



SECTION 22: INTERNAL REPORTING/WHISTLEBLOWING	Issued: October 27, 2014
	Supersedes: November 9, 2012

- 1.0 It is the policy of CAE, including all CAE subsidiaries worldwide, that all of its officers and employees, including part-time and temporary employees, report concerns about accounting and auditing matters that affect CAE. The governance committee of the Board of Directors of CAE (the “Governance Committee”) is hereby establishing procedures for: (i) the receipt, retention, and treatment of complaints received by employees regarding accounting, internal accounting controls, or auditing matters (“Accounting Concerns”); and (ii) the confidential, anonymous submission by employees of CAE and its subsidiaries of concerns regarding questionable accounting or auditing matters.
- 1.1 These procedures promote CAE’s goal of creating an environment in which officers and employees openly communicate with management regarding Accounting Concerns and potential non-compliance with these procedures by an officer or employee of CAE (collectively, “**Activities of Concern**”).
- 1.2 No officer or employee of CAE and its subsidiaries will be subject to any sanction or retaliatory action by CAE or any officer or employee of CAE for taking action consistent with these procedures.

Reporting Activities of Concern

- 2.0 Officers and employees may submit reports of Activities of Concern anonymously.

Reporting to the General Counsel

- 2.1 CAE and CAE subsidiaries encourage all officers and employees to report Activities of Concern either in person or via written correspondence to the General Counsel. If the officer or employee does not feel comfortable reporting an Activity of Concern to the General Counsel, the officer or employee must inform CAE’s Chief Financial Officer. Correspondence may be sent to:

CAE Legal
8585 Côte-de-Liesse
Saint-Laurent, Québec
Canada H4T 1G6
Attention: General Counsel
Fax: 514-340-5530 or e-mail to the current General Counsel (caeinc-vplegal@cae.com)



SECTION 22: INTERNAL REPORTING/WHISTLEBLOWING	Issued: October 27, 2014
	Supersedes: November 9, 2012

Reporting to the Governance Committee

- 2.2 In addition to, or in lieu of, reporting to the General Counsel or Chief Financial Officer, an officer or employee may report Activities of Concern to the Chair of the Governance Committee. Correspondence may be sent to:

8585 Côte-de-Liesse
Saint-Laurent QC H4T 1G6.
Attention: Mr. Andrew J. Stevens, Chair of the Governance Committee

Reporting via ETHICSPPOINT

- 2.3 CAE has established an external service provider which will receive reports on activities of concern anonymously and in several languages. Reports from this service provider (Ethicspoint) are sent to the CAE Governance Committee, the General Counsel and Human Resources. This tool is also available to any employee working in any CAE subsidiary around the world. Correspondence may be sent either through their website: www.ethicspoint.com or by telephone: 866-294-9551 (toll free in Canada and the USA).

Treatment and Handling of Reports of Activities of Concern

- 3.0 Any person to whom an Activity of Concern is reported or who becomes aware of an Activity of Concern must, as soon as practicable and in any event within five business days, contact the General Counsel to provide details of the Activity of Concern. The General Counsel will then investigate such Activity of Concern. All reports and investigations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. The General Counsel will retain records relating to each Activity of Concern, the actions taken to investigate, and any response to such Activity of Concern.
- 3.1 The General Counsel will then provide to the Governance Committee a summary of the reports of Activities of Concern received during the prior quarter and the results of the investigations made. The General Counsel may with respect to an Activity of Concern contact the Chair of the Governance Committee at any time to seek the immediate counsel of the Governance Committee.
- 3.2 If the Chief Financial Officer or the Chair of the Governance Committee receives any reports of Activities of Concern, he or she must promptly inform the General Counsel of



SECTION 22: INTERNAL REPORTING/WHISTLEBLOWING	Issued: October 27, 2014
	Supersedes: November 9, 2012

the Activity of Concern, unless it would be, in his or her view, inappropriate in the circumstances to do so. The General Counsel will then investigate the report of the Activity of Concern, make records relating to such Activity of Concern and report on such Activity of Concern as described above. In the alternative, the Chief Financial Officer or the Chair of the Governance Committee, as the case may be, will complete the investigation, record keeping and reporting in lieu of the General Counsel with respect to any Activity of Concern not reported to the General Counsel.

- 3.3 The Governance Committee will review and take any action it deems appropriate in its judgment with respect to any Activity of Concern it is made aware of, including retention of any independent or expert advisors or meeting with officers of CAE. Any review and evaluation of an Activity of Concern will include consideration of whether the matter(s) described in the report of the Activity of Concern are improper and whether further review and/or investigation is warranted. Any decision by the Governance Committee to review or investigate any matter brought to its attention as a result of these procedures will not in any way be, or be deemed to be, a determination by the Governance Committee or CAE that any actions or inactions that are the subject of the report of the Activity of Concern have, in fact, occurred or are improper.

Available Assistance

- 4.0 It is essential that all officers and employees understand these procedures and they should raise any questions about these procedures with the General Counsel.

Exceptions to Procedures

- 4.1 The Governance Committee must approve exceptions to these procedures.



SECTION 22:	Issued: October 27, 2014
INTERNAL REPORTING/WHISTLEBLOWING	Supersedes: November 9, 2012

POLICY GOVERNANCE

Policy Details

Primary Contact	
Required Executive Approvals	
Board/Committee Approvals	
Review Cycle	

Revision History

Date	Changed by	Description
-------------	-------------------	--------------------