



SECTION 34: LOBBYING AND POLITICAL CONTRIBUTIONS	Issued: May 24, 2018
	Supercedes: New

1. Purpose

The purpose of this policy is to codify the applicable processes for lobbying with Government Officials or political parties and for approval of any political support and contributions. Coordination and administration of this policy is the responsibility of the Vice President, Public Affairs and Global Communications, CAE Inc.

2. Definitions

2.1 “*CAE Representatives*” means CAE directors, officers, employees and Consultant Lobbyists.

2.2 “*Consultant Lobbyists*”: means individuals who are self-employed or work for firms active in the fields of government relations, law or strategic advice. They are paid to communicate with Government Officials on behalf of their clients. They may communicate with Government Officials regarding registrable subject matter on behalf of their clients or they may simply arrange meetings between Government Officials and their clients. Consultant Lobbyists are required to register each of their Lobbying Activities in the appropriate jurisdiction, when applicable.

2.3 “*Government Official*” means an elected or appointed official, officer, employee, or director of, or any representative or agent acting on behalf of:

- a body of any level of government, whether federal, provincial, state, municipal or other;
- a political party, a party official or candidate for political office;
- a state-owned or controlled entity;
- a member of the armed forces;
- a public international or intergovernmental organization; or
- a person who holds a legislative, administrative, or judicial position.

2.4 “*Lobbying Activities*” means communicating with Government Officials with regard to:

- the making, developing, amending or defeating of legislative proposals, bills, or resolutions, regulations, policies or programs*;
- the awarding of government grants, contributions or other financial benefits; and
- the awarding of government contracts* (*for Consultant Lobbyists only*).

In the case of Consultant Lobbyists, Lobbying Activities also include the arranging of a meeting between a Government Official and any other person.

* *For clarity, communications with Government Officials by internal CAE Representatives (i.e. CAE directors, officers or employees) for ordinary course business development purposes do not constitute Lobbying Activities for purposes of this policy. For example, submitting a procurement bid or proposal and communicating with Government Officials in relation to the awarding of a government contract, including various air, sea, land and cyber Defence &*



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Security training programs, is not considered a Lobbying Activity hereunder, if conducted in-house.

- 2.5 “Political Contributions” means anything of monetary value any financial benefit given, loaned or advanced to influence a political election, including in-kind goods and services (e.g. facilities, equipment, supplies).

3. Lobbying Activities

- 3.1 CAE actively communicates with Government Officials expressing views that affect CAE’s business and industry.
- 3.2 Communications and business relationships with Government Officials must comply with our Code of Business Conduct, our Anti-Corruption Policy (including Gifts and Entertainment Policy) and all applicable legal, regulatory and policy requirements, including those concerning lobbying, gifts and benefits, conflict of interest, bribery and corruption, hiring of ex-government employees and procurement processes. Activities that may be acceptable when dealing with private-sector company employees could be inappropriate or illegal when dealing with Government Officials. CAE Representatives should exercise extra caution when interacting with Government Officials.
- 3.3 CAE Representatives shall not engage in Lobbying Activities unless they are registered lobbyists (if applicable) and authorized to do so by the Vice President, Public Affairs and Global Communications.
- 3.4 CAE Representatives having contacts with Government Officials should consult with the Vice President, Public Affairs and Global Communications and CAE’s Legal Department to ensure compliance with the appropriate lobbying regulations.
- 3.5 All oral or written communications to a senior elected or appointed Government Official (such as the Office of a Minister, Prime Minister, Governor, President, Vice President, Head of State, Emir or King) must be approved by CAE Inc.’s President and Chief Executive Officer and by the Vice President, Public Affairs and Global Communications prior to such communication.
- 3.6 CAE may not employ a Consultant Lobbyist for Lobbying Activities prior to completion of the due diligence review and upon receipt of the prior approvals set out in CAE’s Anti-Corruption Policy and the approval of the Public Affairs and Global Communications team. Any such approved Consultant Lobbyists must be registered as lobbyists in the appropriate jurisdiction and otherwise comply with applicable laws and regulations.
- 3.7 Lobbying Activities shall be reported to the Vice President, Public Affairs and Global Communications on a quarterly basis.



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4. Political Support Activities

4.1 CAE Representatives may engage in politics in a personal capacity outside the scope of their business relationships with CAE.

4.2 CAE Representatives may not, within the scope of their work at CAE, use CAE's name, time, funds, property, resources or employee, client or supplier lists, or solicit any employees, clients or suppliers of CAE for Political Contributions in support of a political candidate or party without the prior written authorization of the Vice President, Public Affairs and Global Communications.

4.3 CAE does not have any preference for one political party over another and CAE will decline any invitation to comment on partisan politics. However, from time to time CAE may be involved in activities which involve the political community, such as visits to CAE sites, or requests to use facilities during politically sensitive periods. Any such requests shall be referred to the Vice President, Public Affairs and Global Communications for approval.

4.4 As a matter of general principle, CAE and its subsidiaries will not make any political contributions to political candidates, parties, organizations or any other political entity, at all levels of government.

4.5 All requests for Political Contributions should be politely declined, or passed on to the Vice President, Public Affairs and Global Communications (only if they can be recommended as worthy of corporate consideration). CAE may exceptionally make Political Contributions to a political party, campaign or candidate as a means of supporting the democratic process, but only where legally permitted and not to secure favours or preferential treatment to any individual party or candidate. Contributions will not be made in recognition or anticipation of a business relationship with CAE. At no time will a contribution establish a precedent for future giving by CAE.

5. Trade Associations

CAE participates in trade associations for a variety of reasons, including networking, building industry skills, civic participation and monitoring of industry policies and trends. CAE's participation in trade associations, including membership on a trade association board, does not mean that CAE agrees with every position a trade association takes on an issue. In fact, from time to time our corporate positions may differ from those of the trade association of which we are members. Should a CAE Representative be asked to support an industry position that is misaligned with CAE's brand or values, or of a sensitive or controversial nature, he/she should notify and discuss it with CAE's Vice President, Public Affairs and Global Communications.



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POLICY GOVERNANCE

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
May 24, 2018	Hélène V. Gagnon	Original policy drafted