2021 INFORMATION CIRCULAR

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Dear Shareholder,

You are receiving this notification as Héroux-Devtek Inc. (the "**Corporation**") has elected to use the notice and access model ("**Notice and Access**") for the delivery of meeting materials to its shareholders for the annual meeting of the shareholders of the Corporation to be held on Tuesday, August 10, 2021 (the "**Meeting**"). Under Notice and Access, instead of receiving printed copies of the Corporation's Management Proxy Circular (the "**Circular**"), consolidated financial statements for the year ended March 31, 2021 and related management's discussion and analysis (collectively, the "**Meeting Materials**"), shareholders are receiving this notice with information on how they may access such Meeting Materials electronically. However, together with this notice, shareholders continue to receive a proxy (in the case of registered shareholders) or a voting instruction form (in the case of non-registered shareholders), enabling them to vote at the Meeting. The Corporation has adopted this alternative means of delivery in order to further its commitment to environmental sustainability and to reduce its printing and mailing costs.

Meeting Date, Location and Purposes

Notice is hereby given that the Meeting will be held virtually via live webcast at https://web.lumiagm.com/414790610, at 10:00 a.m., local time, on Tuesday, August 10, 2021 (the "**Meeting Date**"), for the following purposes:

1. to receive the Consolidated Financial Statements of the Corporation for the year ended March 31, 2021 and the auditors' report thereon;
2. to elect directors;
3. to appoint Ernst & Young LLP the independent auditors of the Corporation and to authorize the directors to fix their remuneration; and,
4. to transact such other business as may properly be brought before the Meeting.

Proxies to be used at the Meeting must be deposited with the Corporation c/o Computershare Investor Services Inc. ("Computershare"), by mail to the address on the envelope provided herewith or in accordance with the instructions indicated in the Proxy Form or Voting Instruction Form. They must be received by the transfer agent no later than 10:00 a.m., local time, on Friday, August 6, 2021.

Accessing Meeting Materials Online

The Meeting Materials can be viewed online at www.herouxdevtek.com/en/investors/financial-documents or under the Corporation's profile at www.sedar.com.

Requesting Printed Meeting Materials

Shareholders can request that printed copies of the Meeting Materials be sent to them by postal delivery at no cost to them up to one year from the date the Circular was filed on SEDAR.

Registered shareholders and Non-Objecting Beneficial Shareholders may make their request by calling Computershare Investor Services Inc. at 1-866-962-0498 (within North America) and at 514-982-8716 (outside North America) up to the Meeting Date and at 1-877-907-7643 after the Meeting Date.

Objecting Beneficial Shareholders (shareholders who have objected to the disclosure of their identities and share positions) may make their request by telephone at 1-877-907-7643 by entering the control number located on the Voting Instruction Form and following the instructions provided.

To receive the Meeting Materials in advance of the proxy deposit date and Meeting Date, shareholders' requests for printed copies must be received by July 23, 2021 to ensure timely receipt.

Stratification

The Corporation has determined that those registered and beneficial shareholders with existing instructions on their account to receive printed materials and those registered and beneficial shareholders with addresses outside of Canada and the United States will receive a printed copy of the Meeting Materials with this notice.

Dated at Longueuil, Québec, Canada this June 16, 2021.

By order of the Board of Directors,

(s) François Renaud
François Renaud, Secretary

IMPORTANT

It is desirable that as many shares as possible be represented at the Meeting. If you do not expect to attend, and would like your shares represented, please sign the enclosed proxy and return it as soon as possible in the envelope provided. The Corporation urges shareholders to review the Meeting Materials before voting.

TABLE OF CONTENTS

All amounts reported are in Canadian dollars unless otherwise indicated.

MANAGEMENT PROXY CIRCULAR

This management proxy circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of Héroux-Devtek Inc. (the "Corporation" or "Héroux-Devtek") for use at the annual meeting of the shareholders of the Corporation (the "Meeting") to be held on Tuesday, August 10, 2021 (the "Meeting Date") and at every adjournment thereof. Solicitation will be primarily by mail but proxies may also be solicited by telephone, or personally by directors, officers or employees of the Corporation. The Corporation will bear all expenses in connection with the solicitation of proxies.

To be used at the Meeting, the proxy must be deposited with the Corporation c/o Computershare Investor Services Inc., by mail to the address on the envelope provided herewith or in accordance with the instructions indicated in the Proxy Form or Voting Instruction Form. The transfer agent must receive your proxy no later than 10:00 a.m., local time, on Friday, August 6, 2021.

The Meeting will be held in a virtual-only format that will be conducted via live webcast at https://web.lumiagm.com/414790610. For a summary of how shareholders may attend the meeting online, see "Attending the Virtual Meeting" below.

