

## CAE SimuFlite, Inc.

2929 W. Airfield Drive, DFW Airport, TX 75261

Benoit Rocheleau, Head of Operations, Business Aviation and Helicopter Training

Date: September 23, 2021

### Application Facts:

Industry	Service
NAICS	611512
Type of App	New
Location	Clark County
RDA	LVGEA, Chris Zunis

### Company Profile

As part of its strategic network growth, CAE SimuFlite, Inc. (CAE) is strongly considering opening a regional West Coast Business Aviation Training School in southern Nevada. Backed by 70 years of experience, CAE is the training partner of choice of aviation professionals, airlines, business aviation operators, and aircraft manufacturers the world over. With 50+ training locations and 250+ full-flight simulators, CAE has the largest civil aviation training network in the world. Every year, CAE graduates 1,000+ cadets, and trains 220,000+ airline pilots, business aviation pilots, maintenance technicians, and cabin crew. As the leader in aviation personnel recruitment, CAE has 1,000+ pilots on assignment annually. Currently CAE's Dallas/Fort Worth training facility is the largest corporate aviation training center in the world. The 426,000-square-foot facility features various types of aircraft platforms available for training, state-of-the-art classrooms, and an aviation recruitment center. Corporate social responsibility (CSR) is integral to the company and CAE is very proud of the contributions its makes in the communities around the world. The company is also considering Arizona and California as potential locations for the project. *Source: CAE SimuFlite, Inc.*

### Tax Abatement Requirements:

	Statutory	Company Application	Meeting Requirements
Job Creation	50	78	Yes
Average Wage	\$24.16	\$54.96	Yes
Equipment Capex (SU & MBT)	\$1,000,000	\$61,500,000	Yes
Equipment Capex (PP)			

### Additional Requirements:

Health Insurance	65%	75%	Yes
Revenues generated outside NV	51%	95%	Yes
Business License	<input type="checkbox"/> Current	<input type="checkbox"/> Pending	<input checked="" type="checkbox"/> Will comply

### Total Tax Liability (without tax abatements)

#### Direct (company)

\$7,961,883

#### Total

\$16,579,492

### Tax Abatements

#### Contract Terms

#### Estimated Tax Abatement

Sales Tax Abmt.	2% for 2 years	\$3,920,625
Modified Business Tax Abmt.	50% for 4 years	\$213,146
Personal Property Tax Abmt.	50% for 10 years	\$1,192,483

### Total Estimated Tax Abatement over 10 yrs.

\$5,326,254

### Net New Tax Revenues

#### Direct

#### Indirect

#### Taxes after Abatements

#### Local Taxes

Property	\$2,305,543	\$2,406,102	\$4,711,645
Sales	\$497,250	\$2,186,539	\$2,683,789
Lodging	\$0	\$89,339	\$89,339

#### State Taxes

Property	\$126,099	\$140,000	\$266,099
Sales	\$1,386,000	\$729,758	\$2,115,758
Modified Business	\$1,058,092	\$299,813	\$1,357,905
Lodging	\$0	\$28,703	\$28,703

### Total Estimated New Tax Revenue over 10 yrs.

\$11,253,238

### Economic Impact over 10 yrs.

#### Total

#### Construction

#### Total

Total Jobs Supported	135	118	253
Total Payroll Supported	\$117,702,974	\$6,413,106	\$124,116,080
Total Economic Value	\$204,148,057	\$16,937,336	\$221,085,393

### IMPORTANT TERMS & INFORMATION

**Tax Abatements are reduction or discount of tax liability and companies do not receive any form of payment.**

**Total Estimated Tax Abatement** is a tax reduction estimate. This estimated amount will be discounted from total tax liability.

**Estimated New Tax Revenue** is amount of tax revenues local and state government will collect after the abatement was given to applying company.

**Economic Impact** is economic effect or benefits that this company and it's operations will have on the community and state economy measured by total number of jobs, payroll and created output.



July 23, 2021

Mr. Michael Brown  
Executive Director  
Nevada Governor's Office of Economic Development  
555 E. Washington Avenue, Suite 5400  
Las Vegas, Nevada 89101

Dear Mr. Brown,

CAE SimuFlite, Inc. is applying to the State of Nevada for the Sales & Use Tax Abatement, the Modified Business Tax Abatement, and the Personal Property Tax Abatement. We request that CAE, Inc. be placed on the agenda for the September 23<sup>rd</sup>, 2021 GOED Board meeting.

CAE SimuFlite. will create 78 new positions in the first 24 months of operations, with an average hourly wage of \$54.96. The company will make a capital equipment investment of \$61,500,000.

CAE, Inc. exceeds all statutory requirements for Nevada tax abatement approval. This application has the full support of the Las Vegas Global Economic Alliance.

Sincerely,

A handwritten signature in black ink that reads "Chris Zunis". The signature is written in a cursive, slightly slanted style.

Chris Zunis  
VP Economic Development  
Las Vegas Global Economic Alliance



Camille Mariamo  
Vice President, Business Development  
CAE Inc.

P: (514) 341-2000 #5606  
F: (514) 734-5682  
[camille.mariamo@CAE.com](mailto:camille.mariamo@CAE.com)

August 24<sup>th</sup>, 2021

Mr. Michael Brown  
Executive Director  
Nevada Governor's office of Economic Development  
555 E. Washington Avenue, Suite 5400  
Las Vegas, Nevada 89101

Dear Mr. Brown,

As part of its strategic network growth, CAE is strongly considering opening a regional West Coast Business Aviation Training School in the state of Nevada. An influencing part of this decision are the generous economic incentives offered by the state. We estimate the investment in tangible personal property would fall in the \$60M-\$75M range and that the operation could generate up to 78 permanent jobs. These jobs would span a wide spectrum of service positions that would be required to operate the facility daily. We estimate it could take 2-3 years for the business to ramp up and become fully operational. As such, CAE is applying to the State of Nevada for the Sales & Use tax, Modified Business Tax and Personal Property Tax Abatements. We kindly request that our application be placed on the agenda for the September 23<sup>rd</sup> GOED Board Meeting.

Attached is a history of our company along with an overview of our operations.

We look forward to your approval in supporting our strategic growth efforts. We appreciate your time & consideration.

Warm regards,

A handwritten signature in black ink, appearing to read "Camille Mariamo", with a long horizontal line extending to the right.

Camille Mariamo  
Vice President, Business Development  
CAE Inc.  
(514) 341-2000 #5606

**ECONOMIC DEVELOPMENT  
Incentive Application**

Company Name: CAE SimuFlite, Inc.  
Date of Application: May 1, 2021

Company is an / a: (check one)  
 New location in Nevada  
 Expansion of a Nevada company

**Section 1 - Type of Incentives**

Please check all that the company is applying for on this application:

- Sales & Use Tax Abatement
- Modified Business Tax Abatement
- Personal Property Tax Abatement
- Sales & Use Tax Deferral
- Recycling Real Property Tax Abatement
- Other: \_\_\_\_\_

**Section 2 - Corporate Information**

COMPANY NAME (Legal name under which business will be transacted in Nevada)			FEDERAL TAX ID #
CAE SimuFlite Inc.			06-1462730
CORPORATE ADDRESS	CITY / TOWN	STATE / PROVINCE	ZIP
2929 W. Airfield Drive	DFW Airport	Texas	75261
MAILING ADDRESS TO RECEIVE DOCUMENTS (If different from above)	CITY / TOWN	STATE / PROVINCE	ZIP
TELEPHONE NUMBER	WEBSITE		
(972) 456-8140	<a href="http://www.cae.com">www.cae.com</a>		
COMPANY CONTACT NAME	COMPANY CONTACT TITLE		
Benoit Rocheleau	Head of Operations, Business Aviation & Helicopter Training- Americas		
E-MAIL ADDRESS	PREFERRED PHONE NUMBER		
<a href="mailto:benoit.rocheleau@cae.com">benoit.rocheleau@cae.com</a>	(214) 532-5590		

Has your company ever applied and been approved for incentives available by the Governor's Office of Economic Development?  Yes  No  
If Yes, list the program awarded, date of approval, and status of the accounts (attach separate sheet if necessary):

**Section 3 - Program Requirements**

Please check two of the boxes below; the company must meet at least two of the three program requirements:

- A capital investment of \$1,000,000 in eligible equipment in urban areas or \$250,000 in eligible equipment in rural areas are required. This criteria is businesses. In cases of expanding businesses, the capital investment must equal at least 20% of the value of the tangible property owned by the business.
- New businesses locating in urban areas require fifty (50) or more permanent, full-time employees on its payroll by the eighth calendar quarter quarter in which the abatement becomes effective. In rural areas, the requirement is ten (10) or more. For an expansion, the business must increase employees on its payroll by 10% more than its existing employees prior to expansion, or by 25 (urban) or 6 (rural) employees, whichever is greater.
- In both urban and rural areas, the average hourly wage that will be paid by the business to its new employees is at least 100% of the average statewide hourly wage.

