc. differ from corporate governance practices required to be followed by U.S. domestic companies under the New York Stock Exchange's Listed Company Manual**

Although CAE is not required to comply with most of the New York Stock Exchange (NYSE) listing standards regarding corporate governance, we summarize below the significant way in which CAE's practices differ from those required to be followed in this respect by U.S. domestic issuers under such NYSE listing standards:

- Section 303A.8 of the NYSE's Listed Company Manual requires shareholder approval of all equity compensation plans and material revisions.
- The definition of "equity compensation plans" covers both plans that provide for the delivery of newly issued securities as well as plans that rely on securities reacquired on the market by the issuing company for the purpose of redistribution to employees and directors.
- The Toronto Stock Exchange (TSX) rules provide that only the creation of or material amendments to equity compensation plans which provide for new issuances of securities are subject to prior TSX approval.

The TSX requires shareholders approve these plans only in specified circumstances. Those circumstances include the creation of share purchase plans or stock option plans or an increase in number of shares available under such plans where more than 50% of available shares may be issued to insiders, or material amendments to the terms of such plans that are beneficial to plan participants.