



INSIDER TRADING POLICY	Dated: February 14, 2023
	Supersedes: February 6, 2020

1. Purpose

The rules and procedures outlined in this insider trading policy (the “**Policy**”) have been implemented in order to, among other things, prevent improper trading in Securities (as defined herein). This Policy is also intended to ensure that Covered Individuals (as defined herein) act in accordance with applicable laws and the highest standards of ethical and business conduct. This Policy supplements, and does not replace, applicable securities laws in respect of insider trading. The restrictions set forth herein are also aimed at preventing individuals from engaging in trading that may expose them and the Company to potential reputational risk.

Each individual has the ultimate responsibility for complying with applicable laws and should obtain additional guidance, including independent legal advice, as may be appropriate for his or her own circumstances. Accordingly, each individual is expected to use his or her judgment in interpreting this Policy, and to err on the side of caution at all times, having the Company’s reputation and his or her own reputation in mind. CAE’s reputation, in addition to compliance with applicable laws, should be a primary consideration when deciding whether or not to trade.

2. Scope

2.1 Unless otherwise provided, this Policy applies to:

- a) all directors, officers and employees of CAE Inc. and its wholly-owned or controlled (directly or indirectly) subsidiaries and joint ventures (collectively, “**CAE**” or the “**Company**”);
- b) any other person retained by, or engaged in business of professional activity with or on behalf, of the Company (such as a consultant, independent contractor or adviser);
- c) any family member, spouse or other person living in the household or a dependent child of any of the individuals referred to in (a) or (b) (“**Related Persons**”); and
- d) any legal entity over which any of the above-mentioned persons exercise control or direction.

For the purposes of this Policy, the persons listed above are collectively referred to as “**Covered Individuals**”.

2.2 This Policy applies to all transactions involving Securities, including the exercise of stock options granted under any of the Company’s incentive plans (whether or not combined with the sale of shares upon exercise) and the acquisition of shares or any other Securities pursuant to any of the Company’s incentive plans or any other compensation arrangement (for example, deferred share units (DSUs), performance



INSIDER TRADING POLICY	Dated: February 14, 2023
	Supersedes: February 6, 2020

share units (PSUs) and restricted share units (RSUs)). Purchases or sales of Securities can result in liability whether executed in the public markets or in a private transaction.

3. Definitions

Unless defined elsewhere in this Policy, all capitalized terms used herein have the meaning set forth in Schedule A attached hereto.

4. Insider Trading and Tipping

4.1 No Covered Individual shall, directly or indirectly, buy, sell or otherwise trade or engage in any transactions in Securities while such person has knowledge of Material Non-Public Information.

4.2 No Covered Individual shall disclose (“tip”) Material Non-Public Information to any other person (including members of his or her immediate family or household), other than in the necessary course of the Company’s business.¹ In addition, no Covered Individual shall make any recommendations or express opinions on the basis of Material Non-Public Information as to trading by any person in Securities or in securities of other companies.

4.3 Covered Individuals should be aware that under margin arrangements, a broker may be entitled to sell Securities without a Covered Individual’s permission if the value of such Securities falls below the broker’s margin requirements. The sale, even though not initiated at the Covered Individual’s request, is still a sale for the Covered Individual’s benefit and may lead to liability under insider trading rules if made at a time when a Covered Individual has knowledge of Material Non-Public Information. Similar cautions apply to a bank or other loans for which a Covered Individual may have previously pledged Securities as collateral. In light of these risks, it is the Company’s policy to prohibit Covered Individuals from entering into margin loans on Securities or from pledging or otherwise using Securities as collateral.

5. Pre-clearance of Trades and Reporting

5.1 In order to assist in preventing even the appearance of an improper insider trade, all proposed transactions in Securities (including the exercise of any stock option or any other purchase or sale of any Securities) by directors, officers, and senior employees who regularly attend or participate in board or executive committee meetings or who otherwise have regular access to Material Non-Public Information (collectively, “**Pre-Cleared Individuals**”) (and Related Persons to those Pre-Cleared Individuals) must be pre-cleared in accordance with the procedures set out below. A

¹ Refer to CAE’s *Disclosure Policy* for further details on the “necessary course of business” exception. The question of whether a particular disclosure is being made in the necessary course of business is a mixed question of law and fact that must be determined on a case-by-case basis.



CORPORATE POLICIES AND PROCEDURES

INSIDER TRADING POLICY	Dated: February 14, 2023
	Supersedes: February 6, 2020

list of current Pre-Cleared Individuals is included under Schedule B hereto. Individuals who qualify as Pre-Cleared Individuals will be advised by the Corporate Secretary to ensure compliance with this requirement.

This pre-clearance requirement extends to all proposed transactions in Securities for an individual's own account and for accounts over which an individual exercises control or direction.

