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1. Applicability

- 1.1. 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.
- 1.2. Where CAE does not have a controlling stake in a subsidiary or joint venture, CAE shall communicate its expectation that such entity have in place an anti-corruption policy consistent with this Policy and shall deploy all reasonable efforts to ensure that such a policy is adopted by the entity.
- 1.3. This Policy applies to members of the board of directors and to all employees of the Company, without exception, including the President and Chief Executive Officer, officers, vice presidents, directors and other managers, and all staff employed with the Company and affiliated companies (collectively, the "**Employees**").

2. Policy, Purpose and Scope

- 2.1. The Company takes corruption issues very seriously and is committed to conducting business in a competitive market based on the high standards of quality of its products and services and in compliance with all applicable anti-corruption laws. This commitment is reflected in CAE's Code of Business Conduct, which expressly prohibits all forms of corruption committed by Employees or third-parties, even when the observance of this commitment could place the Company in a non-competitive business operation.
- 2.2. The main purpose of this Policy is to ensure that CAE does not participate in any form of corruption anywhere in the world, either directly or indirectly through a third-party such as business partners, joint venture and equity partners, acquisition targets, contractors, service providers, suppliers, vendors, distributors, and persons acting on the Company's behalf, including Representatives and Consultants (as defined).
- 2.3. This Policy sets out a specific procedure that must be observed by all Employees worldwide whenever the appointment of a Representative or Consultant is proposed, or whenever there are any requests or requirements to, directly or indirectly, provide commissions, payments or anything of value to Public Officials (as defined) or any other person. This Policy also establishes a process to make sure that any Representative or Consultant receives a fair amount of compensation based on the risk assumed, the value of the work performed (which must be commensurate with the fee) and the costs incurred.



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Finally, this Policy assigns responsibilities and establishes procedures to ensure full compliance with anti-corruption laws.

3. Compliance with Anti-Corruption Laws

- 3.1. CAE is subject to the anti-bribery provisions of the Canadian *Corruption of Foreign Public Officials Act* (“**CFPOA**”), the United States’ *Foreign Corrupt Practices Act* (“**FCPA**”), the *UK Bribery Act* and other similar anti-corruption legislation worldwide (collectively, “**anti-corruption laws**”).
- 3.2. The FCPA shall be the minimum standard to which Employees must adhere; however, if local law sets different or higher standards, those too must be complied with.
 - 3.2.1. The FCPA and the CFPOA make it a criminal offense to pay, offer, or give anything of value to a foreign Public Official for the purpose of influencing the decisions of those officials, parties or candidates. This is true even though the giving of payments or gifts appears openly accepted, or seems necessary in a particular country. The *UK Bribery Act*, which applies to CAE globally, expands the criminality of bribery beyond acts involving government officials to include bribery between private entities, and it does not provide an exemption for facilitation payments. In addition, the lack of preventive measures and procedures against corrupt behavior such as bribery, also called “passive bribery”, is considered a criminal offence. In other words, inaction towards bribery is considered a crime under the *UK Bribery Act*.
- 3.3. The FCPA contains very severe criminal penalties for violations. A corporation may be fined as much as US\$2,000,000 per violation. An officer, director, shareholder, employee or other agent of a corporation may be fined as much as US\$250,000 per violation and imprisoned for up to five years. Willful violations of the books and records and internal control provisions can result in a criminal fine of up to US\$25 million for a company and a criminal fine up to US\$5 million as well as imprisonment for up to 20 years for culpable individuals. The *US Alternative Fines Act* may increase the criminal fine to twice the gain or loss resulting from the corrupt payment. Such fines and penalties are in addition to harsh collateral sanctions that can result from an FCPA violation, including termination of government licenses or contracts and debarment from government contracting programs. In addition, the Security Exchange Commission (“**SEC**”) is able to seek disgorgement of profits on contracts secured with improper payments. Further, enforcement agencies are increasingly seeking appointment of an independent compliance monitor over FCPA corporate violators for multi-year periods, a process which can be cumbersome and expensive for companies. Moreover, the FCPA prohibits



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reimbursement by a corporation of any fines that are paid by any officer, director, shareholder, employee or other company agent.

- 3.4. The scope of the FCPA is very broad. It forbids not only payments to foreign Public Officials, but also offers, promises (even if not fulfilled) and even authorizations to pay. Such payments, offers, promises or authorizations may be direct or indirect, i.e. if made through an unrelated third party. Both objective and subjective standards are used to determine if the FCPA was violated. This means that if CAE or its Employees, contractors, Consultants or Representatives knew or ought to have known that an improper payment was made or directed to a Public Official, party or candidate, then CAE and those persons would be subject to the above penalties.
- 3.5. It is important to note that “payment” as discussed in this Policy is not limited to money. Payment means anything of value, such as meals, entertainment, lodging, travel or other hospitalities; offers of employment; medical, educational, or living expenses; free services, or other favours. Examples include the granting of contracts to locally-favoured consultants or companies, gifts to secure an advantage or result from the foreign government, or use of CAE property or facilities by foreign officials for anything other than promotion of CAE’s products or services.
 - 3.5.1. Therefore, any type of direct or indirect payment by CAE to a foreign Public Official for the purpose of influencing a decision, or to secure an advantage is strictly prohibited.
 - 3.5.2. In addition, Employees should review with the CAE Legal Department and/or CAE Ethics and Compliance Office (ethics-and-compliance@cae.com) any requests for excessive discounts or large commissions, or requests for payment of cash or payments to bank accounts in third countries or any red flags described in the suitability questionnaire of the Due Diligence Report found in Appendix B of this Policy.
 - 3.5.3. Employees should also be aware of, and disclose in writing to CAE Ethics and Compliance any family or business relationships between Consultants, Representatives and any foreign Public Official.
- 3.6. There are several very limited exceptions where payments to foreign Public Officials may be allowed. Please contact the Ethics and Compliance Office to inquire about authorization if you believe any may apply to a payment requirement in a certain circumstance.



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- 3.7. For the purposes of this Policy, a “**Public Official/Officer**” means an elected or appointed official, officer, employee, director of, or any representative or agent acting on behalf of:
- a body of any level of government, whether, federal, provincial, state, municipal or other;
 - a political party, a party official or candidate for political office;
 - a State-owned or State-controlled entity;
 - the armed forces of any country;
 - a public international or intergovernmental organization.

The following categories of individuals are also considered to be Public Officials:

- a person who holds a legislative, administrative, or judicial position;
- any person specifically designated as a Public Officer by the legislation of its home jurisdiction.

For the avoidance of doubt, several CAE customers are State-owned enterprises, and their employees are considered to be Public Officials under relevant legislation. Refer to Exhibit E for a list of government-owned entities with whom CAE is currently engaged or has in the past engaged in business.

- 3.8. For the purposes of this Policy, a “**Representative**” means any individual or organization who is engaged and paid by CAE to either:
- i. Act on behalf of and assist CAE in pursuing sales related opportunities for specific products, services and/or business opportunities in specific territories; or
 - ii. Represent or promote CAE’s interests where the arrangement requires engagement in direct interactions with foreign officials. This includes various lobbying activities.