Voting by Proxy

Shares represented by properly executed proxies in favour of the persons designated in the enclosed form of proxy will be voted or withheld from voting on any ballot that may be called for and, if the shareholder specifies a choice in respect of the matters to be voted upon, the shares shall be voted or withheld from voting in accordance with the specification made by the shareholder. **If no specification is made, such shares will be voted for (i) the election of the directors specified in this Circular and (ii) the appointment of Ernst & Young LLP as independent auditors of the Corporation and the fixing of their remuneration by the directors.**

The enclosed proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice (as defined below) relating to the Meeting and other matters which may properly come before the Meeting other than for the election of a director who would not be named in this Circular. At the date of this Circular, the management of the Corporation is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting.

Appointment of Proxy

The persons named in the enclosed form of proxy are executive officers of the Corporation. **A shareholder has the right to appoint a person, who need not be a shareholder of the Corporation, other than the persons designated in the accompanying form of proxy, to attend and act on his or her behalf at the Meeting. To exercise this right, a shareholder may either cross out the names printed on the form of proxy and insert such other person's name in the blank space provided in the accompanying form of proxy or complete another appropriate form of proxy.**

Revocability of Proxy

A proxy given pursuant to this solicitation may be revoked by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing and transmitted either to c/o Computershare Investor Services Inc., 1500 Robert-Bourassa Boulevard, 7th Floor, Montréal, Québec, Canada H3A 3S8, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used, or to the Chairman or Secretary of such Meeting on the day of the Meeting or any adjournment thereof, or by any other manner permitted by law.

Beneficial Shareholders

A beneficial shareholder ("Beneficial Shareholder") is a shareholder whose shares are registered in the name of a representative, such as an investment dealer or another intermediary (collectively, "Intermediaries"), rather than in the shareholder's name. Most of the Corporation's Shareholders are Beneficial Shareholders.

In accordance with Canadian securities legislation, the Meeting materials are being sent to both registered and Beneficial Shareholders. There are two types of Beneficial Shareholders: shareholders who have objected to the disclosure of their identities and share positions ("OBO's") and shareholders who do not object to the Corporation knowing who they are ("NOBO's").

In the case of NOBO's, Meeting Materials (as defined herein) have either (a) been sent by the Corporation (or its agent) directly to NOBO's, or (b) been sent by the Corporation (or its agent) to intermediaries holding on behalf of NOBO's for distribution to such shareholder. If you are a NOBO and the Corporation (or its agent) has sent the Meeting Materials directly to you, your personal information has been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions.

As it relates to OBO's, the Corporation intends to pay Intermediaries to send proxy-related materials and voting instruction forms to OBO's. Most intermediaries delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge"). Broadridge mails a Voting Instruction Form in lieu of a Proxy Form provided by the Corporation. For your common shares to be voted, you must follow the instructions on the Voting Instruction Form that is provided to you. You can complete the Voting Instruction Form by: (i) calling the phone number listed thereon; (ii) mailing the completed Voting Instruction Form in the envelope provided; or (iii) using the internet at www.investorvote.com.

How to Vote

Please note that you have two ways to vote your shares: (i) by submitting your Proxy Form or other Voting Instruction Form as per instructions indicated, or (ii) during the Meeting by online ballot, when called for, through the virtual platform. Even if you plan on virtually attending the Meeting, we nonetheless recommend to vote prior to the Meeting in order to tabulate your vote in advance.

Attending the Virtual Meeting

In order to support the efforts of the Québec Government to contain the spread of the unprecedented ongoing COVID-19 pandemic on the financial market and to protect the health and safety of its shareholders and other stakeholders who usually attend the Corporation's annual meeting, there will be no physical Meeting location. The Meeting will be conducted by way of a live webcast through a virtual platform with integrated slides and real-time balloting. We hope that hosting a virtual meeting will increase participation by our shareholders, as it will enable shareholders to more easily attend the Meeting regardless of their geographic location. Shareholders will not be able to physically attend the Meeting.

Registered shareholders and duly appointed proxyholders will be able to attend the virtual Meeting and vote in real time, provided they are connected to the internet and follow the instructions in this Circular. Non-registered shareholders (Beneficial Shareholders) who wish to attend the meeting and vote in real time must appoint themselves as proxyholders. Non-registered shareholders who have not duly appointed themselves as proxyholders will be able to attend the virtual Meeting as guests but will not be able to vote at the virtual Meeting.

