



SECTION 12:	Issued: May 21st, 2020
CHARITABLE DONATIONS & SPONSORSHIPS	Supercedes: May 24 th , 2018

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 Vice President, Public Affairs and Global Communications, 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 Vice President, Public Affairs and Global Communications.
- 1.2 All requests from international institutions and organizations should be politely rejected at the subsidiary level, or passed on to the Vice President, Public Affairs and Global Communications only if they can be recommended by the subsidiary company as worthy of corporate consideration on the subsidiary's behalf.
- 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 to the Vice President, Public Affairs and Global Communications, on a quarterly basis. Awards above CAN\$2,000 are subject to approval per section 1.12
- 1.4 Donations for CAE Inc. and all business units located at the CAE Corporate Office in Montreal will be budgeted by the Public Affairs and Global Communications department and are subject to a specific approval by the Board of Directors during the normal course of the annual budget process.
- 1.5 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.
- 1.6 In addition to the United Way Appeal or equivalent, which fund local health and welfare services, CAE's main interest is education, as follows:
 - Higher educational institutions that supply, or have the potential to supply, CAE with a significant number of graduates possessing key technical and engineering skills.



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- Higher educational institutions that conduct significant technical research 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 and engineering.
- 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 (Civil Aviation);
 - Encourage organizations aimed at improving safety of aviation and patient safety (Civil Aviation and Healthcare);
 - Support communities where we operate when they face a natural disaster (Security);
 - Support organizations that help the military, their families and veterans (Defense & Security);
 - Support local hospitals, especially when they value simulation-based training for healthcare professionals (Healthcare); and
 - Encourage our employees to participate in the Enbridge ride to conquer cancer to the benefit the Jewish Hospital (Healthcare).

1.7 CAE may provide scholarships (“CAE Scholarship”) to students completing their studies (3rd or 4th year) in key technical and engineering sectors. Students are to be drawn from universities as described above. The scholarships are to be actively promoted within the university and awarded on a competitive basis by the appropriate faculty.

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

1.8 All appeals requiring a multi-year commitment of funds must be approved by the Vice President, Public Affairs and Global Communications. CAE Inc.'s own donation policy will be that determined from time to time by its Board of Directors.

1.9 Organizations, causes and projects which are usually ineligible for CAE assistance include religious, fraternal, union, advocacy and sectarian groups. Exceptions may



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be made only with approval from the Vice President, Public Affairs and Global Communications.

- 1.10 At no time will a contribution necessarily establish a precedent for future giving by CAE.
- 1.11 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?
- 1.12 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 Vice President, Public Affairs and Global Communications. To obtain this approval, you must submit the answers to these questions:
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)?
 5. Is the contribution conditional upon receiving pending business or other specific benefits?
- 1.13 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.
- 1.14 All cash and in-kind donations and sponsorships throughout the world must be reported quarterly to the Vice President, Public Affairs and Global Communications, for reporting to the Board of Directors of CAE, as well as through the company's annual activity and social responsibility report.

POLICY GOVERNANCE



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Policy Details

Primary Contact	Hélène V. Gagnon
Required Executive Approvals	Chief Executive Officer General Counsel, Chief Compliance Officer and Corporate Secretary Vice President, Public Affairs and Global Communications
Board/Committee Approvals	Governance Committee
Review Cycle	Every second year

Revision History

Date	Changed by	Description
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	Biennial review