An individual (or company) retained by a CAE business to conduct business development, marketing and/or sales activities on CAE’s behalf with external potential or existing customers is considered a Representative regardless of the compensation method. It is NOT a requirement that a Representative or representative agreement or arrangement comprise a commission-based fee; any payment structure may be involved.

- 3.9. For the purposes of this Policy, a “**Consultant**” is an individual or organization that is tasked with providing CAE knowledge, expertise and support in connection with sales and business development related opportunities, such as bids or requests for proposals. A Consultant typically provides support with respect to a specified subject matter (sales, business development, marketing, etc....) that would be clearly specified in the applicable



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consulting agreement. Typically, Consultants are paid on an hourly basis and not on commission. Unlike Representatives, Consultants do not have any engagements with the customer on CAE's behalf and do not have the authority to represent CAE in customer meetings. If a Consultant engages with a customer for CAE's benefit, then they are to be immediately considered a Representative and treated as such for purposes of this Policy.

The procedures and rules established in this Policy apply to both foreign and domestic Representatives and Consultants.

- 3.10. A CAE company contracting directly with a foreign distributor's customer (rather than the CAE company selling directly to the distributor and the latter on-selling the CAE goods and/or services to the local customer), and paying the distributor a fee in respect of such sale, renders the distributor a Representative for purposes of this Policy. Any payment to a distributor in the circumstances described above, will be considered a payment to a Representative for purposes of this Policy and as such requires the same clearances and approvals applicable to Representative payments. Prior to making any such payment to a distributor, the business unit must contact the Compliance Office for approval. The Compliance Office will work in conjunction with the business unit to vet the distributor, obtain the required undertakings and implement the required contractual documentation prior to any such payment. The same chain of approvals as a regular Representative fee payment shall be followed. In the event that multiple payments of that type are required to be made to the distributor, the contractual relationship between CAE and that entity will be considered, and adapted to, a Representative-type relationship. The Compliance Office, in collaboration with the business unit, will monitor all Representative-type payments made to distributors and will assess based on the frequency and amount of these payments if the relationship with any distributor should be considered, and adapted to, a Representative-type relationship.
- 3.11. Increasing a distributor's standard discount from CAE's price list for a particular transaction may create an "envelope" from which a distributor can fund a facilitation payment (including a bribe) to achieve a sale; any such "one-off" increase to a distributor's discount from list – unless applied globally to all similar customer sales and distributors of the business unit going forward, will be treated as a payment to a Representative for purposes of this Policy, and as such requires the same clearances and approvals applicable to Representative payments. In order to mitigate the risk applicable to distributor relationships, all potential distributors must undergo a due diligence vetting process by the Compliance Office prior to their engagement.



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4. Roles and Responsibilities

- 4.1. The Group Presidents and Presidents of the relevant business units are responsible for the respective business unit's (and by extension CAE's) compliance with the Anti-Corruption Laws by ensuring that no payments or offers are made or authorized without following the procedures in this Policy, and for promptly reporting any possible violations of this Policy to the Global Leader, Ethics and Compliance or the Chief Compliance Officer. Although the Group Presidents and the Presidents of the relevant business units are ultimately responsible for compliance, it is also the responsibility of each member of management to ensure that the procedures included in this Policy are followed where Representatives and Consultants are used in activities under their areas of responsibility.
- 4.2. The Ethics and Compliance Office will take an active role in overseeing the implementation of this policy.

5. Justification for Use of a Representative or Consultant

- 5.1. **CAE generally does not use Representatives unless legally required to do so.** If a need to use a new Representative or Consultant is identified to pursue a specific business opportunity, territory or product, it must be supported by a documented justification or business case that provides the following information:
 - Reasons for using a Representative or Consultant versus using/developing our direct sales force;
 - Confirming that the use of the Representative in the territory is required under applicable local laws;
 - Anticipated cost/fee structure of using a Representative or Consultant and general impact on margins of the related business opportunities;
 - Required services needed by CAE that is to be provided by the Representative or Consultant for the anticipated fees.
- 5.2. **Exhibit A** to this Policy contains the Pre-Approval and Justification Form that must be completed as required under this Policy. The justification/business case must be approved by the Group President or President of the relevant business unit before any due diligence procedures or selection of a Representative or Consultant can proceed. In the case of CAE's D&S Defence and Security division, this form has to be approved by the Vice President of Global Strategy and Business Development prior to the approval of the Group President.



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6. Due Diligence Procedures

- 6.1. After the use of a Representative or Consultant has been justified as per Section 5 above but before any arrangement and/or agreement can be concluded or renewed and before any activities can be carried out by the potential Representative or Consultant, CAE must use due diligence in checking the background of the proposed Representative or Consultant and for the specific project being considered. This responsibility will generally fall to the business unit as well as the Ethics and Compliance Office. The Legal Department will provide support where applicable. Documentation should be retained by the Ethics and Compliance Office in the Representative or Consultant's file outlining the background research conducted and the reasons why the firm or individual was selected. Exhibit B to this Policy contains the due diligence forms, checklists and questionnaires that must be completed during the due diligence process and thereafter as required under this Policy.
- 6.2. A detailed due diligence shall be conducted using the "New Candidate Questionnaire" (**Part 1 of Exhibit B**) and the Due Diligence form/report (**Part 2 of Exhibit B**) for each new potential Representative or Consultant or where a detailed due diligence has never been performed or if there is a material change in the relationship or the nature of the Representative or Consultant (i.e. change in ownership or key personnel). An agreement with the potential Representative or Consultant can only be finalized and entered into after the detailed due diligence exercise has been completed and approved by the Group President or President of the relevant business unit and the Chief Compliance Officer.
- 6.3. Where a detailed due diligence has been previously conducted for an existing Representative or Consultant, there must be an annual review of the arrangement completed by the business unit responsible for that Representative or Consultant in accordance with the Monitoring Checklist provided in **Part 3 of Exhibit B**. Where there is a multi-year agreement the monitoring checklist should be done prior to each contract anniversary date. In the year where an agreement is being renewed, the monitoring checklist should be prepared as part of the renewal process and fully approved prior to the effective date of services and date of signing the renewal agreement.
- 6.4. The prescribed due diligence forms included in the Exhibits to this Policy should be used in all cases, whether the arrangement or agreement with the Representative or Consultant is long-term or is project-specific.
- 6.5. Once the due diligence has been completed, the Ethics and Compliance Office is responsible for reviewing the results. The CAE Legal Department shall also investigate



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the laws of the country in which the potential Representative or Consultant is located and will work to determine any specific regulations/ prohibitions on use of such Representative or Consultant. For example, many countries prohibit the use of a percentage fee contract for sales representatives. Further, there are specific guidelines to be reviewed if the resulting contract in question is funded in the United States by Foreign D&S Sales (FMS). Based on such considerations, appropriate edits to the agreements can be made.