Note: Criteria is different depending on whether the business is in a county where the population is 100,000 or more or a city where the population is 60,000 or "urban" area), or if the business is in a county where the population is less than 100,000 or a city where the population is less than 60,000 (i.e., "rural" area).

**Section 4 - Nevada Facility**

Type of Facility:

- Headquarters
- Technology
- Back Office Operations
- Research & Development / Intellectual Property
- Service Provider
- Distribution / Fulfillment
- Manufacturing
- Other: \_\_\_\_\_

<b>PERCENTAGE OF REVENUE GENERATED BY THE NEW JOBS CONTAINED IN THIS APPLICATION FROM OUTSIDE NEVADA</b>	EXPECTED DATE OF NEW / EXPANDED OPERATIONS (MONTH / YEAR)		
95%	Jun-2022		
NAICS CODE / SIC	INDUSTRY TYPE		
611512 - Flight Training	Business aviation training center		
DESCRIPTION OF COMPANY'S NEVADA OPERATIONS			
Training center that will train business aviation customers			
PROPOSED / ACTUAL NEVADA FACILITY ADDRESS	CITY / TOWN	COUNTY	ZIP
TBD		Clark County	
WHAT OTHER STATES / REGIONS / CITIES ARE BEING CONSIDERED FOR YOUR COMPANY'S RELOCATION / EXPANSION / STARTUP?			
California, Arizona			

**Section 5 - Complete Forms (see additional tabs at the bottom of this sheet for each form listed below)**

Check the applicable box when form has been completed.

- 5 (A)  Equipment List
- 5 (B)  Employment Schedule
- 5 (C)  Evaluation of Health Plan, with supporting documents to show the employer paid portion of plan meets the minimum of 65%.
- 5 (D)  Company Information Form

**Section 6 - Real Estate & Construction (Fill in either New Operations/Startup or Expansion, not both.)**

New Operations / Start Up - Plans Over the Next <u>Ten</u> Years	Expansions - Plans Over the Next <u>10</u> Years
<p>Part 1. Are you currently/planning on leasing space in Nevada? <u>Yes</u></p> <p><b>If No, skip to Part 2. If Yes, continue below:</b></p> <p>What year(s)? <u>2021-2041</u></p> <p>How much space (sq. ft.)? <u>150,000</u></p> <p>Annual lease cost of space: <u>\$2,000,000.00</u></p> <p>Do you plan on making building tenant improvements? <u>Yes</u></p> <p><b>If No, skip to Part 2. If Yes *, continue below:</b></p> <p>When to make improvements (month, year)? <u>Aug-2021</u></p> <hr/> <p>Part 2. Are you currently/planning on buying an owner occupied facility in Nevada? <u>No</u></p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p>Purchase date, if buying (month, year): _____</p> <p>How much space (sq. ft.)? _____</p> <p>Do you plan on making building improvements? _____</p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p>When to make improvements (month, year)? _____</p> <hr/> <p>Part 3. Are you currently/planning on building a build-to-suit facility in Nevada? <u>No</u></p> <p><b>If Yes *, continue below:</b></p> <p>When to break ground, if building (month, year)? _____</p> <p>Estimated completion date, if building (month, year): _____</p> <p>How much space (sq. ft.)? _____</p>	<p>Part 1. Are you currently leasing space in Nevada? _____</p> <p><b>If No, skip to Part 2. If Yes, continue below:</b></p> <p>What year(s)? _____</p> <p>How much space (sq. ft.)? _____</p> <p>Annual lease cost at current space: _____</p> <p>Due to expansion, will you lease additional space? _____</p> <p><b>If No, skip to Part 3. If Yes, continue below:</b></p> <p>Expanding at the current facility or a new facility? _____</p> <p>What year(s)? _____</p> <p>How much expanded space (sq. ft.)? _____</p> <p>Annual lease cost of expanded space: _____</p> <p>Do you plan on making building tenant improvements? _____</p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p>When to make improvements (month, year)? _____</p> <hr/> <p>Part 2. Are you currently operating at an owner occupied building in Nevada? _____</p> <p><b>If No, skip to Part 3. If Yes, continue below:</b></p> <p>How much space (sq. ft.)? _____</p> <p>Current assessed value of real property? _____</p> <p>Due to expansion, will you be making building improvements? _____</p> <p><b>If No, skip to Part 3. If Yes *, continue below:</b></p> <p>When to make improvements (month, year)? _____</p> <hr/> <p>Part 3. Do you plan on building or buying a new facility in Nevada? _____</p> <p><b>If Yes *, continue below:</b></p> <p>Purchase date, if buying (month, year): _____</p> <p>When to break ground, if building (month, year)? _____</p> <p>Estimated completion date, if building (month, year): _____</p> <p>How much space (sq. ft.)? _____</p>
<p><b>* Please complete Section 7 - Capital Investment for New Operations / Startup.</b></p>	<p><b>* Please complete Section 7 - Capital Investment for Expansions below.</b></p>

BRIEF DESCRIPTION OF CONSTRUCTION PROJECT AND ITS PROJECTED IMPACT ON THE LOCAL ECONOMY (Attach a separate sheet if necessary):

CAE will require local architects & engineers to finalize the training center design plans to local code followed by a local general contractor who would convert the facility into an operational training center. CAE will need to acquire furniture for the offices, computer equipment & office supplies. Once operational, the TC will attract +2,000 pilots annually who will require hotel accommodations, hotel rentals, meals, etc.

**Section 7 - Capital Investment (Fill in either New Operations/Startup or Expansion, not both.)**

New Operations / Start Up	Expansions
How much capital investment is planned? (Breakout below):	How much capital investment is planned? (Breakout below):
Building Purchase (if buying): _____	Building Purchase (if buying): _____
Building Costs (if building / making improvements): <u>\$12,000,000</u>	Building Costs (if building / making improvements): _____
Land: _____	Land: _____
Equipment Cost: <u>\$61,500,000</u>	Equipment Cost: _____
<b>Total: <u>\$73,500,000</u></b>	<b>Total: <u>\$0</u></b>
	Is the equipment purchase for replacement of existing equipment? _____
	Current assessed value of personal property in NV: _____
	(Must <b>attach</b> the most recent assessment from the County Assessor's Office.)

**Section 8 - Employment (Fill in either New Operations/Startup or Expansion, not both.)**

New Operations / Start Up	Expansions
How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of new operations?: <u>78</u>	How many full-time equivalent (FTE*) employees will be created by the end of the first eighth quarter of expanded operations?: _____
Average hourly wage of these <u>new</u> employees: <u>\$54.96</u>	Average hourly wage of these <u>new</u> employees: _____
	How many FTE employees prior to expansion?: _____
	Average hourly wage of these <u>existing</u> employees: _____
	Total number of employees after expansion: _____

\* FTE represents a permanent employee who works an average of 30 hours per week or more, is eligible for health care coverage, and whose position is a "primary job" as set forth in NAC 360.474.

