



CAE INC.
(the “Company”)

**CHIEF EXECUTIVE OFFICER
POSITION DESCRIPTION**

GENERAL FUNCTION

The President and Chief Executive Officer (“CEO”) has the primary responsibility for the leadership, strategic and management direction and business results of the Company. Working closely with the Board of Directors of the Company (the “Board”) and the management team, the CEO ensures that the Company establishes appropriate goals, and manages its resources to meet these goals.

MAJOR RESPONSIBILITIES

1. Fiduciary Duties

The CEO shall act as a Director and officer of the Company in the best interests of the Company with honesty and good faith towards its shareholders, employees, customers, suppliers, and the communities within which the Company operates. As the leading executive officer, the CEO assumes ultimate accountability for the development and execution of the Company’s strategy and policies. The CEO shall use such personal and professional skills in the role of Chief Executive, together with such contacts, experience and judgment as the CEO may possess with integrity and independence to optimise both the short-term and the long-term financial performance of the Company. The CEO shall play a full part in enabling the Board to arrive at balanced and objective decisions in the performance of its agreed role and functions. The CEO shall ensure that the objectives of the Company, as agreed by the Board, are fully, promptly and properly carried out. The CEO shall ensure that the financial and other decisions of the Board are fully, promptly and properly carried out.

2. Leadership

The CEO exercises an appropriate level of leadership for the organization, manages the culture and builds a team atmosphere. The CEO effectively communicates a vision, management philosophy, and business strategy to the Company’s employees, as well as other internal and external stakeholders. The CEO actively seeks to recruit and retain competent employees and to motivate and inspire such employees to adopt the Company’s values and to realize the Company’s vision. The CEO is an effective role model for the organization. The CEO ensures that there is clarity of objectives and focus for all employees and that there are clear and appropriate standards and measures of performance.

3. Strategy Formulation

The CEO is responsible for developing a long-term, sound strategy for the Company that is intended to increase the value as well as meeting the needs of customers, employees, and other stakeholders. The CEO puts in place processes that encourage effective strategic planning. The Board shall annually approve the Company's strategic plan.

4. Strategic Implementation

The CEO ensures that Company strategies are effectively implemented with timely progress towards strategic objectives, including short-term and long-term growth and profitability objectives. The CEO obtains and allocates resources consistent with strategic objectives and makes timely adjustments in strategies when market conditions and other forces, including the competitive environment, demand a change.

5. Financial Performance

The CEO is responsible to carry out a comprehensive budgeting process and monitor the Company's performance against the budget. The CEO proposes appropriate annual and long-term financial objectives for the Company and monitors the attainment of these financial goals as well as maintaining spending in accordance with approved capital expenditure and other investment budgets.

6. Risks and Opportunities

The CEO identifies and communicates risks and opportunities to the Board and deals with them appropriately. The CEO ensures that the Company has appropriate auditing and financial control processes in place to protect assets, maintain effective control of operations and provide accurate and complete public disclosure of results that fairly represents the Company's business, financial condition and operations, and enables investors to understand the business.

7. External Relations

The CEO as chief spokesperson for the Company effectively communicates its financial performance and outlook to the investment community and shareholders. The CEO is visible and proactive in representing the Company to customers, investors, government, regulatory authorities and other stakeholders.

8. Succession

The CEO is responsible for developing an evolving succession plan, in collaboration with the Board, for all senior levels in the Company, including for the CEO position. The CEO ensures that there is an effective plan for attracting, retaining, motivating and developing candidates for senior management positions for the long-term success of the organization. Furthermore, the CEO shall ensure that the Company has an effective performance evaluation program and a leadership training program to develop and train new managers.

9. Board Relations

The CEO keeps the Board fully informed of all important issues and aspects of the Company performance, opportunities and market developments, whether positive or negative. Sufficient and appropriate periodic information is distributed to Board members to effectively assess Company issues, strategies, their implementation, and other performance outcomes. Board members as well as committee members are able to initiate contact with the CEO whenever necessary and the CEO encourages candid debate and challenges in boardroom discussions. In particular, the CEO shall:

- 9.1 maintain effective communication with the Chair of the Board and the Board as a whole;
- 9.2 attend all Board meetings called during the year unless prevented by exceptional circumstances;
- 9.3 attend the annual general meeting and such other shareholders' meetings as may be necessary;
- 9.4 act as an *ex officio* member of such committees of the Board as the Board shall decide, and attend all meetings unless prevented by exceptional circumstances;
- 9.5 place on the agenda for meetings of the Board or committees any matters relating to the Company's business which the CEO considers should be discussed and oversee, in close collaboration with the Board and Board committees, the implementation of corporate governance principles specific to the Company; and
- 9.6 ensure that the decisions of the Board are fully, promptly and properly carried out.

10. Health, Safety and Environment

The CEO is responsible for the implementation and communication of health, safety and environment policies. Furthermore, the CEO ensures the establishment and achievement of safety objectives, and that the Company complies fully with all applicable federal and state/provincial environmental regulations.

11. Corporate Social Responsibility & Integrity

The CEO fosters a culture of ethical behaviour for the Company, promotes compliance with the Company's Code of Business Conduct and proactively ensures that the Company complies with all of its legal, accounting, ethical, moral and social responsibility obligations.

12. Performance Review

Each year, the CEO collaborates with the Human Resources Committee and the full Board in its process to conduct a performance review of the CEO in light of the Company's strategies and corporate objectives and implementation thereof.

November 13, 2019