- 6.6. A copy of all completed due diligence forms should be provided for approval by the Group President or President of the relevant business unit where a new candidate is being proposed (Parts 1 and 2 questionnaire/form) or in the case of annual monitoring, the forms should be provided for approval to the Chief Compliance Officer and the person identified in **Exhibit C** (Part 3 form) where no new red flags are noted. In the case of CAE's D&S Defence and Security division, this form has to be approved by the Vice President Global Strategy and Business Development prior to the approval of the Group President.

7. Agreements, Amendments and Addendums

- 7.1. All agreements with Representatives and Consultants must be administered, negotiated, executed, renewed and terminated in accordance with this Policy, and all CAE Employees, contractors, Representatives, Consultants must comply with laws prohibiting bribes and improper payments to foreign public officials and other individuals.
- 7.2. A Representative Agreement shall be used to retain the services of a Representative and a Consulting Agreement shall be used to retain the services of a Consultant. Follow this hyperlink to the model agreements for use by all groups: <http://caevox.cae.com/menu/Pages/default.aspx?App=73&Lan=1&Rol=-1&Por=1> While circumstances may require tailoring of these template agreements to meet a specific need, these templates should always be used, and any changes that might be required must be reviewed and approved by the Ethics and Compliance Office prior to signature.
- 7.3. All Representative Agreements shall be approved by the Group President or President of the relevant business unit, and the Chief Compliance Officer.



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Note that approval from the Chief Compliance Officer is not a rubber stamp after the fact. No arrangement with a Representative can be finalized without prior approval from the Chief Compliance Officer. Representatives should not be given a mandate (verbal or in writing) to work for CAE or pursue any specific opportunity, nor should any verbal or written commitment be made to the Representative in respect of a final fee for a mandate, prior to the related Representative Agreement, amendment or addendums being processed and approved in accordance to this policy. CAE senior management may require an alteration to the fee, or it may turn out that a Representative cannot be involved in a transaction due to customer requirements, local laws or other factors, so the process for review/approval must be followed before commitments are made.

- 7.4. All Consulting Agreements shall be approved by the Group President or President of the relevant business unit, and the Chief Compliance Office.
- 7.5. Where a Representative Agreement is in place, each new addendum to the agreement for additional projects or amendments should be reviewed and approved by the Group President or President of the relevant business unit and the Chief Compliance Officer (Section 7.3 above) prior to the effective date of the addendum and any activities being performed by the Representative. Amendments and addendums to existing Representative Agreements must be signed by the same two persons. The request for approval of the addendum should include a description of the services to be provided in exchange for the agency fees proposed. The fee payable to new Representatives will be determined by CAE Ethics and Compliance, after consulting the relevant CAE Sales Manager, based on the value of the services listed in the addendum which the Representative will perform. Such performance must be verifiable after the fact – CAE sales staff involved should ensure that adequate records are kept by CAE to permit auditing of such service performance. Any subsequent modification to a Representative Agreement or addendum (including compensation) should be documented as an amendment to the Representative Agreement or addendum and must undergo the same approval process.
- 7.6. No delegation of approval or signing authority is permitted under this Policy. Exceptionally, with the Chief Financial Officer's prior written approval, certain Finance approvals required under Section 8.2 may be delegated to specific Finance staff under the authority of the indicated approvers.
- 7.7. Once approved and signed by both CAE and the Representative or Consultant, a full and complete copy of the Representative Agreement or Consulting Agreement must be provided to the Ethics and Compliance Office in Montreal, along with any subsequent amendments and addendums to the agreement.



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8. Payments

- 8.1. Any payments or offers of anything of value not already included in approved existing agreements and addendums may only be done in compliance with this Policy and the Gifts, Entertainment and Business Courtesies Policy. When in doubt please consult the Ethics and Compliance Office or the Legal Department or as to what is permissible in this regard.
- 8.2. Any payments (including success fees, fixed retainer fees and reimbursement of out of pocket expenses) shall be made in accordance with existing agreements and contract addendums and shall be approved prior to payment by the most senior Finance member working with that Group (VP Finance D&S, VP Finance Civil and Finance Director of CAE Healthcare) as the case may be, to ensure that they are in accordance to the specified amounts and timing in the related approved agreement/addendum. See **Exhibit D** for the relevant authorization matrix of Finance approvals.
- 8.3. When a payment is due to a Representative, this payment must be verified by the Ethics and Compliance Office. A member of the Ethics and Compliance Office will ensure that the amount to be paid does not exceed the agreed upon amount in the contract. Once the amount invoiced has been verified and is acceptable, the Ethics and Compliance Office then sends a confirmation to Accounts Payable along with contractual proof (typically an addendum) that the amount is in fact accurate. Subsequently, Accounts Payable submits the payment for approval to the proper management levels within the concerned business unit. Once the approvals are obtained, the payment has to be approved by the VP Finance as indicated in the paragraph above. Payments to Representatives can only be made once the customer pays CAE and following the same payment schedule in which the customer pays CAE.

9. Monitoring and Reporting Activities

- 9.1. The Ethics and Compliance Office shall provide CAE's executive management with periodic information for monitoring purposes (monthly). The monitoring information includes, without limitation, the number of approved Representatives and Consultants, for what programs, countries and/or product lines the Representative/Consultant is approved, significant changes to the business relationship, the status of negotiations with potential or existing Representatives and Consultants, the contract renewal status, agency fee reductions (if any), training provided to employees as well as any known exceptions to this Policy.



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- 9.2. CAE Finance shall provide an annual report to the Ethics and Compliance Office on CAE spending on Representatives and Consultants.
- 9.3. The Ethics and Compliance Office shall provide the Governance Committee of the Board of Directors periodic information on CAE's Ethics and Anti-Corruption Program, including an annual report on CAE spending on Representatives and Consultants.

10. Mergers, Acquisitions, Partnerships and Joint Ventures

- 10.1. Before entering into a merger, acquisition, partnership or joint venture agreement, adequate anti-corruption due diligence must be completed. In addition, a remediation plan should be developed and implemented to address identified issues. All such agreements must contain adequate provisions to comply with applicable anti-corruption laws.

11. Gifts, Entertainment and Business Courtesies

- 11.1. Any exchange of business courtesies must be done in accordance with the Gifts, Entertainment and Business Courtesies Policy.

12. Lobbying and Political Contributions Policy

- 12.1. Lobbying activities and political contributions are governed by the Lobbying and Political Contributions Policy.

13. Books, Records and Internal Controls

- 13.1. CAE must prepare and maintain books and records that accurately and in reasonable detail document the source and use of CAE revenues and assets (including expenditures and liabilities). 'Off-the-books' accounts and false or deceptive entries in CAE books and records are strictly prohibited. All financial transactions must be documented, regularly reviewed and properly accounted for in the books and records of the relevant CAE entity. All relevant financial controls and approval procedures must be followed. The retention and archive of records must be consistent with CAE policies and tax and other applicable laws and regulations.

14. Reporting a Breach

- 14.1. It is the responsibility and duty of all Employees to report any instance of unethical behaviour contrary to the Company's standards of business ethics and this Policy.