OTHER COMPENSATION (Check all that apply):

- Overtime     
  Merit increases     
  Tuition assistance     
  Bonus  
 PTO / Sick / Vacation     
  COLA adjustments     
  Retirement Plan / Profit Sharing / 401(k)     
  Other: \_\_\_\_\_

BRIEF DESCRIPTION OF ADDITIONAL COMPENSATION PROGRAMS AND ELIGIBILITY REQUIREMENTS (Attach a separate sheet if necessary):

**Section 9 - Employee Health Insurance Benefit Program**

Is health insurance for employees and is an option for dependents offered?:    Yes (**attach health plan and quote or invoice**)    No

Package includes (check all that apply):

Medical     
  Vision     
  Dental     
  Other: \_\_\_\_\_

Qualified after (check one):

Upon employment     
  Three months after hire date     
  Six months after hire date     
  Other: \_\_\_\_\_

Health Insurance Costs:	Percentage of health insurance premium by (min 65%):
Plan Type: _____ PPO	
Employer Contribution (annual premium per employee): <u>\$2,356.68</u>	Company: <u>75%</u>
Employee Contribution (annual premium per employee) <u>\$ 6,722.52</u>	Employee: <u>25%</u>
<b>Total Annual Premium: <u>\$9,079.20</u></b>	

[SIGNATURE PAGE FOLLOWS]

**Section 10 - Certification**

I, the undersigned, hereby grant to the Governor's Office of Economic Development access to all pertinent and relevant records and documents of the aforementioned company. I understand this requirement is necessary to qualify and to monitor for compliance of all statutory and regulatory provisions pertaining to this application.

Being owner, member, partner, officer or employee with signatory authorization for the company, I do hereby declare that the facts herein stated are true and that all licensing and permitting requirements will be met prior to the commencement of operations. In addition, I and /or the company's legal counsel have reviewed the terms of the GOED Tax Abatement and Incentives Agreement, the company recognizes this agreement is generally not subject to change, and any material revisions have been discussed with GOED in advance of board approval.

Camile Mariamo  
Name of person authorized for signature

  
Signature

Vice President Business Development  
Title

May 18, 2021  
Date

Nevada Governor's Office of Economic Development  
555 E. Washington Ave., Ste 5400 • Las Vegas, Nevada 89101 • 702.486.2700 • (Fax) 702.486.2701 • [www.diversifynevada.com](http://www.diversifynevada.com)

## Site Selection Factors

Company Name: CAE SimuFlite, Inc.

County: Clark

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### Section I - Site Selection Ratings

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Directions: Please rate the select factors by importance to the company's business (1 = very low; 5 = very high). Attach this form to the Incentives Application.

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Availability of qualified workforce:	<u>3</u>	Transportation infrastructure:	<u>2</u>
Labor costs:	<u>3</u>	Transportation costs:	<u>3</u>
Real estate availability:	<u>5</u>	State and local tax structure:	<u>5</u>
Real estate costs:	<u>4</u>	State and local incentives:	<u>5</u>
Utility infrastructure:	<u>2</u>	Business permitting & regulatory structure:	<u>5</u>
Utility costs:	<u>2</u>	Access to higher education resources:	<u>3</u>

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Please summarize the importance of the abatement program to your decision (please include at least a paragraph summary):

The establishment of a regional West Coast training center for business aviation has been a CAE consideration for the past 5 years. The significance of the required investment & the timing of such investment has been subject to debate internally. The inclusion of the abatement program in our business case would galvanize the buy-in required to move forward with the project. Moreover, the savings generated by the abatement program could be then used to further expand & cement CAE's position on the West Coast.





## 5(B) Employment Schedule

Company Name: CAE SimuFlite, Inc.

County: Clark

### Section 1 - Full-Time Equivalent (FTE) Employees

Directions: Please provide an estimated list of full time employees [columns (a) through (d)] that will be hired and employed by the company by the end of the first eighth quarter of new / expanded operations. For example, if the effective date of new / expanded operations is April 1, 2015, the date would fall in Q2, 2015. The end of the first eighth quarter would be the last day of Q2, 2017 (i.e., June 30, 2017). Attach this form to the Incentives Application. A qualified employee must be employed at the site of a qualified project, scheduled to work an average minimum of 30 per week, if offered coverage under a plan of health insurance provided by his or her employer, is eligible for health care coverage, and whose position of a "primary job" as set forth in NAC 360.474.

Please use the Bureau of Labor Statistics Standard Occupational Classification System (SOC) link to populate section (b): [https://www.bls.gov/soc/2018/major\\_groups.htm#11-0000](https://www.bls.gov/soc/2018/major_groups.htm#11-0000)

(a) New Hire Position Title/Description -	(b) Position SOC Code	(c) Number of Positions	(d) Average Hourly Wage	(e) US Bureau of Labor Statistics Average Hourly Wage - Clark County	(f) Average Weekly Hours	(g) Annual Wage per Position	(h) Total Annual Wages
Architectural and Engineering Managers	11-9041	1	\$77.00	\$66.09	40	\$160,160.00	\$160,160.00
Mechanical Engineers	17-2141	2	\$72.00	\$43.62	40	\$149,760.00	\$299,520.00
Health and Safety Engineers, Except Mining Safety Engineers and	17-2111	1	\$50.00	\$43.88	40	\$104,000.00	\$104,000.00
Aerospace Engineering and Operations Technicians	17-3021	3	\$27.00	\$31.45	40	\$56,160.00	\$168,480.00
Aerospace Engineering and Operations Technicians	17-3021	4	\$32.00	\$31.45	40	\$66,560.00	\$266,240.00
Aerospace Engineers	17-2011	4	\$48.00	\$46.86	40	\$99,840.00	\$399,360.00
Aerospace Engineers	17-2011	2	\$56.00	\$46.86	40	\$116,480.00	\$232,960.00
General and Operations Managers	11-1021	1	\$83.00	\$61.83	40	\$172,640.00	\$172,640.00
Training and Development Manager	Nov-31	2	\$88.00	\$39.93	40	\$183,040.00	\$366,080.00
Executive Secretaries and Executive Administrative Assistants	436011	1	\$33.00	\$32.18	40	\$68,640.00	\$68,640.00
Computer Network Support Specialists	15-1152	1	\$35.00	\$30.53	40	\$72,800.00	\$72,800.00
Accountants and Auditors	13-2011	1	\$37.00	\$34.02	40	\$76,960.00	\$76,960.00
Bookkeeping, Accounting, and Auditing	43-3031	1	\$24.00	\$20.67	40	\$49,920.00	\$49,920.00
Human Resources Managers	11-3121	1	\$43.00	\$53.25	40	\$89,440.00	\$89,440.00
Compliance Officers	13-1041	2	\$50.00	\$35.14	40	\$104,000.00	\$208,000.00
General and Operations Managers	11-1021	1	\$66.00	\$61.83	40	\$137,280.00	\$137,280.00
Advertising and Promotions Managers	11-2011	1	\$53.00	\$57.54	40	\$110,240.00	\$110,240.00
Buyers and Purchasing Agents	13-1028	1	\$37.00	\$28.87	40	\$76,960.00	\$76,960.00
Administrative Services Managers	11-3011	1	\$29.00	\$44.12	40	\$60,320.00	\$60,320.00
File Clerks	43-4071	3	\$30.00	\$15.83	40	\$62,400.00	\$187,200.00
Customer Service Representatives	43-4051	6	\$28.00	\$17.05	40	\$58,240.00	\$349,440.00
Training and Development Specialists	13-1151	2	\$27.00	\$28.88	40	\$56,160.00	\$112,320.00
Customer Service Representatives	43-4051	2	\$36.00	\$17.05	40	\$74,880.00	\$149,760.00
Sales Representatives, Services, All Other	41-3099	1	\$58.00	\$31.20	40	\$120,640.00	\$120,640.00
Teachers and Instructors, All Other	25-3097	4	\$71.00	\$25.53	40	\$147,680.00	\$590,720.00
Teachers and Instructors, All Other	25-3097	10	\$87.00	\$25.53	40	\$180,960.00	\$1,809,600.00
Teachers and Instructors, All Other	25-3097	8	\$72.00	\$25.53	40	\$149,760.00	\$1,198,080.00
Teachers and Instructors, All Other	25-3097	5	\$55.00	\$25.53	40	\$114,400.00	\$572,000.00
Teachers and Instructors, All Other	25-3097	6	\$66.00	\$25.53	40	\$137,280.00	\$823,680.00
<b>TOTAL</b>		<b>78</b>	<b>\$54.96</b>	<b>\$30.63</b>			<b>\$9,033,440.00</b>