A trade request must be submitted to the Corporate Secretary by email. It must specify the type of Securities to be traded and type of transaction (i.e. purchase, sale or exercise of stock options, etc.). No trade may be carried out without obtaining pre-clearance in writing by the Corporate Secretary, who will liaise with and obtain sign-off in writing from every member of the Disclosure Committee, the President and Chief Executive Officer ("CEO"), the Group President, Civil Aviation and the Group President, Defence and Security, and who will endeavour to grant or deny approval to trade as soon as possible after a request is submitted and may request additional information before doing so; provided, that if the CEO submits a trade request, the Chair of the board of directors must also sign-off prior to the issuance of an approval by the Corporate Secretary. Approval of any trade will be provided in writing. Any approval granted for a proposed trade will be valid for a period of three (3) days on which both the Toronto Stock Exchange ("TSX") and the New York Stock Exchange ("NYSE") are open for trading (each, a "Trading Day"), unless revoked prior to that time. No trade may be carried out after the expiry of three (3) Trading Days following the receipt of approval unless such approval is renewed. An approval may be withdrawn at any time before the transaction is completed if the persons who granted it find a violation of this Policy by the person to whom the authorization was granted or the existence of Material Non-Public Information. If clearance is denied, the fact of such denial must be kept confidential by the person requesting such clearance. To the extent that Material Non-Public Information remains undisclosed, no one may be given permission to effect transaction in Securities and may be informed of the reason they may not trade. Any person that is made aware of the reason for an event-specific prohibition on trading shall not disclose the reason for the prohibition to third parties and shall not disclose the existence of the prohibition.

Pre-Cleared Individuals are reminded that, notwithstanding any approval of a trade, the ultimate responsibility for complying with this Policy and applicable securities laws rests with the individual. They should remind their Related Persons of same.

5.2 Each Pre-Cleared Individual must report every trade he or she (or any of his or her Related Persons) makes in Securities, as soon as the trade is completed, to the Corporate Secretary.



INSIDER TRADING POLICY	Dated: February 14, 2023
	Supersedes: February 6, 2020

5.3 Upon request of the Company, Pre-Cleared Individuals will be required to provide an annual confirmation that they and any of their Related Persons have not conducted any transactions in Securities that were not pre-cleared.

5.4 The Corporate Secretary will provide notice to the board of directors following any trading activity by the President and Chief Executive Officer and any other officer who is a member of the CAE Inc. Executive Management Committee.

6. Blackout Periods

6.1 To ensure trading in Securities by directors, officers and all employees of CAE who receive notice from the Corporate Secretary that they are blacked-out employees (“**Blacked-Out Individuals**”) does not occur when Material Non-Public Information may exist, trading by such Blacked-Out Individuals is prohibited during regular blackout periods commencing on the close of business on the fourteenth (14th) calendar day preceding the end of each financial quarter until the end of the second (2nd) Trading Day following public disclosure of the Company’s quarterly or annual results. A list of current Blacked-Out Individuals is included under Schedule B hereto. The Corporate Secretary’s office shall provide to Blacked-Out Individuals a reminder prior to each regular blackout.

6.2 Blackout periods may also be prescribed from time to time as a result of special circumstances relating to the Company. All directors, officers and employees of the Company with knowledge of such special circumstances will be covered by the blackout. Notice of any such blackout will be communicated by issuance of a formal notice from the Corporate Secretary’s office.

6.3 At any given time, even outside blackout periods, and notwithstanding the fact that a person has not been designated as a Blacked-Out Individual, any person possessing Material Non-Public Information on the Company should not engage in any transactions in Securities until such information has been “generally disclosed”, as detailed under the definition of “Material Non-Public Information”. Please refer to Schedule A. When in doubt, CAE directors, officers, employees, consultants and other insiders are encouraged to contact the Corporate Secretary in order to determine if, during a given period, they have the right to trade in Securities.

6.4 The trading restrictions set forth in this Section 6 do not apply to transactions made automatically on behalf of a director, officer or employee of the Company under an automatic securities purchase plan or under an automatic securities disposition plan previously approved by the board of directors of the Company.

7. Insider Trading Restrictions Regarding Other Companies

No Covered Individual may, directly or indirectly, purchase or sell, or otherwise trade, or encourage or recommend that another person trade, in securities of any other



INSIDER TRADING POLICY	Dated: February 14, 2023
	Supersedes: February 6, 2020

company if such individual has actual knowledge that CAE is doing business, or proposes or is considering or evaluating doing business or engaging in a significant transaction, with that company, and if such individual:

- a) has actual knowledge of Material Non-Public Information relating to that other company; or
- b) has received a notification from the Corporate Secretary implementing a trading blackout with respect to that other company as a result of CAE's actual or potential relationship with it;

and, under the circumstances set out above, no such person may disclose to someone else Material Non-Public Information relating to that other company, except where such disclosure is in the necessary course of business.²

8. Insider Reporting

8.1 All directors and members of the CAE Inc. Executive Management Committee are considered "reporting insiders" under applicable securities laws ("**Reporting Insiders**").