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If you believe that a breach of the Policy has occurred or is about to occur, you have an obligation to disclose it, knowing that your confidentiality will be protected. All Employees can report a breach by:

- 1.1.1. Speaking to their manager or supervisor;
 - 1.1.2. Making an anonymous report on the EthicsPoint system at www.ethicspoint.com or calling the EthicsPoint toll-free hotline at 1-866-294-9551;
 - 1.1.3. Contacting a representative of the Ethics and Compliance Office by e-mail at ethics-and-compliance@cae.com;
 - 1.1.4. Contacting someone in the Human Resources, Finance or Legal departments.
- 14.2. All reports or inquiries will be handled promptly and discreetly. If you report a possible breach of this Policy, you have the right to remain anonymous, and confidentiality and/or anonymity will be maintained.
- 14.3. No sanction or retaliatory action may be taken against an employee for making a good faith report of a potential violation to this policy.

15. Penalties for Breaches

- 15.1. Failure to respect the letter or the spirit of this Policy or the law may lead to disciplinary measures commensurate with the breach, up to and including termination of employment. Depending upon the nature of the non-compliance, CAE may have the legal obligation to report the situation to the appropriate authorities.

16. Deviations

- 16.1. Any deviation from this Policy requires the prior approval of the Ethics and Compliance Office.

17. Related Corporate Policies and Procedures

- 17.1. CAE Employees can refer to the following Corporate Policies and Procedures (CP&P) for information on related matters:
 - Code of Business Conduct
 - Gifts, Entertainment and Business Courtesies Policy
 - Charitable Donations & Sponsorships Policy
 - Lobbying and Political Contributions Policy
 - Internal Reporting/Whistleblowing Policy



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18. Exhibits

18.1. Checklists and questionnaires to ensure compliance with this Policy are set out in the Exhibits to this Policy.

- Exhibit A – Justification and Pre-Approval Form
- Exhibit B – Due Diligence Procedure
 - Part 1 – New Candidate Questionnaire
 - Part 2 – Due Diligence Report
 - Part 3 – Monitoring Checklist
- Exhibit C – Authorization Matrix Contracts, Agreements and Addendums
- Exhibit D – Authorization Matrix: All Payments to Representatives (Success Fees, Retainers and Out of Pocket Expense Reimbursements)
- Exhibit E – Sample list of customers owned or partially owned by the government



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**Exhibit A
Justification and Pre-Approval Form**

1 Business Need (individual or entity)	
1.1	Name of proposed Representative or Consultant (“ Business Partner ”) (individual or entity):
1.2	Please describe the opportunity in which the Business Partner could be involved in (customer, country, approximate value, short- and long-term benefits etc....).
1.3	Does CAE have local or regional office that could service the targeted territory and products and perform the services to be provided by the Business Partner? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, explain why the regional office cannot perform the services proposed by the Business Partner:
1.4	Is the use of a local Business Partner required in the territory under applicable laws and regulations? (Please consult with the CAE legal department to obtain the response to this question). <input type="checkbox"/> Yes <input type="checkbox"/> No Please provide details: Are there any legal restrictions or conditions to using a Business Partner in the specific territory/country or product for which it the use of a Business Partner is being considered? (For example, many countries prohibit the use of a percentage fee contract for sales representatives. There may also be specific guidelines to be reviewed if the resulting contract is funded in the United States by Foreign D&S Sales (FMS). <input type="checkbox"/> Yes <input type="checkbox"/> No If legal restrictions or conditions exist what is nature of the restriction/condition.
2 Services to be Performed by the Business Partner	
2.1	Monitor and report/communicate local market intelligence/research including general industry trends, regulatory developments, competitor activity, customer activities. <input type="checkbox"/>
2.2	Perform general marketing activities to and maintain/initiate contact with existing and potential new customers for CAE products and/or services within the specified territories and products. <input type="checkbox"/>
2.3	Participate in industry associations or /committees where they are relevant to CAE’s interests. <input type="checkbox"/>
2.4	Provide logistic support in country including leading or assisting CAE with importation of products (Customs and Duties). <input type="checkbox"/>



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2.5	Assist CAE in arranging, facilitating and preparing visits of CAE personnel and or presentations to existing or potential customers	<input type="checkbox"/>
2.6	Facilitate meetings with potential customers including translation services if necessary	<input type="checkbox"/>
2.7	Assist CAE in developing bids and /proposals for any opportunity in the territory	<input type="checkbox"/>
2.8	Assist CAE in negotiations with customers	<input type="checkbox"/>
2.9	Assist in collections of outstanding amounts due from customers	<input type="checkbox"/>
2.10	Assist CAE with possible customer claims and resulting settlements	<input type="checkbox"/>
2.11	Assist CAE in any requirement from Project Management or Field Support services relating to in country installation	<input type="checkbox"/>
2.12	Assist in selection of in-country suppliers, partners, and contractors/sub-contractors (identification, background checks and verification of credentials)	<input type="checkbox"/>
2.13	Assist or /support CAE in obtaining regulatory certifications for products and services from local authorities if necessary	<input type="checkbox"/>
2.14	Advise and assist CAE in its interactions with government officials and regulatory bodies.	<input type="checkbox"/>
2.15	Inform CAE of any developments in the territory which may impact CAE's business towards customers including any political or social instability as well as changes in regulation or legislation.	<input type="checkbox"/>
2.16	Other services not included above and/or factors to take into account (provide description) Click here to enter text.	<input type="checkbox"/>

3 Anticipated Fees
<p>Based on the nature of services to be provided what is the anticipated fee structure and maximum rate/amount to be paid to Business Partner and how does this represent adequate value for nature of services to be performed over the life of the expected business relationship?</p> <p>Fee structure:</p> <p>Amounts:</p> <p>Commentary Justification on Value for Money:</p>



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5 Approvals and Signature			
	Submitted by:	_____ Requestor (Name & Signature)	_____ Date
	Reviewed by:	_____ Vice President of Global Strategy and Business Development (Name & Signature)	_____ Date
	Approved by:	_____ Group President (Name & Signature)	_____ Date



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**Exhibit B: Due Diligence Procedure
Part 1: New Candidate Questionnaire**

Note to new or prospective candidates: At CAE, we recognize the importance of and highly value our network of well-qualified business partners, and we go to great lengths to ensure that all of our business partners are aware of and fully committed to the ethical way we insist on conducting business in all countries and markets. To enable us to evaluate you as a business partner, please complete the following questionnaire. If you need more space than what is provided anywhere in this form, please attach additional pages as necessary.