### Section 2 - Employment Projections

Directions: Please estimate full-time job growth in Section 2, complete columns (b) and (c). These estimates are used for state economic impact and net tax revenue analysis that this agency is required to report. The company will not be required to reach these estimated levels of employment. Please enter the estimated new full time employees on a year by year basis (not cumulative)

(a) Year	(b) Number of New FTE(s)	(c) Average Hourly Wage	(d) Payroll
3-Year	0	\$0.00	\$0.00
4-Year	4	\$72.00	\$599,040.00
5-Year	5	\$87.00	\$904,800.00

\* Column (e) determines if wage is commensurate to current wage ranges in the region the company plans to locate/is located. For these purposes the mean average hourly wage for the location has been used.

U = Unknown / data set for region is not currently available.

Source: US Bureau of Labor Statistics

## 5(C) Evaluation of Health Plans Offered by Companies

Company Name: CAE SimuFlite, Inc.

County: Clark

Total Number of Full-Time Employees: 78

Average Hourly Wage per Employee \$54.96

Average Annual Wage per Employee (implied) \$114,316.80

### COST OF HEALTH INSURANCE

Annual Health Insurance Premium Cost: \$9,079.20

Percentage of Premium Covered by:

Company 75%

Employee 25%

### HEALTH INSURANCE PLANS:

#### The establishment of a regional West Coast training center for bus

#### PPO

Deductible - per employee \$ 750

Coinsurance 80% / 20%

Out-of-Pocket Maximum per employee \$ 3,000

#### Additional Health Insurance Plan\*:

#### HDHP

Deductible - per employee \$ 2,000

Coinsurance 80% / 20%

Out-of-Pocket Maximum per employee \$ 4,000

#### Additional Health Insurance Plan\*:

#### Elements Choice PPO 6000

Deductible - per employee \$ -

Coinsurance 0% / 0%

Out-of-Pocket Maximum per employee \$ -

\*Note: **Please list only "In Network" for deductible and out of the pocket amounts .**

### Generalized Criteria for Essential Health Benefits (EHB)

[following requirements outlined in the Affordable Care Act and US Code, including 42 USC Section 18022]

Covered employee's premium not to exceed 9.5% of annual wage 2.0% MMQ

Annual Out-of-Pocket Maximum not to exceed \$8,700 (2022) \$3,000 MMQ

Minimum essential health benefits covered (Company offers PPO):

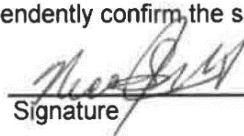
- (A) Ambulatory patient services
- (B) Emergency services
- (C) Hospitalization
- (D) Maternity and newborn care
- (E) Mental health/substance use disorder/behavioral health treatment
- (F) Prescription drugs
- (G) Rehabilitative and habilitative services and devices
- (H) Laboratory services
- (I) Preventive and wellness services and chronic disease management
- (J) Pediatric services, including oral and vision care

No Annual Limits on Essential Health Benefits

I, the undersigned, hereby declare to the Governor's Office of Economic Development that the facts herein stated are true, and that I have attached a qualified plan with information highlighting where our plan reflects meeting the 65% minimum threshold for the employee paid portion of the plan for GOED to independently confirm the same.

Nica Schneider

Name of person authorized for signature

  
Signature

US Benefits Leader

Title

5/12/2021

Date

## 5(D) Company Information

Company Name: CAE SimuFlite, Inc.

County: Clark

### Section 1 - Company Interest List

Directions: Please provide a detailed list of owners and/or members of the company. The Governor's Office of Economic Development strives to maintain the highest standards of integrity, and it is vital that the public be confident of our commitment. Accordingly, any conflict or appearance of a conflict must be avoided. To maintain our integrity and credibility, the applicant is required to provide a detailed list of owners, members, equity holders and Board members of the company.

(a) Name	(b) Title
Marc Parent	President & CEO & Board Member
Sonya Branco	Executive Vice President Finance & CFO
Nick Leontidis	Group President, Civil Aviation Training Solutions
Daniel Gelston	Group President, Defense & Security
Heidi Wood	President Healthcare & Senior Vice President Global Operations
Pascal Grenier	Senior Vice President Global Operations, Technologies & Innovation
Mark Hounsell	General Counsel, Chief Compliance Officer & Corporate Secretary
Andrew Arnovitz	Senior Vice President, Strategy & Investor Relations
Helene V. Gagnon	Senior Vice President Public Affairs & Communications
Dan Sharkey	Senior Vice President Global Human Resources
The Honourable John Manley	Chair of the Board
Margaret S. Billson	Board Member
The Honourable Michael Fortier	Board Member
Marianne Harrison	Board Member
Alan N. MacGibbon	Board Member
Mary Lou Maher	Board Member
Francois Olivier	Board Member
Gen. David Perkins	Board Member
Michael E. Roach	Board Member
Andrew J. Stevens	Board Member

### Section 2 - Company Affiliates and/or Subsidiaries

Are there any subsidiary or affiliate companies sharing tax liability with the applicant company? No  Yes

#### If Yes, continue below:

Directions: In order to include affiliates/subsidiaries, under the exemption letter, they must to be added to the Contract. Per standard practice GOED requires a corporate schematic to understand the exact relationships between the companies. Please populate the below table to show the exact relationships between the companies and include:

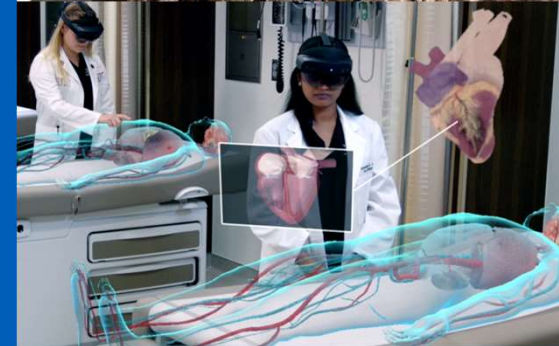
1. The names as they would read on the tax exemption letter.
2. Which entity(ies) will do the hiring?
3. Which entity(ies) will be purchasing the equipment?

