



INTERNAL REPORTING/ WHISTLEBLOWING POLICY	Issued: February 13, 2024
	Supersedes: May 18, 2021

1. Introduction

CAE strives to conduct its business in accordance with the highest standards of integrity and ethical behaviour as reflected in our Code of Business Conduct and other related policies, including this Internal Reporting/Whistleblowing Policy ("**Policy**"). Ethics & Compliance is the responsibility of every person in the company and is reflected not only in our relationships with each other but also with our customers, suppliers, shareholders and other stakeholders.

CAE is also committed to developing a "Speak Up" culture where all former or current employees, contingent worker, candidates for employment, shareholders, business partners and other individuals or corporate entities providing services to CAE (such as contractors, subcontractors, suppliers) (collectively the "**Reporters**") feel comfortable reporting what they perceive as suspected wrongdoing or violations of laws, regulations, our Code of Business Conduct or other policies. Reporters speaking up should feel confident that they will be heard and recognized and that it is the right thing to do to allow potential problems to be solved. Speak Up also means that CAE does not tolerate retaliation against anyone for making reports in good faith.

Several channels exist for Reporters to Speak Up, verbally or in writing, including immediate supervisors, Human Resources Business Partners (HRBP), members of the Legal team, Ethics & Compliance representatives or senior management. In-person or videoconference meetings will also be arranged, where required by law.

As part of the Speak Up mechanisms CAE has also established a reporting channel (EthicsPoint) through which reports may be submitted securely and anonymously, where permitted by law. The use of EthicsPoint is entirely optional and voluntary.

2. Purpose

The purpose of this Policy is to set forth the guiding principles and processes for the handling of reports of misconduct through CAE's reporting channels.

3. Applicability

This Policy applies to CAE Inc. and its wholly owned or controlled (directly or indirectly) subsidiaries and joint ventures ("**CAE**" or the "**Company**"). A "controlled" subsidiary or joint venture is a legal entity in which CAE generally owns equity interests representing more than 50% of the voting shares. Where CAE does not have a controlling interest in a subsidiary or joint venture, CAE shall communicate its expectation that such entity has in place similar policies and procedures consistent with this Policy and shall deploy all reasonable efforts to ensure that such a policy is adopted by the entity.



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4. Guiding principles for the handling of reports of misconduct

Principle 1: Protection from retaliation

CAE does not tolerate retaliation against anyone who, in good faith, makes an inquiry, participates in an investigation or reports a misconduct. Any supervisor or manager who directly or indirectly intimidates or punishes an employee who reports a potential violation of the law, a regulation or CAE's Code of Business Conduct, is subject to disciplinary action up to and including dismissal.

For clarity, retaliation can take many forms, such as harassment, negative performance evaluations, withholding or discriminatory allocation of work assignments, denial of access to recruitments or promotions, dismissal or any other form of sanction in particular related to compensation (bonuses, free shares, etc.).

Principle 2: Presumption of innocence

Any person who is implicated in a report is presumed to be innocent unless and until any allegation of wrongdoing is substantiated.

Principle 3: Anonymity and Confidentiality

Reporters have the choice either to disclose their identity to CAE, or to remain anonymous, where this is legally permissible.

If a Reporter discloses his/her identity in a report, CAE will treat the information confidentially, including any information that may directly or indirectly reveal the identity of the Reporter. CAE will also treat as confidential the identity of third parties referenced in a report, as well as all other information provided by the Reporter as part of the report. While the information will be treated as confidential, CAE may be required to disclose the information referenced in the report, including names of individuals involved, to government authorities as necessary.

If a Reporter does not want to disclose his/her identity in a report, the only communication channel available then is through EthicsPoint. The Reporter will receive a code when filing the report, which will link to a dedicated account created for that report. Both the Reporter and the Investigation Leader will have the possibility to upload messages to each other through the EthicsPoint system.

Note: CAE encourages Reporters to identify themselves when making a report. This is because doing so will assist CAE to fully investigate the concern raised and will also allow the Company to provide support and feedback regarding the concerns raised.



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Principle 4: Acting in good faith

Reporters must act in good faith and must not make deliberately false allegations. Good faith is when the Reporter has a plausible reason to believe an allegation is true, even if the allegation proves unfounded or any statement or disclosure is later shown to be inaccurate. It is only when a Reporter deliberately makes false or misleading statements that he/she may be subject to disciplinary action for submitting a report.