A | IDENTIFYING INFORMATION

1	Individual or entity name:	Click here to enter text.	
2	Business address:	Click here to enter text.	
3	City: Click here to enter text.	Country: Click here to enter text.	Postal Code: Click here to enter text.
4	Telephone number(s):	Click here to enter text.	
5	Facsimile:	Click here to enter text.	
6	Email:	Click here to enter text.	
7	Company website:		

B | BUSINESS INFORMATION

8	Any previous name(s) or trade name(s) used:	Click here to enter text.	
9	Date(s) of name change(s):	Click here to enter text.	
10	Names of affiliates:	Click here to enter text.	
11	<p>If a company or other entity, please attach:</p> <p><input type="checkbox"/> a copy of certificate of organization or its equivalent and all amendments thereto, and</p> <p><input type="checkbox"/> a corporate registration, if filed with the State.</p> <p>If an individual, please attach one of the following:</p> <p><input type="checkbox"/> a copy of the identification page of your passport</p> <p><input type="checkbox"/> copy of your government-issued identification (e.g., identity card)</p>		
12	Date of establishment:	Click here to enter text.	
13	Place of establishment:	Click here to enter text.	
14	Principal lines of business (attached most recent quarterly or annual report, if available)	Click here to enter text.	
15	Approximate revenues (in \$US) in the	<input type="checkbox"/> < \$ 1 million	<input type="checkbox"/> \$ 1 – 10 million



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	last five years (check appropriate box):	<input type="checkbox"/> 10 – 50 million	<input type="checkbox"/> > \$ 50 million
16	Number of employees:	Click here to enter text.	
17	Countries where entity is authorized to do business: Click here to enter text.		
18	Countries where work would be performed on behalf of, or in connection with CAE: Click here to enter text.		
19	If government registration is a requirement for the work to be performed in this country, is the entity registered? <input type="checkbox"/> Yes <input type="checkbox"/> No Registration or tax number:		

C OWNERSHIP AND MANAGEMENT			
20	If a company, are you publicly held:	<input type="checkbox"/> Yes	<input type="checkbox"/> No
21	If yes, please attach a copy of your most recent securities filing when transmitting the completed questionnaire.		
22	If you are not a publicly held company, please provide the following information, list all shareholders or owners who hold a financial interest in your business of 5% or more . (If an owner is a non-publicly-traded legal entity, provide sufficient information to identify the ultimate beneficial owner).		
	Name	Nationality	Ownership %
23	If your direct owner is a company, please provide the list of the ultimate beneficial owners: Click here to enter text.		
24	List all directors, principals and key employees of the business, including those employees who would be expected to perform work for or on behalf of, or in connection with CAE.		
	Name	Nationality	Title
25	List the names and nationalities of and years of service under your employ of key senior staff that will provide the services:		



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	Name	Nationality	Years of service
26	As your company ever been involved in government contracts? If yes, please provide details: Click here to enter text.	<input type="checkbox"/> Yes	<input type="checkbox"/> No

D | ENGAGEMENT INFORMATION AND QUALIFICATIONS

27	Company Activities (select all that apply): <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Service provider <input type="checkbox"/> Sales Agent <input type="checkbox"/> Distributor/Reseller <input type="checkbox"/> Logistics (e.g., freight forwarder, customs broker) <input type="checkbox"/> Manufacturing <input type="checkbox"/> Property Owner </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Government Liaison/Lobbyist <input type="checkbox"/> Strategy/Marketing consultant <input type="checkbox"/> Legal advisor <input type="checkbox"/> Tax consultant <input type="checkbox"/> Other (please specify): </td> </tr> </table>	<input type="checkbox"/> Service provider <input type="checkbox"/> Sales Agent <input type="checkbox"/> Distributor/Reseller <input type="checkbox"/> Logistics (e.g., freight forwarder, customs broker) <input type="checkbox"/> Manufacturing <input type="checkbox"/> Property Owner	<input type="checkbox"/> Government Liaison/Lobbyist <input type="checkbox"/> Strategy/Marketing consultant <input type="checkbox"/> Legal advisor <input type="checkbox"/> Tax consultant <input type="checkbox"/> Other (please specify):										
<input type="checkbox"/> Service provider <input type="checkbox"/> Sales Agent <input type="checkbox"/> Distributor/Reseller <input type="checkbox"/> Logistics (e.g., freight forwarder, customs broker) <input type="checkbox"/> Manufacturing <input type="checkbox"/> Property Owner	<input type="checkbox"/> Government Liaison/Lobbyist <input type="checkbox"/> Strategy/Marketing consultant <input type="checkbox"/> Legal advisor <input type="checkbox"/> Tax consultant <input type="checkbox"/> Other (please specify):												
28	Describe the work to be performed pursuant to the proposed engagement: Click here to enter text.												
29	How long has your company been involved in the type of work that you are now proposing to undertake on behalf of, or in connection with CAE? Click here to enter text.												
30	Briefly describe your experience and qualifications and those of other key personnel and how their experience and qualifications are expected to be utilized in connection with the proposed engagement: Click here to enter text.												
31	Have you, or has your entity, had a prior business relationship with CAE? If yes, please provide details in the table below: <table style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 70%;"></td> <td style="width: 15%; text-align: center;"><input type="checkbox"/> Yes</td> <td style="width: 15%; text-align: center;"><input type="checkbox"/> No</td> </tr> </table>		<input type="checkbox"/> Yes	<input type="checkbox"/> No									
	<input type="checkbox"/> Yes	<input type="checkbox"/> No											
32	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #e0e0e0;"> <th style="width: 33%;">Date of any relationship or contract</th> <th style="width: 33%;">CAE contact person</th> <th style="width: 34%;">Relationship/contract still exists or is terminated?</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>	Date of any relationship or contract	CAE contact person	Relationship/contract still exists or is terminated?									
Date of any relationship or contract	CAE contact person	Relationship/contract still exists or is terminated?											



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E THIRD PARTY RELATIONSHIPS		
33	Do you anticipate engaging or using any third parties (e.g., agents, consultants, subcontractors) in connection with any business activities covered or agreement involving CAE (or a subsidiary or affiliate)? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes , please complete the following questions in this Section. If no , please skip to the next Section. CAE would be the only third party involved.	
34	Identify all such third parties below. For each third party, please request that the third party complete a copy of this Due Diligence Questionnaire, and attach all completed Questionnaires.	
	Name of third party	Main place of business
		Completed Questionnaire attached?
		Yes <input type="checkbox"/> No <input type="checkbox"/>
		Yes <input type="checkbox"/> No <input type="checkbox"/>
		Yes <input type="checkbox"/> No <input type="checkbox"/>
		Yes <input type="checkbox"/> No <input type="checkbox"/>
		Yes <input type="checkbox"/> No <input type="checkbox"/>
		Yes <input type="checkbox"/> No <input type="checkbox"/>
35	Describe the goods and/or services that you anticipate the third party providing, whether the third party will interact with any Public Officers (on behalf of CAE (or a subsidiary or affiliate), how the third party will be compensated, and the rationale for using the particular third party identified. Click here to enter text.	
36	To your knowledge, is the third party a Public Official or owned by (directly or indirectly) or affiliated with any Public Official? Please see Section E for the definition of “ Public Officials ”. Yes <input type="checkbox"/> No <input type="checkbox"/> If yes , please identify the Public Official by full name and describe his or her connection to the third party. Click here to enter text.	
37	Have you conducted a due diligence review of any of these third parties listed above? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes , please attach the due diligence reports or, if no reports are available, please summarize the steps taken to review the third party and the results of the review.	

