

<b>SECTION 12:</b>	Issued: May 19 <sup>th</sup> , 2022
<b>CHARITABLE DONATIONS &amp; SPONSORSHIPS</b>	Supersedes: May 21 <sup>st</sup> , 2020

Purpose

- 1.0 The policy is to rationalize donations by CAE and its subsidiaries to charitable, educational, health and welfare institutions and organizations. Coordination and administration of this policy is the responsibility of the Chief Sustainability Officer and Senior Vice President, Stakeholder Engagement, CAE Inc.
- 1.1 As a general rule, CAE and its subsidiaries will only give to those institutions and organizations providing facilities and services in those communities where the operation is located and where the bulk of its employees reside, unless otherwise directed by the Chief Sustainability Officer and Senior Vice President, Stakeholder Engagement.
- 1.2 All requests from international institutions and organizations should be passed on to the Chief Sustainability Officer and Senior Vice President, Stakeholder Engagement with a recommendation by the subsidiary company on whether to politely decline or propose as worthy of corporate consideration.
- 1.3 CAE business units and subsidiaries may budget a small amount for charitable donations to support their local community, commensurate to their number of employees. All CAE business units and subsidiaries must report amounts awarded and causes supported, as well as in-kind donations, to the Chief Sustainability Officer and Senior Vice President, Stakeholder Engagement, on a quarterly basis. The amounts are reported annually to the Governance Committee of the Board of Directors. Awards above CAN\$2,000, either in monetary or in-kind formats, to clients, OEMs, suppliers, partners or other stakeholders should be pre-approved by the Chief Sustainability Officer and Senior Vice President, Stakeholder Engagement per section 1.11.
- 1.4 To be eligible for consideration, an organization must be non-profit, acting in the interests of the community as a whole, and must be registered as a non-profit charitable organization by federal, provincial or state authorities. In the case of activities organized by students in relation to the focus areas in clause 1.5, these organizations must be recognized by the educational institution with which they are affiliated.
- 1.5 In addition to the United Way Appeal or equivalent, which fund local health and welfare services, CAE's main areas of focus are :
  - Higher educational institutions that supply, or have the potential to supply, CAE with a significant number of graduates possessing key technical and engineering

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- skills, as well as skills required within CAE’s corporate services (e.g. Finance, Legal, Communications, etc.).
- Higher educational institutions and research organizations that conduct significant research and development in areas of direct interest to CAE, and even possibly in partnership with CAE.
- Educational facilities, activities and programs dedicated to developing excellence or interest among young people in science, technology engineering, mathematics, arts, and humanities.
- CAE can also support organizations in line with its corporate mission focusing on Civil Aviation, Defense & Security and Healthcare:
  - Encourage young people to pursue pilot careers such as cadets;
  - Encourage organizations aimed at improving safety of aviation and patient safety;
  - Support communities where we operate when they face a natural disaster;
  - Support organizations that help the military, their families and veterans;
  - Support local hospitals, especially when they value simulation-based training for healthcare professionals.
- CAE can also support organizations in line with its overall focus on Diversity, Equity and Inclusion.
- CAE will support the community involvement of its senior executives by supporting the causes in which they are involved.

1.6 CAE may provide scholarships (“**CAE Scholarship**”) to students completing their studies in key technical and engineering sectors, as well as skills required within CAE’s corporate services (e.g. Finance, Legal, Communications, etc.) or in other key areas of priority as may be established from time to time by the Chief Sustainability Officer and Senior Vice President, Stakeholder Engagement. Students are to be drawn from universities as described above. The scholarships are to be actively promoted within the higher education institution and awarded on a competitive basis by the appropriate faculty and in line with agreements executed between CAE represented by its Higher Education Institutions Collaboration team, reporting to the Chief Sustainability Officer and Senior Vice President, Stakeholder Engagement, and the institution.

CAE business units may propose the names of participating higher education institutions for their scholarship program. Selection will be determined in large part by a weighting favoring those institutions that provide CAE with skilled staff.

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- 1.7 All appeals requiring a multi-year commitment of funds must be approved by the Chief Sustainability Officer and Senior Vice President, Stakeholder Engagement. CAE Inc.'s own donation policy will be that determined from time to time by its Board of Directors.
- 1.8 Organizations, causes and projects which are usually ineligible for CAE assistance include religious, fraternal, union, advocacy and sectarian groups. Exceptions may be made only with approval from the Chief Sustainability Officer and Senior Vice President, Stakeholder Engagement.
- 1.9 At no time will a contribution necessarily establish a precedent for future giving by CAE.
- 1.10 The following tests should be applied to requests for contributions:
  - a) Will the project contribute generally to improvement in the quality of life in a community where CAE has operations and its employees reside?
  - b) Is the level of the donation appropriate in relation to the importance of the company in that community?
  - c) Is special attention being given to employee activities, participation and needs?
  - d) Is the donation aligned with CAE's strategic priorities as they evolve within the communities it operates in?
- 1.11 Contributions will not be made in recognition or anticipation of a business relationship with CAE. Hence, any request of more than CAN\$2,000 from clients, OEMs, or suppliers should be pre-approved by the Chief Sustainability Officer and Senior Vice President, Stakeholder Engagement. To obtain this approval, answers to these questions must be submitted:
  1. Who is asking for this donation or sponsorship (Is that person in a position to make a business decision about CAE?)
  2. Why do you recommend going ahead with this donation or sponsorship?
  3. Why at that level?
  4. Does it align with this Charitable Donations & Sponsorships Policy (education; civil aviation, defense & security and healthcare; diversity, equity and inclusion)?
  5. Is the contribution conditional upon receiving pending business or other specific benefits?
- 1.12 Public recognition of CAE's participation in a worthwhile community project or endeavor is desirable, although it should not be the primary reason for contributing.



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- 1.13 All cash and in-kind donations and sponsorships made by CAE and its subsidiaries throughout the world must be reported quarterly to the Chief Sustainability Officer and Senior Vice President, Stakeholder Engagement, for reporting to the Board of Directors of CAE, as well as through the company's annual activity and social responsibility report.

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**POLICY GOVERNANCE**

**Policy Details**

<b>Primary Contact</b>	Hélène V. Gagnon
<b>Required Executive Approvals</b>	General Counsel, Chief Compliance Officer and Corporate Secretary Chief Sustainability Officer and Senior Vice President, Stakeholder Engagement
<b>Board/Committee Approvals</b>	Governance Committee
<b>Review Cycle</b>	Every third year

**Revision History**

<b>Date</b>	<b>Changed by</b>	<b>Description</b>
October 4, 2017	Hélène V. Gagnon	Modifications following internal audit
May 24, 2018	Hélène V. Gagnon	Modifications in relation to the approval of new Lobbying and Political Contributions Policy
May 21, 2020	Hélène V. Gagnon	Periodic review
May 18, 2022	Hélène V. Gagnon	Periodic review