5. How to submit reports of misconduct

Several channels exist for Reporters to raise concerns, including:

A) At the business unit level

CAE encourages Reporters to speak to their immediate manager or supervisor at the business unit level to raise concerns when it is possible to do so. If a Reporter does not feel comfortable reporting a concern to their immediate manager or supervisor, they may also report their concerns locally to the following individuals at the business unit level:

- Human Resources Business Partner (HRBP);
- Legal counsel; or
- Ethics or compliance representative.

If required by law, each General Manager or leader of a business unit is responsible for making sure that appropriate reporting channels have been implemented within their respective business unit for Reporters to raise concerns either verbally or in writing. They are also responsible for communicating this information to Reporters (through posters, e-mails, internal newsletters or otherwise).

B) At the corporate level

If a Reporter does not feel comfortable reporting a concern at the business unit level as indicated in A) above, a Reporter can raise a concern either verbally or in writing at the Corporate level, including to:

Global Ethics and Compliance Office	@ ethics-and-compliance@cae.com
Internal Audit	@ internal-audit@cae.com



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If a Reporter does not feel comfortable reporting a concern as indicated above, the Reporter may inform either CAE’s General Counsel, Chief Compliance Officer and Corporate Secretary, CAE’s Executive Vice President, Finance and Chief Financial Officer or CAE’s Chief People Officer, as the case may be, taking into consideration the nature of the concerns to be raised.

C) At the Board of Directors level

A Reporter may also report a concern at the Board of Directors level by contacting the Chair of the Board of Directors. Correspondence may be sent to:

8585 Côte-de-Liesse
Saint-Laurent QC H4T 1G6
Attention: Chair of the Board (boardchair@cae.com)

D) CAE’s Ethics Helpline

A Reporter may also report a concern through CAE’s Ethics Helpline (EthicsPoint): www.ethicspoint.com or by calling one of the following numbers:

Australia	1-800-339276	India	000-800-100-1071 000-800-001-6112
Belgium	0800-77004	Italy	800-786907
Brazil	0800-8911667	Malaysia	1-800-80-8641
Canada	1-855-350-9393	Netherlands	0800-0226174
Chile	1230-020-5771	Portugal	8008-12499
China	10-800-120-1239 10-800-712-1239	Spain	900-991498
Dubai	8000-021 8000-555-66 8000-061	United Kingdom	0800-032-8483
Germany	0800-1016582	United States	1-866-294-9551

For all other locations, please use call: 1-866-294-9551.

6. Type of concerns that can be raised

The following concerns can be raised by any Reporter:



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A) Business Compliance Allegations

Bribes, Improper Payments and Business Integrity	<ul style="list-style-type: none"> • Giving, promising, offering, authorizing, or paying anything of value to another person for the purpose of obtaining or keeping business, or to secure any improper advantage; • Giving, promising, offering, authorizing, or paying anything of value to influence a person’s actions, including those of a public official; • Authorizing a third-party acting on CAE’s behalf to perform an action that would otherwise be prohibited.
Business Courtesies	<ul style="list-style-type: none"> • Giving or receiving business courtesies in violation of CAE’s Business Courtesies Policies.
Fraud and Deception (including Accounting or Financial Reporting)	<ul style="list-style-type: none"> • Misappropriation of assets by dishonestly appropriating, concealing or misusing CAE’ assets; • Misstatements or omissions in accounting records and financial statements that are designed to deceive the users of such information.
Conflicts of Interest	<ul style="list-style-type: none"> • Situations in which a person’s personal interests interfere, or appear to interfere, with his/her ability to perform his/her official CAE duties without bias.
Unfair Competition	<ul style="list-style-type: none"> • Violation of applicable law, regulation or policy relating to competition/antitrust; • Unauthorised access to confidential or classified information of competitors.
Insider Trading	<ul style="list-style-type: none"> • Use or disclosure of inside (non-public) information for personal gain or to benefit another person or company.
Breach of Confidentiality and Privacy	<ul style="list-style-type: none"> • Unauthorised disclosure of confidential information owned by the Company or entrusted to CAE by third parties;



