



Corporate Policies and Procedures

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| GLOBAL ENVIRONMENT POLICY | Issued: February 13, 2015 |
| | Supercedes: March 1, 2004 |

1.0 Applicability: All CAE Plants and Facilities

CAE is committed to excellence and leadership in protecting the environment during the course of its activities and it recognizes it has a responsibility to the environment beyond legal and regulatory requirements.

Environmental protection is every employee's responsibility.

Through this policy, CAE's management recognizes that it must include environmental factors in its decision-making, planning and management of business processes to promote the improvement of the quality of life of its employees, clients and the community. It must also promote cooperation and coordination between industry, government and the community to achieve this goal.

2.0 Environmental Policy

2.1 Release and Discharge

Any release or discharge of any contaminant into the environment must be immediately reported to Manager, Global Environment (globalenvironment@cae.com). Failure to notify CAE's insurers promptly upon CAE's having knowledge of a discharge may result in loss of applicable insurance coverage.

2.2 Compliance

CAE is committed to meet or exceed applicable environmental legal requirements and other requirements to which it subscribes which relate to its environmental aspects.

2.3 Continual Improvement and Waste Minimization

CAE is committed to continually improve its environmental performance, minimize the environmental impacts of its operations by limiting the use of natural resources, energy and dangerous goods, reducing the emission of contaminants through its waste management program focused on reduction at source and recycling.

2.4 Prevention of Pollution

CAE is committed to identify and implement pollution prevention practices through encouragement and involvement of all employees.

2.5 Management System and Objectives and Targets

- CAE is committed to document, implement and maintain a management system for environmental activities; set and review objectives and targets for each facility; identify and share best practices.

2.6 Training and Audits

- CAE is committed to increase employees' awareness and provide effective training to ensure that environmental factors are properly addressed in their daily activities.
- CAE is committed to regularly verify practices and objectives of compliance defined by the management system and ensure that results are measured and communicated to interested parties. Internal and external audits will be conducted as requested by CAE Corporate to assess its environmental performance.

2.7 Site Manager Responsibility

Each site manager shall ensure that the present policy is enforced, shall be accountable for it and shall report their site performance to top management. Each site manager shall designate an environmental representative in their site and shall actively develop and implement an environmental management program to comply with this Policy.