Name of Subsidiary or Affiliate Entity, Role and Legal Control Relationship

Please include any additional details below:

# Corporate Presentation

February 2021



CAE is a **high technology** company with a mission and vision focused on **safety, efficiency and readiness**



## Our mission

To lead at the frontier of digital immersion with high-tech training and operational support solutions to make the world a safer place



## Our vision

To be the worldwide partner of choice in defence and security, civil aviation and healthcare by revolutionizing our customers' training and critical operations with digitally immersive solutions to elevate safety, efficiency and readiness



OVERVIEW

# CAE is a world leader in training and operational support solutions with three core business units

## Civil Aviation Training Solutions



We play a key role in making air travel safer

We deliver over 1 million hours of training annually\*

## Defence and Security



We train and support allied forces around the world for critical missions

We help to ensure their readiness

## Healthcare



We help make healthcare safer and improve patient outcomes

\*FY2019 and FY2020

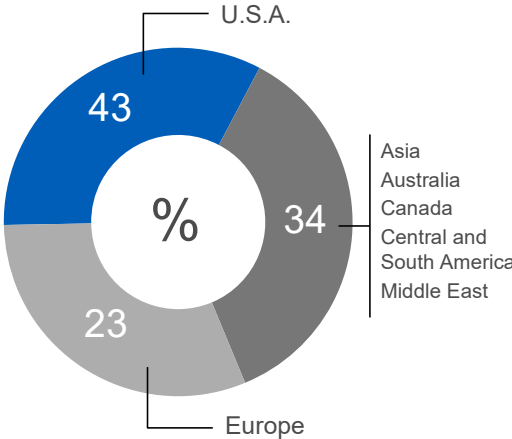
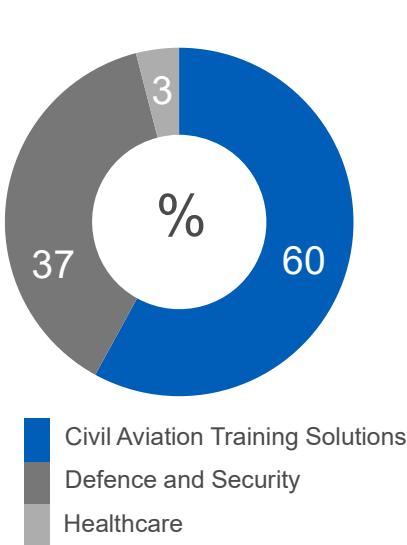
# Global reach



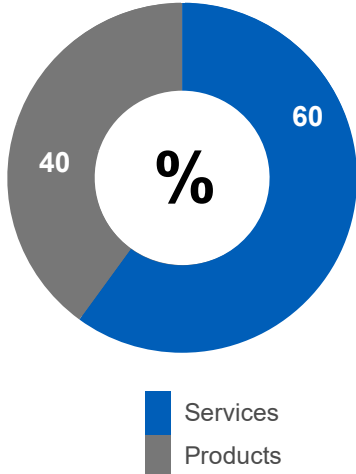


# A diversified company

## FY2020 Revenue Distribution: \$3.6B



## 2020



# Horizon 1

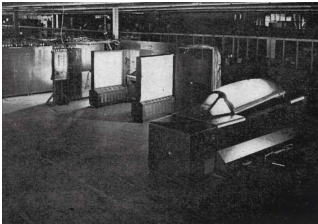
## Simulation Products



**Quote Ken Patrick :**

His goal was to "...create something Canadian and take advantage of a war-trained team that was extremely innovative and very technology-intensive."

1947



**Created first flight simulator**

1952



**Leader in simulation products for decades**

1970



**Developed the world's first commercial simulator to receive FAA approval for training**

1982

## Horizon 2

Training capacity offer

## Horizon 3

Pivot to Training



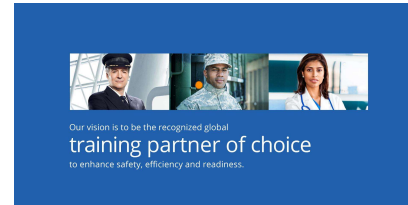
Launched a global training network

2000



Launched Healthcare division

2009



- Acquisition of courseware companies
- Focus on instructors

2015



We become the world leader in training

2017

# Horizon 4

## Digital Transformation

CAE digital accelerator

Launch of the Digital Accelerator

2017



Project Digital Intelligence – \$1 billion invested in R&D over 5 years

2018



- COVID-19 pandemic
- CAE creates CAE Air1, a ventilator designed for critical care
- Refocus of our vision around high technology

2020

20...



# Unique capabilities underscored by CAE's knowledge leadership, industrial capabilities and application of advanced technologies



# Civil Aviation Training Solutions



# Civil aviation training solutions tailored for carriers and operators

## Cadet to captain training



vueling® norwegian **no** flydubai®

## Training equipment



UNITED DELTA QATAR AIRWAYS **الخطوط الجوية القطرية**

## Training partnerships / joint ventures



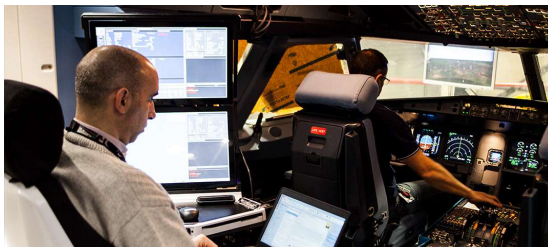
Emirates IBERIA JAL JAPAN AIRLINES

## Crew resourcing



AirJapan Air Contractors ASIANA AIRLINES

## Multiple training solutions



AIRFRANCE AIR CANADA jetBlue

**Our flexible end-to-end solutions help airlines and business jet operators meet their professional pilot training needs**

# CAE's civil aviation training footprint

**170+**  
Aircraft

---

**300+**  
Full Flight Simulators (FFS)

---

**60+**  
Training Locations






---





**1M+ hours**  
Annual Training Delivery





# New airline-sponsored programs added every year

New Programs	Launch
 Jazz	2019
 Southwest	2019
 AEROMEXICO	2018
 American Airlines	2018
 jetBlue	2016



New Programs	Launch
 vueling	2018
 KUWAIT	2017
 VOLOTEA	2017
 CITYJET	2016

New Programs	Launch
 Jetstar	2017
 IndiGo	2016
 深圳航空 Shenzhen Airlines	2016
 AIR CHINA 中国东方航空	2015
 中国东方航空 CHINA EASTERN	2015

Anchor Programs	Since
 easyJet	2004
 RYANAIR	1998

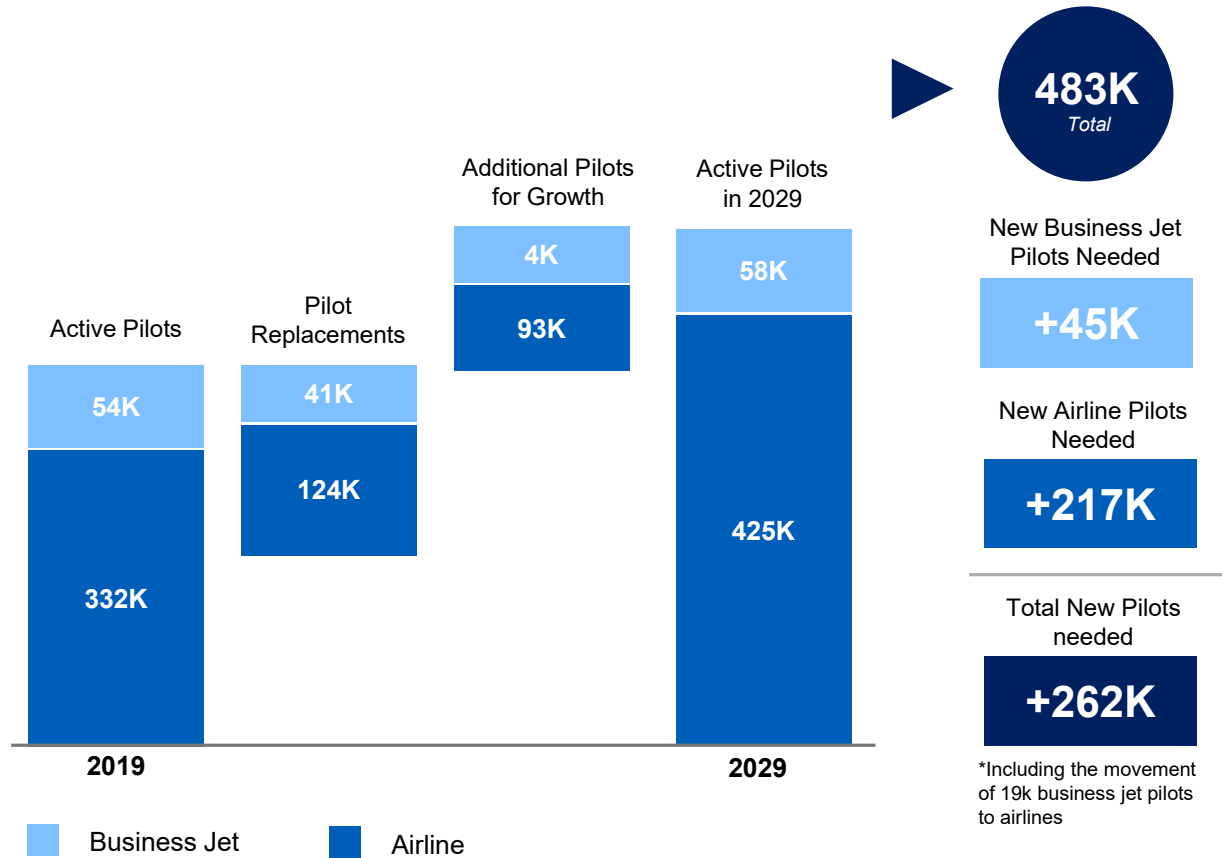
Anchor Programs	Since
 JAL JAPAN AIRLINES	2013
 AirAsia	2010
 中国南方航空 CHINA SOUTHERN AIRLINES	2010