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	<ul style="list-style-type: none">• Any breach of the confidentiality of data or breach of privacy/data protection laws and regulations.
Intellectual Property Infringement	<ul style="list-style-type: none">• Infringement of intellectual property rights.
Working with Governments	<ul style="list-style-type: none">• Violation of government contract and procurement rules and requirements;• Inappropriate interactions with government/public officials.
Procurement	<ul style="list-style-type: none">• Concerns related to suppliers or subcontractors, for example breaches of CAE's supplier selection processes, the CAE Supplier Code of Conduct, applicable purchase order terms and conditions or applicable laws/regulations.
Export controls and economic sanctions	<ul style="list-style-type: none">• Violation of policy, national or international law or regulations relating to (i) export controls, including materials, services, technical data and technologies designed for military or dual use purposes by an entity or (ii) economic sanctions (for example, in the event of commercial activity with prohibited parties/countries).
Human Rights	<ul style="list-style-type: none">• Concerns related to a violation of policy, regulation, legislation or international standards related to human rights, including any form of forced or child labour, modern slavery or human trafficking, as well as labour practices and other working conditions.
Health and Safety (including Aviation Safety)	<ul style="list-style-type: none">• Breach of applicable laws or applicable CAE policy and commitment.
Product Quality and Safety	<ul style="list-style-type: none">• Allegations that the safety of CAE products (including full flight simulators) have been compromised and may cause injuries.



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Environment	<ul style="list-style-type: none">• Breach of applicable environmental laws or applicable CAE policy and commitment.
Physical Security and Cybersecurity	<ul style="list-style-type: none">• Breach of any security policies, including physical or IT security policies and guidelines.
Retaliation	<ul style="list-style-type: none">• Any form of retaliation (including threats or attempts of retaliation) against a Reporter who made a complaint in good faith.
Other	<ul style="list-style-type: none">• Any other breach or violation of an applicable law or regulation.

B) People Matter Allegations

Equal Opportunity and Discrimination	<ul style="list-style-type: none">• Discrimination based on any personal trait.
Harassment and Bullying	<ul style="list-style-type: none">• Unwanted or unwelcome behaviour towards another person, resulting in deteriorating working conditions that is likely to impact a person's physical and mental health and can create a hostile, degrading, humiliating or offensive environment for the person.
Sexual Harassment	<ul style="list-style-type: none">• Sexual harassment is an unwanted act or behaviour of a sexual nature or with a sexual connotation such as unwelcome sexual advances, inappropriate touching, verbal comments.
Breach of HR Policies and Procedures	<ul style="list-style-type: none">• Concerns relating to violations of CAE's HR policies and procedures and other human resources related issues.



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7. How reports are handled

A) Reporting Business Compliance Allegations or People Matter Allegations

Employees must immediately report Business Compliance Allegations or People Matter Allegations via the reporting channels discussed in Section 5. Reports can be made in person or by written correspondence, along with all available facts and supporting documents.

Reports related to Business Compliance Allegations will be automatically transferred to a member of the legal team, an Ethics & Compliance representative, the General Counsel, Chief Compliance Officer and Corporate Secretary or any other person with the qualifications to receive such report. Reports related to People Matter Allegations will be automatically transferred to a HRBP, a member of the Human Resources Department or the Chief People Officer or any other person with the qualifications to receive such report.

If the report is made through EthicsPoint, it will be automatically sent to the General Counsel, Chief Compliance Officer and Corporate Secretary, the Chief People Officer and the Global Leader, Ethics, Compliance and Privacy. A report involving a member of the CAE Board of Directors, a member of the Executive team, the Global Leader, Ethics, Compliance and Privacy or the Director of Internal Auditor will be handled by the General Counsel, Chief Compliance Officer and Corporate Secretary.

B) Acknowledging receipt of a report and conducting an initial assessment

Upon receipt of a report (regardless of the reporting channel), an acknowledgement of receipt shall be provided to the Reporter within seven days.

An initial assessment of the allegations in the report must then be performed to determine whether there is sufficient information to form a credible basis to initiate an investigation. CAE reserves the right to discard reports that do not have enough substance or do not meet the conditions defined by applicable laws, and in such situations, it will inform the Reporter of its decision. Otherwise, an Investigation Leader will be appointed, and an investigation will be initiated.

C) Initiating an investigation

The Investigation Leader is responsible for conducting a fair and objective investigation in compliance with this Policy. In doing so, the Investigation Leader will determine the availability of resources (including subject matter experts) necessary to perform the investigation or, if they



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do not have the required availabilities or expertise, will recommend alternatives are required, such as forensic investigators.