Shareholders who wish to appoint a person other than the nominees identified in the Proxy Form or Voting Instruction Form (including a non-registered shareholder who wishes to appoint themselves to attend the virtual Meeting) must carefully follow the instructions in this Circular and on their Proxy Form or Voting Instruction Form. These instructions include the additional step of registering such proxyholder with our transfer agent, Computershare, after submitting the Proxy Form or Voting Instruction Form. Failure to register the proxyholder with Computershare will result in the proxyholder not receiving a control number to participate in the virtual Meeting and only being able to attend as a guest. Guests will be able to listen to the virtual Meeting but will not be able to vote.

Appointing and registering a third party proxyholder

Shareholders who wish to appoint a third party proxyholder, or non-registered shareholders who wish to appoint themselves as proxyholder in order to attend the virtual Meeting, must complete the following steps:

1. Submit your Proxy Form or Voting Instruction Form as instructed on the document, identifying either yourself or the third party proxyholder as appropriate; and,
2. Go to https://www.computershare.com/herouxdevtek and register yourself or the third party as appropriate. Computershare will then provide the registered party with login credentials in order to attend and vote in the virtual Meeting.

How to Attend the Meeting

We encourage you to log into the Meeting at least one hour (1 hr) prior to the commencement of the Meeting. You may begin to log into the Meeting virtual platform beginning at 9:00 AM (Eastern Daylight Time) on **August 10, 2021**. The Meeting will begin promptly at 10:00 AM (Eastern Daylight Time) on **August 10, 2021**.

Please follow these steps in order to attend:

Registered shareholders and duly-appointed proxyholders

1. Log into https://web.lumiagm.com/414790610 at least 15 minutes before the meeting starts;
2. Click "I have a login";
3. Insert the control number contained on your form of proxy or the user name emailed to you by Computershare as user name;
4. Insert the password "HD2021"; and,
5. Follow the instructions on screen to vote as needed

Guests and non-registered shareholders who have not appointed themselves as proxy

1. Log into https://web.lumiagm.com/414790610 at least 15 minutes before the meeting starts; and,
2. Click "I am a guest" and fill in the online form.

Notice and Access

The Corporation has elected to use the notice and access model ("**Notice and Access**") provided for under Regulation 54-101 *respecting Communication with Beneficial Owners of Securities of a Reporting Issuer* for the delivery of meeting materials to its shareholders for the Meeting, namely the Circular, consolidated financial statements for the year ended March 31, 2021 and related management's discussion and analysis (collectively, the "**Meeting Materials**"). The Corporation has adopted this alternative means of delivery in order to further its commitment to environmental sustainability and to reduce its printing and mailing costs.

Under Notice and Access, instead of receiving printed copies of the Meeting Materials, shareholders receive a notice (the "**Notice**") with information on the date, location and purpose of the Meeting, as well as information on how they may access the Meeting Materials electronically.

Shareholders with existing instructions on their account to receive printed materials and those shareholders with addresses outside of Canada and the United States will receive a printed copy of the Meeting Materials with the Notice.

The Corporation urges shareholders to review this Circular before voting.

Accessing Meeting Materials Online

The Meeting Materials can be viewed online at www.herouxdevtek.com/en/investors/financial-documents or under the Corporation's profile at www.sedar.com.

Requesting Printed Meeting Materials

Shareholders can request that printed copies of the Meeting Materials be sent to them by postal delivery at no cost to them up to one year from the date the Circular was filed on SEDAR.

Registered shareholders and NOBOs may make their request by calling Computershare Investor Services Inc. at 1-866-962-0498 (within North America) and at 514-982-8716 (outside North America) up to the Meeting Date and at 1-877-907-7643 after the Meeting Date.

OBOs may make their request by telephone at 1-877-907-7643 by entering the control number located on the voting instruction form and following the instructions provided.

To receive the Meeting Materials in advance of the proxy deposit date and Meeting Date, shareholders' requests for printed copies must be received by July 23, 2021 to ensure timely receipt.

Voting Rights and Principal Holders of Voting Securities

As of June 16, 2021, (the "**Record Date**"), 36,490,308 common shares, without nominal or par value, of the Corporation were outstanding. Holders of common shares of record at the close of business on the Record Date will be entitled to one vote for each such share held by them except to the extent that a person has transferred any shares after the Record Date and the transferee of such shares establishes proper ownership of such common shares and demands, not later than 10 days before the Meeting, to be included in the list of shareholders entitled to vote at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, the only persons who beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the common shares of the Corporation are, as at June 16, 2021, the following:

Name	Number of Common Shares	Percentage of Outstanding Common Shares
Gilles Labbé	3,728,178 (1)	10.2%
Caisse de dépôt et placement du Québec	4,807,395	13.2%
Fonds de solidarité des travailleurs du Québec	3,679,709	10.1%

(1) 3,587,738 shares included in this number are held by 9356-9283 Québec inc., and 63,800 shares were held by 2945-0228 Québec Inc. two corporations controlled by Mr. Gilles Labbé.