E GOVERNMENT RELATIONSHIPS	
In this section, “ Public Official ” means a) person who holds a legislative, administrative or judicial position of a foreign State; b) a person who performs public duties or functions for a foreign State, including a person employed by a board, commission, corporation or other body or authority that is established to perform a duty or function on behalf of the foreign State, or is performing such a duty or function; or c) an official or agent of a public international organization that is formed by two or more States or governments, or by two or more such public international organizations. For avoidance of doubt, certain corporations are “State-owned”, and their employees are considered “Public Officials” under relevant legislation.	
38	Have you or your company, or any of its present or former directors, officers, owners or employees ever been found by a court, professional body or regulatory agency to have violated a law prohibiting money laundering, terrorism, fraud, conflicts of interest, kickbacks, bribery or other corrupt activity or been the subject of any such allegation or investigation, or been suspended or prevented from doing business



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	<p>because of any such matters? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please give full details: Click here to enter text.</p>
39	<p>Have you or your company, or any of its owners, directors, officers, employees, or representatives offered, given, or promised to give money or anything of value, including, but not limited to, cash, gifts, meals, entertainment, and facilitation payments, directly or indirectly, to any Public Official? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, provide complete details, including the recipient(s) of the payments and the circumstances: Click here to enter text.</p>
40	<p>Is it your practice to make or permit your company, or any of its owners, directors, officers, employees, or representatives to make payments to Public Officials to obtain favorable treatment or influence the officials' decisions under any circumstances? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please describe the circumstances in which such payments are allowed: Click here to enter text.</p>
41	<p>Has your company developed and implemented an anti-corruption compliance program? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please describe the program, including, but not limited to, the laws covered by the program, the policies adopted to implement the program, and any compliance training efforts. Click here to enter text.</p>
42	<p>To your knowledge, does any Public Official have an ownership interest, direct or indirect, in your company, or a right to share in your company's profits? (For purposes of this and subsequent questions about ownership, in the case of publicly-traded companies the term "own" means 5% or more of the stock.) Yes <input type="checkbox"/> No <input type="checkbox"/></p>
43	<p>To your knowledge, is any Public Official, or close relative of such a person, an employee, officer, director, or shareholder of the company? Yes <input type="checkbox"/> No <input type="checkbox"/></p>
44	<p>Has any shareholder, principal, director, officer, key employee or staff member of the company previously held a position as an official or employee of any government (legislative, executive, judiciary and military), government-owned or government-controlled entity, public international organization, or political party? Yes <input type="checkbox"/> No <input type="checkbox"/></p>
45	<p>Does any shareholder, principal, director, officer, key employee or staff member of the company have any personal or professional affiliations with any Public Official (including family relations)? Yes <input type="checkbox"/> No <input type="checkbox"/></p>
46	<p>Is any shareholder, principal, director, officer, key employee or staff member of the company involved in any business relationship—including acting as an agent or consultant for, or holding common ownership of any business enterprise or partnership—with any Public Official (or close family member of a Public Official)? Yes <input type="checkbox"/> No <input type="checkbox"/></p>
47	<p>Is any shareholder, principal, director, officer, key employee or staff member of the company in a position (formal or informal) to exercise influence over the purchasing decisions of any</p>



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	government-owned or government-controlled entity (such as a government-owned oil company)? Yes <input type="checkbox"/> No <input type="checkbox"/>
48	<p>If the answer to any of the questions above (35 – 40) is yes, please state:</p> <ol style="list-style-type: none"> The name and official position of the Public Officer: Click here to enter text. The existing, or, in the case of candidates, anticipated, official duties and responsibilities of the Public Official or close relative: Click here to enter text. The type and extent of the ownership interest in, or control over, your business/company by the Public Official or close relative: Click here to enter text. Indicate the position, if any, of the Public Official, or the close relative of such person, working with your company: Click here to enter text. If the Public Official is a close relative of an owner, employee, officer or director of your company, state the exact relationship between that official and your owner, employee, officer or director: Click here to enter text.

F INTERNAL CONTROLS			
49	Does the company make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the company's assets? Click here to enter text.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
50	Does the company maintain a system of internal accounting controls sufficient to provide reasonable assurances that: a) Transactions are executed in accordance with management's general or specific authorization. b) Transactions are recorded in the books to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements. If no , please explain why:	<input type="checkbox"/> Yes	<input type="checkbox"/> No
51	Is access to assets by company personnel permitted only in accordance with management's general or specific authorization? If no , please explain why:	<input type="checkbox"/> Yes	<input type="checkbox"/> No
52	Is the recorded accountability for assets compared with the existing assets at reasonable intervals and appropriate action taken with respect to any differences identified? If no , please explain:	<input type="checkbox"/> Yes	<input type="checkbox"/> No



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REFERENCES

53	PLEASE PROVIDE <u>AT LEAST 2</u> BUSINESS REFERENCES:
Reference # 1	
Company Name:	
Address:	
City/Region:	Country:
Postal Code:	
Company Web Site:	
Contact Person:	Title:
Contact Tel:	Contact Fax:
Contact E-mail:	
Products/Services:	
Reference # 2	
Company Name:	
Address:	
City/Region:	Country:
Postal Code:	
Company Web Site:	
Contact Person:	Title:
Contact Tel:	Contact Fax:
Contact E-mail:	
Products/Services:	
54	Please provide <u>at least 1</u> banking reference:
Banking reference	
Bank Name	
Address:	
City/Region:	Country:
Postal Code:	
Company Web Site:	
Contact Person:	Title:
Contact Tel:	Contact Fax:
Contact E-mail:	



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CERTIFICATION

The undersigned, being duly authorized to respond to and sign this Due Diligence Questionnaire from CAE, hereby acknowledges and certifies as follows:

- (i) the answers to the foregoing questions are accurate and complete to the best of my knowledge;
- (ii) CAE reserves the right to immediately terminate, without penalty, any relationship with the applicant if any information set forth in this questionnaire is incorrect or incomplete;
- (iii) the applicant has a continuing obligation to keep CAE informed of any change that might occur with respect to the responses provided above
- (iv) CAE reserves the right to request updating and/or additional information at any time and to terminate its dealings with the applicant based upon such information
- (v) it is the policy of CAE and its subsidiaries and affiliates to fully comply with all applicable laws and regulations, including the U.S. Foreign Corrupt Practices Act and other anti-corruption laws and regulations, at all times, and, during the term of any agreement with CAE (or a subsidiary or affiliate), the applicant and its owners, directors, officers, employees, and representatives will at all times fully comply with all applicable laws and regulations;
- (vi) no compensation paid to the applicant in connection with any agreement with CAE (or a subsidiary or affiliate) will be used for any illegal or improper purpose;
- (vii) in connection with any business activities covered by any agreement with CAE (or a subsidiary or affiliate), neither the applicant, nor its owners, directors, officers, employees, or representatives will (i) make any payments, directly or indirectly, to any party on behalf of CAE (or a subsidiary or affiliate), unless specifically authorized in advance in writing by CAE, (ii) retain any third party to act on behalf of CAE (or a subsidiary or affiliate), unless specifically authorized in advance in writing by CAE, or (iii) directly or indirectly bribe or corruptly offer, give, or promise to give money or anything of value to a "Public Officer" (as defined in section V. above) or any other individual or entity; and
- (viii) This certification does not constitute or form an agreement to enter into any business relationship between CAE (or a subsidiary or affiliate) and the applicant.