8.2 Under Canadian securities legislation, Reporting Insiders are required to, among other things:

- a) file an initial insider trading report electronically through the System for Electronic Disclosure by Insiders ("**SEDI**") at www.sedi.ca, within ten (10) days after becoming a Reporting Insider;
- b) file an insider trading report on SEDI within five (5) days of a change in: (i) the beneficial ownership of, control or direction over, whether direct or indirect, Securities; or (ii) a change in an interest in, or right or obligation associated with, a Related Financial Instrument; and
- c) file an insider trading report within five (5) days if they enter into, materially amend, or terminate an agreement, arrangement or understanding that (i) has the effect of altering, directly or indirectly, their economic exposure to the Company; or (ii) involves, directly or indirectly, a Security or a Related Financial Instrument.

8.3 Generally, a Reporting Insider does not have to file an insider report if a member of his or her immediate family or household engage in a transaction involving a purchase or sale of Securities. However, in certain circumstances where a Reporting Insider effectively controls and exercises direction over the securities held by the member of his or her immediate family or household, such Reporting Insider may be required to file an insider report.

² Refer to CAE's *Disclosure Policy* for further details on the "necessary course of business" exception.



INSIDER TRADING POLICY	Dated: February 14, 2023
	Supersedes: February 6, 2020

8.4 It is the responsibility of each Reporting Insider to set up and maintain their SEDI profile and to make the necessary filings. However, the Office of the Corporate Secretary is available to assist Reporting Insiders in completing and filing the required insider trading reports, provided that they provide the required information to the Corporate Secretary, in a timely manner (i.e. immediately after the transaction in the case of a purchase or sale). Reporting Insiders who file their own reports are asked to promptly provide a copy of such reports to the Corporate Secretary in order that the Company's records may be updated. Reporting insiders are reminded that they remain personally responsible for the timely disclosure of their trading activities and that the assistance offered by the Office of the Corporate Secretary in no way reduces the obligations imposed on them by applicable insider trading laws. Failure to file an insider report within the required time period from the trade or change is an offence under securities legislation and may lead to the imposition of late filing fees. Each Reporting Insider is responsible for paying the administrative penalties imposed on him or her.

9. Anti-Hedging Policy

Pursuant to CAE's *Anti-Hedging Policy*, all directors, officers, executives, employees and consultants who have access to Material Non-Public Information are prohibited from directly or indirectly engaging in hedging against future declines in the market value of Securities through the purchase of financial instruments designed to offset such risk. Please refer to CAE's *Anti-Hedging Policy*.

10. Penalties and Liability

The various provincial commissions and the stock exchanges use sophisticated electronics to detect insider trading. The criminal and civil consequences of prohibited insider trading, tipping or a failure to file an insider report on a timely basis can be severe and may include sanctions, imprisonment and penalties of several times the amount of profits gained or losses avoided. Where a company is found to have committed an offence, the directors, officers and other individuals involved may be subject to the same or additional penalties. Moreover, the occurrence or alleged occurrence of insider trading or tipping will likely result in negative publicity and harmful damage to the reputations of the Company and those who are involved.

11. Compliance and Enforcement

All directors, officers and employees of CAE, as well as any other person retained by, or engaged in business of professional activity with or on behalf, of the Company, will be provided with a copy of or access to this Policy. It is a condition of appointment, employment or engagement that each of these persons at all times abides by the standards, requirements and procedures set out in this Policy. Violations of this Policy



CORPORATE POLICIES AND PROCEDURES

INSIDER TRADING POLICY	Dated: February 14, 2023
	Supersedes: February 6, 2020

could lead to disciplinary action, up to and including requesting a director to resign or dismissal of an officer or employee with cause. If it appears that a person may have violated securities laws, the Company may refer the matter to the appropriate regulatory authorities.