ELECTION OF DIRECTORS

The affairs of the Corporation are managed by a board of directors of the Corporation (the "**Board**"). The members of the Board are elected annually, on an individual basis, at each annual meeting of shareholders to hold office until the next annual meeting unless, prior thereto, he or she resigns, or the office of such director becomes vacant by death, removal or other cause.

By resolution of the Board, the precise number of directors has been fixed at nine directors, following the decision of Ms. Paule Doré to not stand for re-election. All nominees have served continuously as directors of the Corporation since their appointment or first election in such capacity. Therefore, a total of nine nominees are being proposed as directors for election by the shareholders at the Meeting. See pages 8 through 10 for information about the nominees for election, including their principal occupation, the years in which they became directors of the Corporation and the number of common shares of the Corporation owned directly or indirectly, controlled or directed by the nominees.

The Board, upon recommendation of the Human Resources and Corporate Governance Committee (the "**Human Resources Committee**"), has adopted and implemented a majority voting policy. Such policy provides that in an uncontested election of directors of the Corporation, any nominee who receives a greater number of votes "withheld" than votes "for" will promptly tender his or her resignation to the Chairman of the Board following the Corporation's meeting of shareholders. The Human Resources Committee shall consider the resignation offer and shall recommend to the Board whether to accept it or not. The Board will make its decision and announce it in a press release within 90 days following the meeting, including the reasons for rejecting the resignation, if applicable. A director who tenders a resignation pursuant to this policy will not participate in any meeting of the Board or of the Human Resources Committee at which the resignation is considered.

The persons designated on the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth on pages 8 through 10.

APPOINTMENT AND REMUNERATION OF AUDITORS

At the Meeting, the shareholders will be called upon to appoint Ernst & Young LLP as independent auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors to establish the remuneration of the auditors appointed.

Unless instructions are given to abstain from voting with regard to the appointment of auditors, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Ernst & Young LLP, as independent auditors of the Corporation, at a remuneration for their services to be determined by the Board.

BOARD OF DIRECTORS

The following individuals are nominated for election as director. The total market value of common shares and deferred share units ("**DSUs**") is estimated by multiplying the number of shares or DSUs by the closing share price prior to June 1, 2021, being $17.61 as at May 31, 2021 and $9.74 as at May 29, 2020.

The Board has approved a minimum share ownership requirement for non-employee members of the Board equivalent to three times the Director's compensation as a member of the Board. Please see *Director Compensation* below for further details.

NATHALIE BOURQUE

Quebec, Canada	Principal Occupation
Director since 2015 **Independent** Member of the Audit Committee	Corporate Director. Consultant in public relations, government relations and financial communications. From 2012 to 2020, member of the board and of the human resources and corporate governance committee of Alimentation Couche-Tard Inc. From 2017 to February 2020, member of the board and of the audit committee and chair of the human resources and corporate governance committee of Hexo Corporation. From 2005 to 2015, Vice President, Public Affairs and Global Communications at CAE Inc. Prior to 2005, partner at NATIONAL Public Relations.

Securities held and market value as at June 1,

	Common Shares	DSUs	Market Value	Meets share ownership requirement
2021	17,000	18,152	$619,027	Yes
2020	16,300	14,551	300,489	Yes

MARTIN BRASSARD

Quebec, Canada	Principal Occupation
Director since 2019	President and Chief Executive Officer, Héroux-Devtek Inc. since June 2019; Executive Vice-President and Chief Operating Officer from November 2014 to June 2019.
Non-independent	

Securities held and market value as at June 1,

	Common Shares	DSUs	Market Value	Meets share ownership requirement
2021	181,812	—	$3,201,709	Yes
2020	177,520	—	1,729,045	N/A*

**A share ownership requirement for the Corporation's President and CEO was put in place during Fiscal 2022.*

DIDIER EVRARD

Île-de-France, France	Principal Occupation
Director since 2021	Corporate Director. A 40-year European aerospace veteran, from 2015 to 2018, Mr. Evrard served as Executive Vice President and Head of Programs at Airbus Commercial Aircraft. From 2007 to 2015, he was Head of the A350 XWB Program. Between 2002 and 2007, he acted as Program Lead at defence conglomerate MBDA.
Independent	
Member of the Audit Committee	