 Flight Training Locations  
 Classroom and Simulator Training Centers

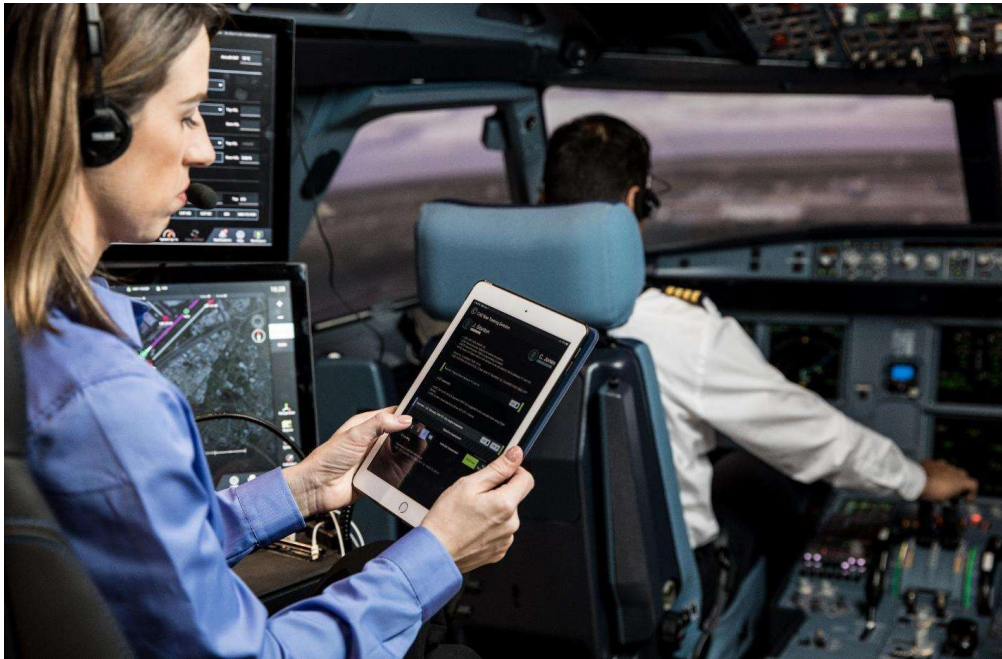


# Despite COVID-19, the Pilot Demand Outlook remains strong



\*Including the movement of 19k business jet pilots to airlines

# Headroom in a large market



Civil Training Market  
**\$4.6B**

**43%**  
CAE





**CAE has potential to increase share in a large and growing market**


# Defence & Security



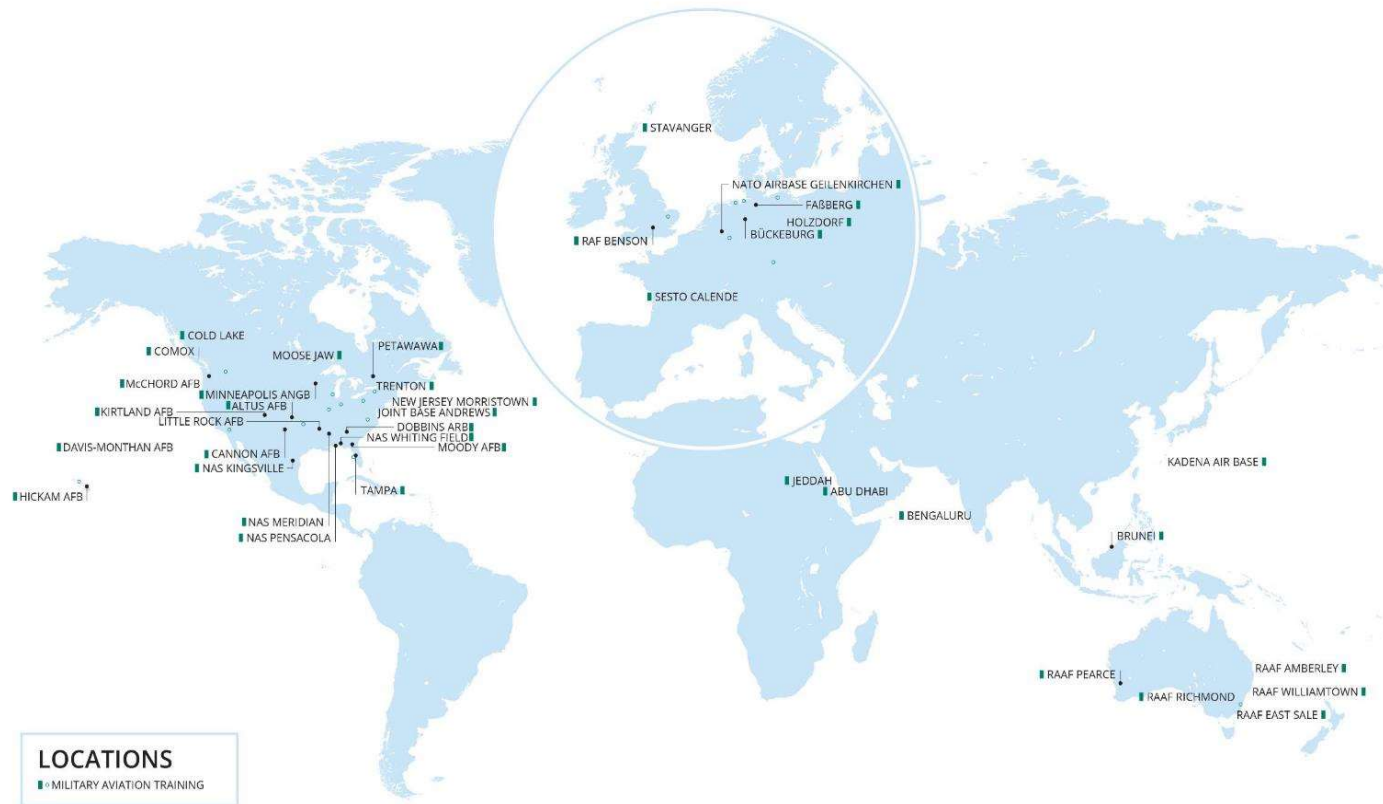
# The global defence business

 **40+**  
Countries

 **70+**  
Platforms reproduced

 **120+**  
Sites

Over 26,000 operators trained annually



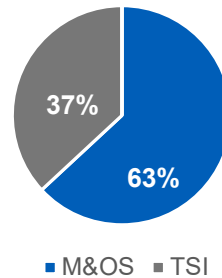
**Operations strategically located in key growth markets.  
Providing training support services in over 120 sites.**

