



SECTION 12 of CAE CP&P:	Issued: February 20, 2012
CHARITABLE AND POLITICAL CONTRIBUTIONS	Supercedes: January 3, 2010

Purpose

- 1.0 The policy is to rationalize donations by CAE and its subsidiaries to charitable, educational, health and welfare, political and civic institutions and organizations. Coordination and administration of this policy is the responsibility of the Vice-President, Public Affairs and Global Communications, CAE Inc.
- 1.1 As a general rule, CAE and its subsidiaries will only give to those institutions and organizations providing facilities and services in those communities where the operation is located and where the bulk of its employees reside, unless otherwise directed by the Vice-President, Public Affairs and Global Communications.
- 1.2 All requests from international institutions and organizations should be politely rejected at the subsidiary level, or passed on to the Vice-President, Public Affairs and Global Communications only if they can be recommended by the subsidiary company as worthy of corporate consideration on the subsidiary's behalf.
- 1.3 CAE business divisions and subsidiaries may budget an amount not to exceed .33% of forecast after-tax profits for charitable donations, subject to CAE Corporate review and approval.
- 1.4 Donations for CAE Inc. and all business divisions located at the CAE Corporate Office in Montreal will be budgeted by the Public Affairs and Global Communications department and is subject to a specific approval by the Board of Directors during the normal course of the annual budget process.
- 1.5 Subsidiaries will not contribute to political parties or politicians.
- 1.6 To be eligible for consideration, an organization must be non-profit, acting in the interests of the community as a whole, and must be registered as a non-profit charitable organization by federal, provincial or state authorities.
- 1.7 In addition to the United Way Appeal or equivalent, which fund local health and welfare services, CAE's main interest is education, as follows:
 - Higher educational institutions that supply, or have the potential to supply, CAE with a significant number of graduates possessing key technical and engineering skills.



SECTION 12 of CAE CP&P:	Issued: February 20, 2012
CHARITABLE AND POLITICAL CONTRIBUTIONS	Supercedes: January 3, 2010

- Higher educational institutions that conduct significant technical research in areas of direct interest to CAE, and even possibly in partnership with CAE.
 - Educational facilities, activities and programs dedicated to developing excellence or interest among young people in science, technology and engineering.
- 1.8 CAE may provide scholarships (“CAE Scholarship”) to students completing their studies (3rd or 4th year) in key technical and engineering sectors. Students are to be drawn from universities as described above (1.7). The scholarships are to be actively promoted within the university and awarded on a competitive basis by the appropriate faculty.
- CAE companies may propose the names of participating universities or equivalent institutions for their scholarship program. Selection will be determined in large part by a weighting favoring those institutions that provide CAE with skilled staff.
- 1.9 All appeals requiring a multi-year commitment of funds must be approved by the Vice-President, Public Affairs and Global Communications. CAE Inc.'s own donation policy will be that determined from time to time by its Board of Directors.
- 1.10 Organizations, causes and projects which are usually ineligible for CAE assistance include religious, fraternal, union, advocacy and sectarian groups. Exceptions may be made only with approval from the Vice-President, Public Affairs and Global Communications.
- 1.11 At no time will a contribution necessarily establish a precedent for future giving by CAE.
- 1.12 The following tests should be applied to requests for contributions:
- a) Will the project contribute generally to improvement in the quality of life in a community where CAE has operations and its employees reside?
 - b) Is the level of the donation appropriate in relation to the importance of the company in that community?
 - c) Is special attention being given to employee activities, participation and needs?
- 1.13 Contributions will not be made in recognition or anticipation of a business relationship with CAE.



Corporate Policies and Procedures

SECTION 12 of CAE CP&P: CHARITABLE AND POLITICAL CONTRIBUTIONS	Issued: February 20, 2012
	Supercedes: January 3, 2010

- 1.14 Public recognition of CAE's participation in a worthwhile community project or endeavour is desirable, although it should not be the primary reason for contributing.



Corporate Policies and Procedures

SECTION 12 of CAE CP&P:	Issued: February 20, 2012
CHARITABLE AND POLITICAL CONTRIBUTIONS	Supercedes: January 3, 2010