Printed Name:

Title:

Signature:

Date:



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Exhibit B: Due Diligence Procedure
Part 2: Due Diligence Report

(This form must be completed by the CAE Sales team or the individual requesting the appointment of a Representative or Consultant (“Business Partner”) and then submitted to the Ethics and Compliance Office for review)

1 CAE Project Background		
Name of Opportunity:		
Client:		
Country:	TI Index ¹ :	
Country where activities will take place:		
Business Unit: Select Business Unit	Division: Select Division	
Proposed contract value (Estimated):²	Currency	Amount
Total:	Select Currency	
Description of services		
Identify services to be performed by the candidate to act as Business Partner.		
Will activities involve contact/interaction with a government entity or an entity controlled by a government entity?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, briefly describe in what context such contact or interaction will be made.		
2 Selection Process		
How was the candidate identified? (e.g. suggestions by CAE employees, local government etc.).		
Why was the candidate selected?		

¹ Transparency International Corruption Index – available at <https://www.transparency.org/cpi2019>

² Estimated value of agreement (or anticipated range of values) and expected compensation structure (fixed fee, variable fee - % fee)



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	Was there a search for other potential candidates (if not – why not). If yes, which other candidates were considered and what was differentiating factor(s) for selection of candidate?		
	How was the proposed compensation and basis of payment arrived at?		
	How does the compensation compare to similar transactions in this country by CAE and by other companies (if known) or to similar transactions by CAE in other countries (especially if other representatives, agents or consultants are used in this region of the world)?		
3 Suitability Questionnaire			
		Yes	No
3.1	Is the candidate’s country (or country where the candidate will represent CAE) known for corruption (refer to Transparency International Index)? If the index score is less than 65 then the default response should be “Yes”.	<input type="checkbox"/>	<input type="checkbox"/>
3.2	Did the information gathering reveal integrity-related questions about the candidate’s background or reputation?	<input type="checkbox"/>	<input type="checkbox"/>
	If yes, what did additional investigation reveal?		
3.3	Do reviewed sources suggest that owners, shareholders, or other key personnel of candidate make large or frequent political contributions?	<input type="checkbox"/>	<input type="checkbox"/>
3.4	Does the candidate object to the anti-corruption clause in his agreement?	<input type="checkbox"/>	<input type="checkbox"/>
3.5	Has the candidate demonstrated unwillingness to cooperate with the due diligence investigation or certification requirement for code of conduct and compliance to FCPA?	<input type="checkbox"/>	<input type="checkbox"/>
3.6	Is a key shareholder, officer, director, or employee also a government official or a member of the government (appointed or elected)?	<input type="checkbox"/>	<input type="checkbox"/>
3.7	Does the candidate (including a key shareholder, officer, director or employee) have a close personal or family relationship, or a business relationship with a government official or relative of an official?	<input type="checkbox"/>	<input type="checkbox"/>
3.8	Is the candidate requesting unusual contract terms or payment arrangements that raise local law issues such as:		
	a) Payment in cash or checks payable to cash or bearer or directly to a shareholder, officer, director, employee or other individual where the Business Partner is a company or legal entity?	<input type="checkbox"/>	<input type="checkbox"/>
	b) Substantial up-front payment?	<input type="checkbox"/>	<input type="checkbox"/>
	c) Payment in a currency that is foreign to the candidate?	<input type="checkbox"/>	<input type="checkbox"/>



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	d) Payment to a country other than where the project is located or where the candidate has a principal place of business?	<input type="checkbox"/>	<input type="checkbox"/>
	e) Payments to a different entity, a numbered bank account, or similar request?	<input type="checkbox"/>	<input type="checkbox"/>
	f) Compensation that exceeds either 5% of proposed contract value, or CAD \$1,000,000?	<input type="checkbox"/>	<input type="checkbox"/>
3.9	Is the candidate a shell company or does it have an unusual corporate structure?	<input type="checkbox"/>	<input type="checkbox"/>
3.10	Is the only qualification the candidate brings to the relationship influence over government officials or potential clients?	<input type="checkbox"/>	<input type="checkbox"/>
3.11	Does the candidate require that his or her identify or, if a company, the identity of the company's owners, principals, or employees, not be disclosed?	<input type="checkbox"/>	<input type="checkbox"/>
3.12	Has the candidate been recommended or requested by CAE's client or by a Government Agency or official?	<input type="checkbox"/>	<input type="checkbox"/>
3.13	Has the Candidate suggested needing money for suspicious reasons, such as to "get the business" and "make the necessary arrangements"?	<input type="checkbox"/>	<input type="checkbox"/>

Explanatory notes must be provided as an attachment to this form against any "yes" answers.

4 Other Due Diligence

Are there any agreements that require that notice be given regarding use of the candidate? (Including stakeholders such as clients, partners, governments, etc.)

Identify any other due diligence performed or other factors not covered in the foregoing which might have an impact on contracting with the candidate.

5 Legal Review

		Yes	No
5.1	Is there a regulatory requirement to use a local business partner in the region?	<input type="checkbox"/>	<input type="checkbox"/>
5.2	Are there any local restrictions on hiring of the candidate?	<input type="checkbox"/>	<input type="checkbox"/>
5.3	Are there any legal restrictions on compensation and method, currency and location of payment?	<input type="checkbox"/>	<input type="checkbox"/>
5.4	If the candidate is a current or former government official, are there any conflict of interest or other relevant rules that apply?	<input type="checkbox"/>	<input type="checkbox"/>



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5.5	Are there laws or rules that apply to the engagement of an intermediary or require notice to be given regarding use of the candidate? (Includes funding agencies such as World Bank, etc.)	<input type="checkbox"/>	<input type="checkbox"/>
6 Summary and Conclusion			
		Yes	No
6.1	Are there any possible red flags noted in the due diligence?	<input type="checkbox"/>	<input type="checkbox"/>
6.2	Based on the evaluation of the background of the candidate and/or the project is the candidate recommended to be approved for use and association with CAE?	<input type="checkbox"/>	<input type="checkbox"/>
6.3	Where there are any red flags and the candidate is still recommended for approval, please include a summary of the overall evaluation and conclusion as to why CAE should use this intermediary and any mitigating actions that will be performed to mitigate/monitor any potential risks.		
7 Approvals and Signatures			
	Prepared by:	_____	Date:
		CAE Ethics and Compliance Office (Name & Signature)	
	Reviewed by:	_____	Date:
		CAE Chief Compliance Officer (Name & Signature)	
	Approved by:	_____	Date:
		Group President (Name & Signature)	



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**Exhibit B: Due Diligence Procedure
Part 3: Monitoring Checklist**

