

CAE INC.
Chief Executive Officer
Position Description

GENERAL FUNCTION:

The CEO has overall responsibility for the leadership, strategic and management direction and business results of the Company. Working closely with the Board and the management team, he ensures that the Company establishes appropriate goals, and manages its resources to meet these goals.

MAJOR RESPONSIBILITIES:

1. Fiduciary Duties

The CEO shall act as a Director and officer of the Company in the best interests of the Company with honesty and good faith towards its shareholders, employees and customers, suppliers, and of the communities within which the Company operates. He shall use such personal and professional skills in the role of Chief Executive, together with such contacts, experience and judgment as he may possess with integrity and independence to optimise both the short-term and the long-term financial performance of the Company. The CEO shall play a full part in enabling the Board to arrive at balanced and objective decisions in the performance of its agreed role and functions. He shall ensure that the objectives of the Company, as agreed by the Board, are fully, promptly and properly carried out. The CEO shall ensure that the financial and other decisions of the Board are fully, promptly and properly carried out.

2. Leadership

The CEO exercises an appropriate level of leadership for the organization, manages the culture and builds a team atmosphere. The CEO effectively communicates a vision, management philosophy, and business strategy to the Company's employees. He actively seeks to motivate and inspire employees to adopt the Company's values and to realize the Company's vision. The CEO is an effective role model for the organization. He ensures that there is clarity of objectives and focus for all employees and that there are clear and appropriate standards and measures of performance.

3. Strategy Formulation

The CEO is responsible to develop a long-term, sound strategy for the Company that is intended to increase the value as well as meeting the needs of customers, employees, and other corporate stakeholders. The CEO puts in place processes that encourage effective strategic planning. The Board of directors shall annually approve the Company's strategic plan.

4. Strategic Implementation

The CEO ensures that Company strategies are effectively implemented with timely progress towards strategic objectives. The CEO obtains and allocates resources consistent with strategic objectives and makes timely adjustments in strategies when market conditions and other forces demand a change.

5. Financial Performance

The CEO is responsible to carry out a comprehensive budgeting process and monitor the Company's performance against the budget. The CEO proposes appropriate annual and long-term financial objectives for the Company and monitors the attainment of these financial goals as well as maintaining spending in accordance with approved capital expenditure and other investment budgets.

6. Risks and Opportunities

The CEO identifies and communicates risks and opportunities to the Board of Directors and deals with them appropriately. The CEO ensures that the Company has appropriate auditing and financial control processes in place to protect assets, maintain effective control of operations and provide accurate and complete public disclosure of results. He fosters a culture of ethical behaviour for the firm, promotes compliance with the Company's Code of Business Conduct and proactively ensures that the Company complies with all of its legal obligations.

7. External Relations

The CEO as chief spokesperson for the Company effectively communicates its financial performance and outlook to the investment community and shareholders. He is visible and proactive in representing the Company to customers, investors, government and other stakeholders.

8. Succession

The CEO is responsible to develop an evolving succession plan for all senior levels in the Company. He ensures that there is an effective plan for attracting, retaining, motivating and developing candidates for senior management positions for the long-term success of the organization. Furthermore, the Company has an effective performance evaluation program and a leadership training program to develop and train new managers.

9. Board Relations

The CEO keeps the Board fully informed of all important issues and aspects of the Company performance, opportunities and market developments, whether positive or negative. Sufficient and appropriate information is distributed monthly and quarterly to Board members throughout the year to effectively assess Company issues, strategies, their implementation, and other performance outcomes. Board members are able to initiate contact with the CEO whenever

necessary and the CEO encourages candid debate and challenges in boardroom discussions. In particular the CEO shall:

- 9.1 attend all Board meetings called during the year unless prevented by exceptional circumstances;
- 9.2 attend the annual general meeting and such other shareholders' meetings as may be necessary;
- 9.3 act as a member of such committees of the Board and the Board shall decide, attending all meetings unless prevented by exceptional circumstances;
- 9.4 place on the agenda for meetings of the Board or committees any matters relating to the Company's business which the CEO considers should be discussed including but not limited to the matters stated to be decided by or referred to the Board in the Company's Corporate Governance Guidelines;
- 9.5 ensure that the decisions of the Board are fully, promptly and properly carried out.

10. Safety and Environment

The CEO is responsible for the implementation and communication of health, safety and environmental policies. Furthermore, the CEO ensures the establishment and achievement of safety objectives and that the Company complies fully with all applicable federal and state/provincial environmental regulations.

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