# Defence addressable market



Training Systems Integration

\$39B



Mission & Operations Support

## Analytics & Systems Engineering



## Mission Planning & Support Services



## Mission Operations



We lead in our core training market, and see tremendous headroom in Mission & Operations Support

# CAE is a world leading training systems integrator

Learn — Practice — Perform



**CAE TRAX Academy** is a CAE innovation to help redefine how military student pilots learn, practice and perform on the journey to becoming a pilot



**CAE Sprint VR trainer** includes CAE's virtual coach to provide immediate and actionable instruction, and **CAE Rise** to assess progress and measure achievement in mastering the required task or procedure

We have the capability to meet the entire spectrum of advanced training requirements

# Digital innovation in defence training



Using big data analytics and AI/ML to provide more valuable feedback on individual pilot performance

Leveraging modeling and simulation technology to offer **Mission and Operational Support** solutions, including fully **synthetic environments** for decision support and mission rehearsal

Our vision is to be the world leader in digital immersion



# Healthcare



# The global healthcare business



HEALTHCARE

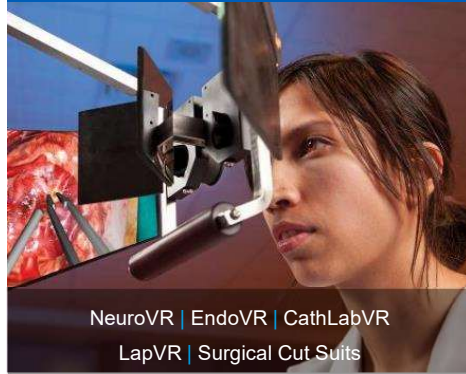
# Broad portfolio of training solutions

## Imaging Simulation



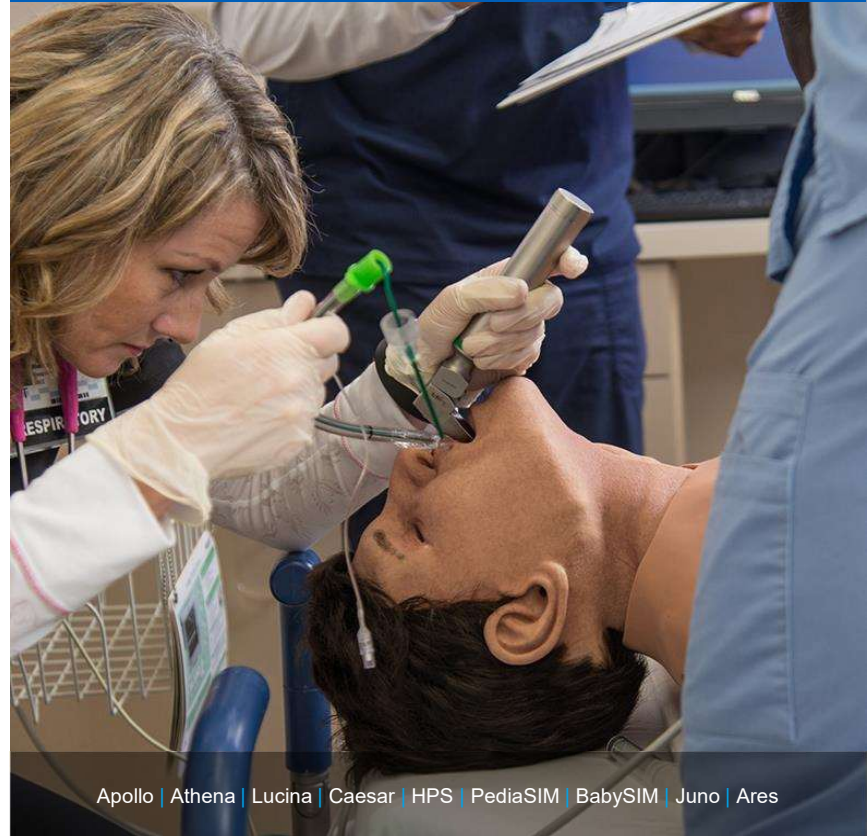
Vimedix Ultrasound | Augmented Reality  
Blue Phantom Ultrasound Models

## Interventional Simulation



NeuroVR | EndoVR | CathLabVR  
LapVR | Surgical Cut Suits

## Patient Simulation



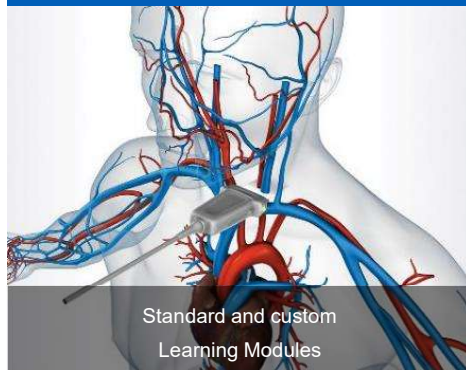
Apollo | Athena | Lucina | Caesar | HPS | PediaSIM | BabySIM | Juno | Ares

## Center Management



Learning Space  
Experience / Essentials / Enterprise

## Curriculum



Standard and custom  
Learning Modules

# Factors driving simulation-based training in healthcare

Increasing use of simulation in healthcare

Digital transformation of healthcare training

Limited access to live patients during training

- Apprenticeship model
- Students paired with experienced staff
- Limited access to high-risk procedures

Growing emphasis on patient safety

Reducing medical errors\*

\* 3<sup>rd</sup> leading cause of death in USA

Medical technology revolution

Advancements in medical technology are driving the use of simulation by OEMs and clinicians





 Microsoft HoloLens



# COVID-19 changed the paradigm for the delivery of healthcare training

**Increased demand for distance learning & remote simulation**



**Accelerated adoption of remote platforms**



**Non-specialists need to specialize in time of need**



**Clinical hours rapidly being substituted by remote simulation accelerating value based care**



**Government funding programs for training and education**



**Increased awareness of simulation**



**Convergence of training and clinical accelerating**

# Our response with AIR1 is a testament to culture of innovation



Innovation leadership



Manufacturing competence



Med Tech knowledge



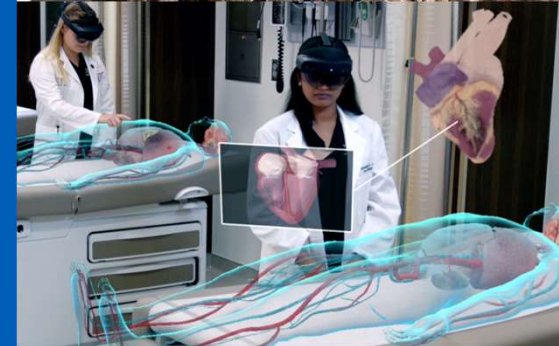
## Combined strength of CAE for a noble mission

- Certified by Health Canada
- Proprietary design
- 130+ New Canadian suppliers
- 8200 units for Canadian Self-sufficiency
- Supply Chain strength
- Easy intuitive UI
- Upgradable via S/W
- AI and data enabled
- Digital training
- Global service



**Agile, technology competence enabled success**

# Culture of innovation





## Our culture of innovation



CAE's fiber-optic helmet mounted display created in the 80's. The ancestor of today's virtual reality lenses