(This form must be completed annually upon the renewal of each Representative/Consultant (“Business Partner”). If an agreement is for a term of more than one year, the monitoring checklist should be completed before the expiration of the contract)

1 Conditions for Renewal		Yes	No
	Has the Agreement been signed by the Group President or President of the relevant business unit and by the Business Partner, and has the Certificate in Appendix C been signed by the Business Partner and returned to CAE?	<input type="checkbox"/>	<input type="checkbox"/>
	Does the Business Partner require any training or briefing on anti-corruption laws? If no , explain why: Click here to enter text.	<input type="checkbox"/>	<input type="checkbox"/>
	Have payment instructions (e.g. bank account details) been received and reviewed and no red flags identified?	<input type="checkbox"/>	<input type="checkbox"/>
2 Business Partner Review – Performance and Due Diligence		Yes	No
	Has the Business Partner completed a periodic activity report (monthly or quarterly) summarizing the work done throughout the term of the agreement which has been reviewed and agreed to by the Sales Manager who interacts with the Business Partner?	<input type="checkbox"/>	<input type="checkbox"/>
	Have invoices for expenses been properly documented and supported?	<input type="checkbox"/>	<input type="checkbox"/>
	Have invoices or payment instructions clearly identified the location where payments are to be made?	<input type="checkbox"/>	<input type="checkbox"/>
	Have changes been requested to the location of payment, or are there other indicators that control has changed, such as altered signing authorities?	<input type="checkbox"/>	<input type="checkbox"/>
	Are payments being requested that are outside those provided by the contract or has there been a request for an increase in the amount of compensation?	<input type="checkbox"/>	<input type="checkbox"/>
	Is there any evidence of a change of residence of the Business Partner?	<input type="checkbox"/>	<input type="checkbox"/>
	Is proper contact being maintained with the Business Partner and are contacts being recorded in writing (e-mails, minutes of meeting, record of telephone calls etc.)?	<input type="checkbox"/>	<input type="checkbox"/>
	Has the Code of Business Conduct been signed by the Business Partner within the past 12 months? Will it be resigned in the contract renewal process? If no , please explain: Click here to enter text.	<input type="checkbox"/>	<input type="checkbox"/>



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Has the Business Partner attested that he read and understood the annual compliance training provided to him?	<input type="checkbox"/>	<input type="checkbox"/>
Are there any indications that the ownership structure of the Business Partner has changed or that government officials may now have an interest or that possible conflicts of interest have been created, particularly in the event of political elections? If yes, please indicate nature of changes in ownership structure or possible new conflicts of interest.	<input type="checkbox"/>	<input type="checkbox"/>
Has anything occurred during the past year that would require changes to the original responses in the suitability questionnaire of the due diligence form (form 1)? If yes, please indicate which factors in the suitability questionnaires.	<input type="checkbox"/>	<input type="checkbox"/>
Has anything occurred that would warrant the suspension or termination of the agreement with the Business Partner? Any suspicious facts should be brought to the attention of the Group President or President of the relevant business unit and the Ethics and Compliance Office.	<input type="checkbox"/>	<input type="checkbox"/>

3 Conclusion and Approvals

Based on the responses in the questionnaire and based on results and dealings with the Business Partner, CAE:

Should proceed with renewal of the contract and continuation of the relationship
 Should terminate the contract and discontinue the relationship with the Business Partner

Where there is a recommendation to renew the agreement with the Business Partner, and there are responses that indicate new red flags or indicators of increased risk exist, please provide information on the evaluation used to arrive at the conclusion.

Date submitted	_____	Date approved	<i>This signature is for D&S use only.</i>
	CAE Ethics and Compliance Office (Name & Signature)		_____
			VP Global Strategy & Bus. Dev (Name & Signature)



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	Date approved	<hr/> Chief Compliance Officer (Name & Signature)	Date approved	<hr/> Group President (Name & Signature)



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Exhibit C Authorization Matrix Contracts, Agreements and Addendums

In addition to the signature of the CAE Inc. Chief Compliance Officer (required in all instances) Representative Agreements, Amendments and Addendums shall be signed according to the table below:

BUSINESS UNIT	AUTHORIZED SIGNATORY
All D&S	Group President D&S
Civil – Products	Group President Civil
Civil – Civil Aviation Training (CAT)	Group President Civil
Civil – Business/Helicopter/Maintenance Training (BAT/HAT/MX)	Group President Civil
Healthcare	President CAE Healthcare



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**Exhibit D
Authorization Matrix:
All payments to Representatives (Success Fees, Retainers and Out of Pocket Expense
Reimbursements)**

BUSINESS UNIT	AUTHORIZED SIGNATORY
All D&S	Vice President Finance D&S
Civil – Products	Vice President Finance Civil
Civil – Civil Aviation Training (CAT)	Vice President Finance Civil
Civil – Business/Helicopter/Maintenance Training (BAT/HAT/MX)	Vice President Finance Civil
Healthcare	Finance Director CAE Healthcare



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Exhibit E

Sample list of customers owned or partially owned by the government

- Aeroflot
- Air Algerie
- Air Arabia
- Air China
- Air China Southwest
- Air India
- Air Malta
- Air New Zealand
- Alitalia
- Australian Airlines
- AZAL Avia Cargo
- Bulgaria Air
- China Airlines
- China Southern
- China Eastern
- China United Airlines
- EgyptAir
- Emirates
- Ethiopian Airways
- Etihad Airways
- Finnair
- Garuda Indonesia
- Gulf Air
- Hainan Airlines
- Hindustan Aviation
- Israel Aerospace Industries
- Kuwait Airways
- Malaysia Airlines
- Middle East Airlines
- Pakistan International Airlines
- Piper
- Oman Air
- Qatar Airways
- Royal Brunei Airlines
- Saudia
- Singapore Airlines
- Shanghai Airlines
- South African Airways
- Sukhoi
- Thai Airways International
- Turkmenistan
- US Air Force
- US Navy
- PEOSTRI
- Royal Canadian Air Force
- Royal Australian Air Force
- Royal Air Force
- Italy Air Force
- German Air Force
- Poland Air Force
- Royal Saudi Air Force
- UAE Joint Air Command
- Kuwait Air Force
- Republic of Singapore Air Force



SECTION 20: ANTI-CORRUPTION	Issued: February 6, 2019
	Supersedes: November 9, 2016

POLICY GOVERNANCE

Policy Details

Primary Contact	Pierre Gignac, Global Leader, Ethics and Compliance
Required Executive Approvals	Chief Executive Officer Chief Financial Officer General Counsel, Chief Compliance Officer & Corporate Secretary
Board/Committee Approvals	Governance Committee
Review Cycle	Every third year

Revision History

<u>Date</u>	<u>Changed by</u>	<u>Description</u>
June 22, 2015	Hartland Patterson	Creating an Anti-Corruption Policy
November 9, 2016	Mark Hounsell	Periodic Review
February 6, 2020	Pierre Gignac	Complete revision following the creation of stand-alone policies covering gifts, entertainment and business courtesies, lobbying and political contributions