



SECTION 19:	Issued: May 18, 2021
INTERNAL REPORTING/WHISTLEBLOWING	Supersedes: May 16, 2019

1. Purpose and Applicability

- 1.1 It is the policy of CAE Inc., including all CAE subsidiaries and controlled joint ventures worldwide (“CAE”), that all of its officers and employees, including part-time and temporary employees (collectively, “**Employees**”), are required to report Activities of Concern (as defined herein). The governance committee of the Board of Directors of CAE (the “**Governance Committee**”) is hereby establishing procedures for the receipt, retention, and treatment of complaints received by Employees enterprise-wide.
- 1.2 No Employee will be subject to any sanction or retaliatory action for taking action consistent with these procedures.

2. Activities of Concern

- 2.1 These procedures promote CAE’s goal of creating an environment in which Employees openly communicate with management regarding potential activities of concern (“**Activities of Concern**”), including:

Accounting and auditing matters: Accounting, internal accounting controls, or auditing matters including, without limitation, falsification or destruction of business or financial records, misrepresentation or suppression of financial information, non-adherence to internal financial reporting policy/controls, including management over-rides; and auditor independence concerns (“**Accounting Concerns**”);

Suspected fraudulent activity: Theft, defalcation, insider trading, market manipulation, and corrupt practices including offering, giving or receiving bribes or other improper benefits;

Violation of the Code of Business Conduct, corporate policies and procedures and laws and regulations: Potential misconducts such as harassment, discrimination, intimidation, conflicts of interest, illegal, deceptive or anti-competitive sales practices, manipulation of rate or price setting, non-adherence to CAE’s corporate policies and policies and other violations of governing laws and regulations;

Retaliation against an individual who reports a concern in good faith: Statements, conduct or actions involving terminating, disciplining, demoting, suspending, harassing, intimidating, coercing or discriminating against an



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individual reporting a concern in good faith in accordance with these procedures.

3. Reporting Activities of Concern

Reporting to an Employee’s manager or supervisor

3.1 CAE encourages all Employees to report Activities of Concern to their immediate manager or supervisor when it is possible to do so. If an Employee does not feel comfortable reporting an Activity of Concern to their immediate manager or supervisor, they may submit reports of Activities of Concern as indicated in the sections below.

Reporting to the General Counsel, Chief Compliance Officer and Corporate Secretary and Global Compliance Office

3.2 All Employees may report Activities of Concern either in person or via written correspondence to the General Counsel, Chief Compliance Officer and Corporate Secretary and the Global Compliance Office. Correspondence may be sent to:

CAE Inc.
8585 Côte-de-Liesse
Saint-Laurent, Québec
Canada H4T 1G6
Attention:

General Counsel, Chief Compliance Officer and Corporate Secretary E-mail: caeinc-vplegal@cae.com	Global Leader, Ethics and Compliance E-mail: global-compliance@cae.com
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Reporting to the Executive Vice President, Finance and Chief Financial Officer or the Senior Vice President, Global Human Resources

3.3 If an Employee does not feel comfortable reporting an Activity of Concern (including Accounting Concerns) to the General Counsel, Chief Compliance Officer and Corporate Secretary or Global Compliance Office, the Employee may inform either CAE’s Executive Vice President, Finance and Chief Financial Officer or Senior Vice President, Global Human Resources, as the case may be, taking into consideration the nature of the Activity of Concern. They can also report a matter using the EthicsPoints anonymous reporting tool as indicated in section 3.5 below.



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Reporting to the Governance Committee

3.4 In addition to, or in lieu of, the reporting procedures in 3.2 and 3.3, an 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: Chair of the Governance Committee

Reporting via ETHICSPPOINT

3.5 CAE has established an external service provider to receive reports on Activities of Concern anonymously and in several languages. Reports from this service provider (Ethicspoint) are sent to the General Counsel, Chief Compliance Officer and Corporate Secretary, the Global Leader, Ethics and Compliance and the Senior Vice President, Global Human Resources. This tool is 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).

4.0 Treatment and Handling of Reports of Activities of Concern

4.1 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, Chief Compliance Officer and Corporate Secretary to provide details of the Activity of Concern. Upon receipt of a report, the General Counsel Chief Compliance Officer and Corporate Secretary, supported by the Global Leader, Ethics and Compliance, will evaluate the severity of the Activity of Concern to determine whether an internal or external investigation is required. An investigation will then be conducted accordingly under the supervision of the General Counsel Chief Compliance Officer and Corporate Secretary. All reports and investigations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. The General Counsel Chief Compliance Officer and Corporate Secretary will retain records relating to each Activity of Concern, the actions taken to investigate, and any response to such Activity of Concern.

4.2 The General Counsel Chief Compliance Officer and Corporate Secretary will 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.



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- The General Counsel Chief Compliance Officer and Corporate Secretary 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.
- 4.3 If the Executive Vice President, Finance and Chief Financial Officer, the Senior Vice President, Global Human Resources or the Chair of the Governance Committee receives any reports of Activities of Concern, he or she must promptly inform the General Counsel Chief Compliance Officer and Corporate Secretary of the Activity of Concern, unless it would be, in his or her view, inappropriate in the circumstances to do so. The General Counsel Chief Compliance Officer and Corporate Secretary 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 Executive Vice President, Finance and Chief Financial Officer, the Senior Vice President, Global Human Resources, 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, Chief Compliance Officer and Corporate Secretary, with respect to any Activity of Concern not reported to the General Counsel, Chief Compliance Officer and Corporate Secretary.
- 4.4 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.



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POLICY GOVERNANCE

Policy Details

Primary Contact	Pierre Gignac, Global Leader, Ethics and Compliance
Required Executive Approvals	Executive Vice President, Finance and Chief Financial Officer General Counsel, Chief Compliance Officer & Corporate Secretary Senior Vice President, Global Human Resources
Board/Committee Approvals	Governance Committee
Review Cycle	Every third year

Revision History

Date	Changed by	Description
May 16, 2019	Pierre Gignac	Periodic review
May 18, 2021	Pierre Gignac	Periodic review