The Investigation Leader, directly or together with the resources identified, will proceed with the investigation, including conducting interviews, gathering evidence and documentation, and preparing the investigation file. The Investigation process is divided in four main phases:

- **Intake:** receipt of the report and preliminary investigation;
- **Investigation:** in-depth investigation on the concerns raised by the Reporter;
- **Reporting:** findings of the investigation carried out;
- **Follow-up:** monitoring of any corrective or improvement actions.

D) Communications and interactions with the Reporter

The Reporter will be provided with a reasonable time estimate that will be necessary to conduct the investigation, which should not exceed three months (except for more complex matters).

During the investigation, both the Reporter and the Investigation Leader will have the possibility to upload messages/comments to each other through the EthicsPoint system or, if the Reporter has agreed to share his/her identity, through direct means of communication. This method of communication will be notified to the Reporter when acknowledging receipt of his/her report. The Investigator Leader will communicate with the Reporter as necessary to receive additional information.

To maintain discretion and the integrity of the investigation, only individuals identified as “**needing to know**” will be communicated with or informed of the investigation.

At the end of the investigation, the Reporter will receive feedback about the outcome of the report and be informed of the closure of the investigation.

8. Record-Keeping and Access Rights

Regardless of the manner in which a report was made, records and documents provided in connection with a report must be preserved in their original form (e.g., emails, reports, anonymous letters with envelopes, etc.) and must be considered confidential. They must also be retained for a period that is deemed necessary, proportionate and in accordance with applicable laws. After this time period, these records and documents will be destroyed in a manner consistent with applicable CAE policies. This does not apply to cases in which disciplinary and/or judicial proceedings have been brought against the implicated person or the person who submitted the report or any third parties.



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Note: Records and documents provided in connection with a report that is deemed to be unfounded or immaterial will be destroyed immediately. In addition, personal information which are manifestly not relevant for the handling of a specific report shall not be collected or, if accidentally collected, shall be deleted without undue delay.

In some jurisdictions, the implicated person may have the right to access data concerning him or her and to request that such data be corrected or deleted, as applicable. On the basis of such rights of access, an implicated person generally may not obtain information regarding third parties, such as the identity of the Reporter, the identity of other individuals who are referenced in the report, or any information that may reveal, directly or indirectly, these identities. Further, CAE will make all possible efforts to protect from disclosure all information provided by the Reporter as part of his/her report.

When an allegation is submitted as part of an in person or video conference meeting, the Investigation Leader will document oral reports provided by the Reporter (i) by making a recording of the conversation in a durable and retrievable form, or (ii) through a complete and accurate transcript of the conversation. In this case, the Investigation Leader will offer the Reporter the opportunity to check, rectify, and agree on the accuracy of the transcript by signing it.

9. Monitoring and reporting the investigation results

Regardless of the reporting channels, the findings and results from any investigation will be communicated to CAE's Global Ethics and Compliance Office for recording, monitoring and reporting purposes.

Every quarter, the Governance Committee of the CAE Board of Directors will be provided with a summary of the reports received during the prior quarter and the results of the investigations made.

10. Enforcement and Disciplinary Measures

If the investigations carried out in accordance with this Policy reveal unlawful conduct attributable to CAE employees or anyone acting on CAE's behalf, the Company shall act promptly and immediately, through appropriate and proportionate disciplinary measures, taking into account the seriousness and legal implications of such conduct.

Failure to respect the letter or spirit of this Policy or the law may also lead to disciplinary measures commensurate with the breach, up to and including termination of employment or termination of any agreement.



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11. External Reporting

If required by law, Reporters may also submit a report to a competent national authority. Given that the competent authorities may vary from a jurisdiction to another, each General Manager or leader of a business unit is responsible for communicating to Reporters the applicable procedures for reporting concerns externally. It is understood however that Reporters must give preference to use of the internal reporting channels described in this Policy before reporting a concern externally or disclosing it publicly.

12. Local ad hoc policies

If there are local legislations incompatible with this Policy, a CAE business unit may be required to implement an ad hoc policy on whistleblowing to comply with such local legislations. In such cases, the ad hoc policy will be attached as Appendix to this Policy. However, no ad hoc policy, procedure, or guideline on the subjects covered by this Policy may be more permissive than this Policy.