CAE 7000XR series level D full-flight simulator

CAE has a strong culture of innovation. It's our secret sauce

**\$1.5 billion** invested in R&D over the past 10 years

## Project Digital Intelligence launched in 2018



**\$1B**  
**over next five years**  
**in innovation**

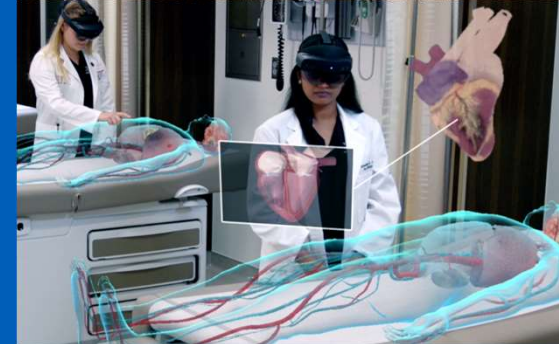
One of the largest investments in  
the aviation training sector in the  
world

## Innovating and investing in business models and technology

- **New business models** for data-driven services and **software as a service** (SaaS) to further increase recurring revenue
- Using **A.I.** and become an **ecosystem orchestrator** in our markets
- Pursue **emerging opportunities** within—and **beyond training core** by leveraging our expertise including the Man-to-Machine Interface, Advanced Analytics, Digital Twinning and A.I.
  - Urban air taxis (eVTOL), electric/hybrid trainer aircraft, drones
  - **Digital immersion** for passenger security data fusion
  - Large-scale, **cloud-based synthetic environments**



# Corporate social responsibility



OUR CORE VALUES

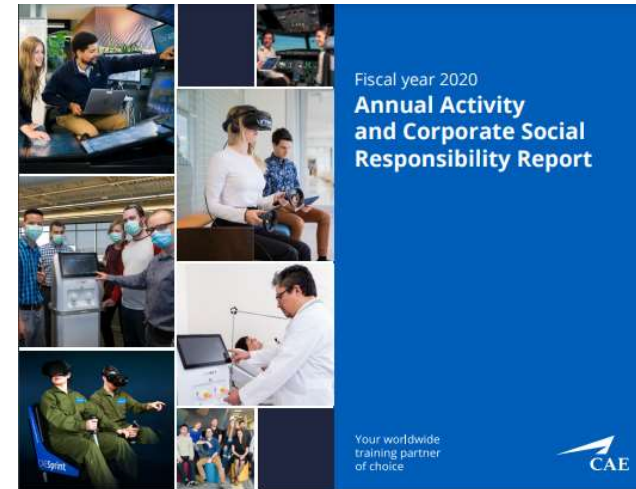
**Our values are the essence of our identity**



**CAE works and lives by its five core values**

## Our **CSR** strategy is embedded in our culture

- CSR strategy founded on 4 pillars
  - People and safety
  - Ethics and integrity
  - Innovation and customer experience
  - Community and environment
- Signatory of the United Nations Global Compact (UNGC)
  - Five sustainable development goals where we can have the most significant impact
- Task Force on Climate-related Financial Disclosures (TCFD) recommendations in our reporting
- Update of our Global reporting indicators (GRI)



## Diversity and inclusion is one of CAE's priorities

- Selected for the **2021 Bloomberg Gender-Equality Index** for the third consecutive year
- Proud signatory of the **UN Women Empowerment Principles**
- **Six employee resource groups (ERG) supporting our D&I objectives**, based on demographic, life stage, function or identity



**At CAE, everyone is welcome to contribute to our success. With no exception.**

**CAE is the first carbon neutral Canadian aerospace company**

## How we've achieved it

### 1 Using Carbon Offsets to Neutralize our Emissions



Investing in wind energy projects in India



Forest conservation in Canada

### What we are offsetting



Emissions from the fuel used for live training flights in its academies



Energy consumption in our locations worldwide



Energy consumption from the air business travel of all our employees

### 2 Renewable energy certificates (RECs)



Investing in renewable energy certificates (RECs) in the countries where we operate to offset our use of electricity

## What we're already doing



We help prevent the emission of hundreds of thousands of tonnes of CO2 each year by training pilots on simulators.



We reduce energy consumption in our establishments around the world.

## How we're innovating



**Electric planes**  
Working with the industry towards the development of electric aircraft, contributing to the future of aviation



**Sustainable technologies**  
Developing new technologies and solutions to reduce emissions



## Creating a positive and sustainable impact in our communities



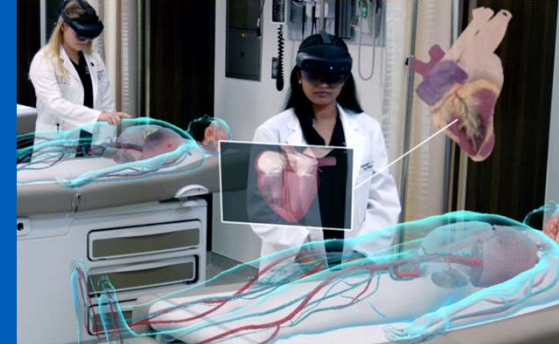
**More than \$11.7 million raised since 2000 for Centraide/United Way and more than \$1 million for the Enbridge Ride to Conquer Cancer**



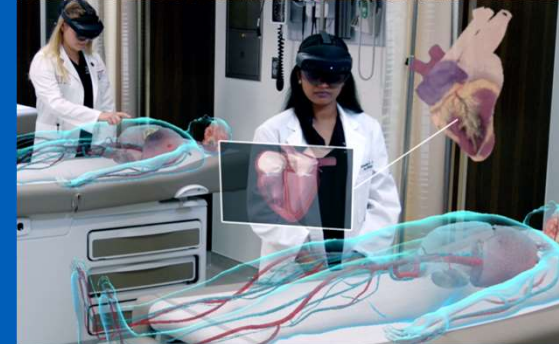
**CAE supports the cause of employees who make a positive impact on the community**

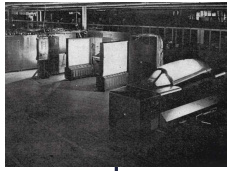


Thank you!



# Additional slides





Created first flight simulator



Developed the world's first commercial simulator to receive FAA approval for training



Launched Healthcare division



We became the world leader in training



Project Digital Intelligence – \$1 billion invested in R&D over 5 years



- COVID-19 pandemic
- CAE creates CAE Air1, a ventilator designed for critical care
- Refocus of our vision around high technology



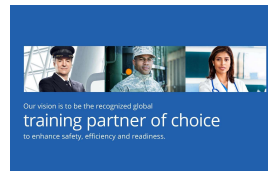
Ken Patrick



Leader in simulation products for decades



Launched a global training network



- Acquisition of courseware companies
- Focus on instructors



Launch of the Digital Accelerator

1947

1952

1970

1982

2000

2009

2015

2017

2017

2018

2020

20...

Horizon 1  
Simulation Products

Horizon 2  
Training capacity offer

Horizon 3  
Pivot to Training

Horizon 4  
Digital Transformation

OVERVIEW

# Why we are a strong company



Industry leader with a strong competitive moat



Potential for compound growth and superior returns over the long term



High degree of recurring business



Solid financial position and highly cash-generative business model



Headroom in large markets



Excellent and diverse team with a unique social impact on safety



Culture of innovation, empowerment, excellence and integrity



Technology and industry thought leader

OVERVIEW

## Experienced executive team



**Marc Parent**

President and Chief Executive Officer



**Pascal Grenier**

Senior Vice-President, Global Operations, Technologies & Innovation



**Sonya Branco**

Executive Vice-President, Finance and CFO



**Mark Hounsell**

General Counsel, Chief Compliance Officer and Corporate Secretary



**Nick Leontidis**

Group President, Civil Aviation Training solutions



**Andrew Arnovitz**

Senior Vice-President, Strategy and Investor relations



**Daniel Gelston**

Group President, Defence & Security



**Hélène V. Gagnon**

Senior Vice-President, Public Affairs, Global Communications and Corporate Social Responsibility



**Heidi Wood**

President, CAE Healthcare, Executive Vice-President, Business Development & Growth initiatives



**Dan Sharkey**

Senior Vice-President, Global Human Resources