INSIDER TRADING POLICY	Dated: February 14, 2023
	Supersedes: February 6, 2020

**SCHEDULE A
DEFINITIONS**

For the purposes of the Policy, the following terms have the following meanings:

“Material Non-Public Information” means any “material information” that is “non-public”, where:

- a) “material information” consists of both “material facts” and “material changes”. A “material fact” means a fact that would reasonably be expected to have a significant effect on the market price or value of securities, while a “material change” means a change in the business, operations or capital of a company that would reasonably be expected to have a significant effect on the market price or value of any of the company’s securities and includes a decision to implement such a change if such a decision is made by the company’s board of directors or by senior management who believe that confirmation of the decision by the board of directors is probable.
- b) “non-public” means that the information has not been “generally disclosed” to the public for a sufficient period to be reflected in the price of the security. In order for information to be “generally disclosed”, information must be disclosed in accordance with the procedures described in CAE’s *Disclosure Policy* and, in any event, it must: (i) be disseminated to the public by way of a broad, non-exclusionary method together with the passage of a reasonable amount of time for the public to analyze the information; and (ii) have been made known in a manner that would, or would be reasonably likely to, bring it to the attention of persons who commonly invest in securities of a kind whose price might be affected by the information and, since it was made known, a reasonable period for it to be disseminated among such persons has elapsed. Unless otherwise advised that the period is longer or shorter, a reasonable amount or reasonable period of time will have passed at the close of business on the second (2nd) Trading Day after the Material Non-Public Information has been generally disclosed. Thus, if information is released following close of markets on a Monday, trading should not take place until Thursday (assuming Tuesday and Wednesday are Trading Days).

In determining whether certain information is material, a number of factors should be taken into account, including:

- Nature of the information;
- Volatility of CAE’s securities; and
- Prevailing market conditions.



CORPORATE POLICIES AND PROCEDURES

INSIDER TRADING POLICY	Dated: February 14, 2023
	Supersedes: February 6, 2020

Both positive and negative information may be considered Material Non-Public Information. Examples of information that would ordinarily be considered Material Non-Public Information include, but are not limited to:

- a) financial performance, especially annual or quarterly financial results of the Company and projections of future earnings or losses;
- b) significant changes in management of the Company;
- c) significant shifts in the operating or financial circumstances of the Company, such as major as major unexpected program charges or write-offs and changes in earnings, production or reserves projections;
- d) changes in dividend or distribution policy;
- e) impeding bankruptcy or financial liquidity problems;
- f) borrowing by the Company of a significant amount of funds;
- g) new equity or debt financings;
- h) acquisitions by the Company of, or mergers by the Company with, other corporations;
- i) acquisitions or dispositions of assets, property or joint venture interests by the Company;
- j) development of new products or services and developments affecting the Company's resources, technology, services or markets;
- k) significant new contracts or loss of business by the Company;
- l) share issuances or repurchases by the Company; and
- m) actual or threatened litigation, or the result of such litigation, that involves the Company.

This list is not intended to be exhaustive and must be read in conjunction with CAE's *Disclosure Policy*. Other information may also constitute Material Non-Public Information. If you are not sure whether any information qualifies as Material Non-Public Information under this Policy, please consult the Corporate Secretary before engaging in a transaction or otherwise taking any action.

For greater certainty, the definition of "Material Non-Public Information" set forth above corresponds to the notion of "privileged information" as defined under the *Securities Act* (Québec), being "any information that has not been disclosed to the public and that could affect the decision of a reasonable investor".

"Related Financial Instrument" means (i) any instrument, agreement or security whose value, market price or payment obligations are based on the value, market price or payment obligations of a Security (including, without limitation, deferred share units, restricted share units and performance share units); and (ii) any other instrument, agreement or understanding that affects, directly or indirectly, a person's economic interest in a Security



CORPORATE POLICIES AND PROCEDURES

INSIDER TRADING POLICY	Dated: February 14, 2023
	Supersedes: February 6, 2020

or having the effect of altering, directly or indirectly, a person's economic exposure to the Company.

“Securities” or **“Security”** is broadly defined and includes, among other things, the shares, stock options, performance warrants, exchangeable shares, convertible debentures, bonds, debt instruments, puts, calls, or other rights or obligations to purchase or sell securities of the Company, and any Related Financial Instrument, in each case that has been issued or granted by the Company.

“Significant Shareholder” means a person or company that has a direct or indirect beneficial ownership of, or control or direction over, or any combination thereof, Securities carrying more than 10% of the voting rights attached to all outstanding voting Securities.



INSIDER TRADING POLICY	Dated: February 14, 2023
	Supersedes: February 6, 2020

SCHEDULE B

PRE-CLEARED INDIVIDUALS AND BLACKED-OUT INDIVIDUALS

Pre-Cleared Individuals

For the purposes of the Policy, Pre-Cleared Individuals include the individuals holding the following positions with CAE Inc.:

- Directors and Officers;
- Members of the Executive Management Committee;
- Members of the Disclosure Committee;
- Chief Accounting Officer and Vice-president, Corporate Controller;
- Vice-President and Treasurer; and
- Vice-President, Tax.

Blacked-Out Individuals

For the purposes of the Policy, Blacked-Out Individuals include the individuals holding the following positions with CAE Inc.:

- Directors and Officers;
- Members of the Executive Management Committee;
- Members of the Disclosure Committee; and
- Members of the Disclosure Sub-Certifiers Committee.