



**CAE INC.**  
(the “**Company**”)

**CHAIR OF AUDIT COMMITTEE POSITION DESCRIPTION**

The Chair of the Audit Committee (the “**Committee**”) of the Board of Directors of the Company (the “**Board**”) is an independent director responsible for the effective functioning of the Committee.

The Chair of the Committee shall be appointed by the Board for a one-year term at the first meeting of the Board following the annual meeting of shareholders each year (provided that if there is a vacancy in such office, the members of the Committee shall appoint one of its members to fill the vacancy until such time as it is filled by the Board, and further provided that any member of the Committee may chair a Committee meeting in the absence of the Chair).

The Chair of the Committee shall:

1. Establish procedures to govern the Committee’s work and ensure the Committee’s full discharge of its duties, including:
  - Collaborating with the Chair of the Board and members of management, where appropriate, to develop the agenda for Committee meetings so as to fully discharge the mandate of the Committee;
  - Ensuring proper flow of information, from management, external consultants or otherwise, to enable the Committee to exercise its responsibilities;
  - Assessing the quality and quantity of documentary materials provided to the Committee;
  - Taking reasonable steps to ensure that the resources available to the Committee are adequate to support its work;
  - Ensuring that all items requiring Committee monitoring, evaluation, approval or recommendations to the Board are appropriately addressed;
  - Discussing as necessary with the Chair of the Governance Committee the skills, experience and talents required from members of the Committee on an ongoing basis, given the Company’s industry, business model, strategy and risk profile;

- Ensuring that the Committee has access to members of senior management such as the President and Chief Executive Officer and the Chief Financial Officer, as may be required to fulfill its mandate; and
  - Maintaining effective, direct and candid communication and collaboration between the Committee, the Chair of the Board, the President and Chief Executive Officer, the Chief Financial Officer, internal and external auditors and key stakeholders.
2. Facilitate the Committee's discharge of its duties pertaining to the review of financial disclosure, the engagement and/or supervision of internal and external auditors and other matters relating to the financial affairs and risk management of the Company, including:
    - Ensuring that external advisors retained or to be retained by the Committee are appropriately qualified and independent;
    - Ensuring that the Committee is fully informed in relation to audit and financial matters and properly oversees the work of external auditors;
    - Ensuring an open, candid and frank relationship between the Committee and the internal and external auditors; and
    - Supervising the review by the Committee of the Company's public disclosure of financial information.
  3. Chair regular meetings of the Committee and encourage free and open discussion at meetings of the Committee.
  4. Ensure that the Committee fulfills its mandate and complies with its obligations to the full Board.
  5. Report to the Board on behalf of the Committee.
  6. Attend every meeting of shareholders and respond to such questions from shareholders as may be put to the Chair of the Committee.
  7. Carry out other duties as requested by the Board or as required by circumstances.

*November 10, 2017*