Securities held and market value as at June 1,

	Common Shares	DSUs	Market Value	Meets share ownership requirement
2021	—	2,944	$51,844	No*
2020	N/A	N/A	N/A	N/A

** Board members have four years from first date of election to comply with share ownership targets.*

GILLES LABBÉ

Quebec, Canada	Principal Occupation
Director since 1985	Executive Chairman of the Board of Héroux-Devtek. From 1989 to 2019, President and Chief Executive Officer of the Corporation. Since 2010, member of the board of directors and chair of the audit and risk management committee of CGI Inc.
Non-Independent	

Securities held and market value as at June 1,

	Common Shares(1)	DSUs	Market Value	Meets share ownership requirement
2021	3,728,178	—	$65,653,215	Yes
2020	3,723,126	—	36,263,247	N/A(2)

(1) 3,587,738 shares included in this number are held by 9356-9283 Québec inc., and 63,800 shares are held by 2945-0228 Québec Inc. two corporations controlled by Mr. Gilles Labbé.

(2) A share ownership requirement for the Executive Chairman of the Board was put in place during Fiscal 2022.

LOUIS MORIN

Quebec, Canada	Principal Occupation
Director since 2008	Since June 2010, President of Busrel Inc., North-American supplier of promotional items. Up to March 31, 2009, Vice President and Chief Financial Officer of Quebecor Inc.. From December 2003 until January 2006, he was the Chief Financial Officer of Bombardier Recreational Products Inc. From April 1999 until February 2003, Mr. Morin was the Senior Vice President and Chief Financial Officer of Bombardier Inc. where he was working since 1982.
Independent	
Chair of the Audit Committee	

Securities held and market value as at June 1,

	Common Shares	DSUs	Market Value	Meets share ownership requirement
2021	20,000	24,313	$780,352	Yes
2020	20,000	20,712	396,535	Yes

JAMES J. MORRIS

California, U.S.A.	Principal Occupation
Director since 2013	Corporate Director and consultant. Up to December 31, 2006, Vice President Engineering and Manufacturing for Boeing Commercial Airplanes.
Independent	
Member of the Human Resources Committee	

Securities held and market value as at June 1,

	Common Shares	DSUs	Market Value	Meets share ownership requirement
2021	45,000	49,112	$1,657,312	Yes
2020	35,000	40,732	737,630	Yes

BRIAN A. ROBBINS

Ontario, Canada	Principal Occupation
Director since 2000	Executive Chairman, Exco Technologies Limited.
Independent	
Member of the Human Resources Committee	

Securities held and market value as at June 1,

	Common Shares[(1)]	DSUs	Market Value	Meets share ownership requirement
2021	50,000	62,813	$1,986,637	Yes
2020	50,000	53,768	1,010,700	Yes

(1) 40,000 shares included in this number are held by 1155924 Ontario Limited, a corporation wholly owned by Mr. Brian A. Robbins and family.

ANNIE THABET

Quebec, Canada	Principal Occupation
Director since 2021	Corporate Director and partner at Celtis Capital Inc. since 2003. More than 35 years namely in asset management, private equity and venture capital, mergers, acquisitions, and financing transactions. Her past experiences include AT Capital, an investment management company she founded in 1998, Société générale de financement du Québec and PricewaterhouseCoopers. Ms Thabet is also currently a director of Transcontinental Inc., Russel Metals Inc. and Manac Inc. She previously served on the board of directors of The Jean Coutu Group and is a former Chair of the board of the Institute of Corporate Directors – Québec.
Independent	
Member of the Human Resources Committee	

Securities held and market value as at June 1,

	Common Shares	DSUs	Market Value	Meets share ownership target
2021	—	—	$0	No*
2020	N/A	N/A	N/A	N/A

** Board members have four years from first date of election to comply with share ownership targets.*

BEVERLY WYSE

Washington, U.S.A.	Principal Occupation
Director since 2019	Corporate Director and consultant. Over 30 years of experience at The Boeing Company, including as President of Shared Services, Vice President and General Manager of Boeing South Carolina and Vice President and General Manager of the 737 and 767 programs. Strategic advisor in Aerospace to Arcadis and member of the board of trustees of Olin College of Engineering.
Independent **Lead Director**	
Member of the Audit Committee	

Securities held and market value as at June 1,

	Common Shares	DSUs	Market Value	Meets share ownership target
2021	13,800	10,461	$427,236	No*
2020	13,800	4,475	177,999	No*

** Board members have four years from first date of election to comply with share ownership targets.*

To the Corporation's knowledge, no proposed director is, at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that, (i) while the proposed director was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or (ii) after the proposed director ceased to act in that capacity but which resulted from an event that occurred while that person was acting in such capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days.

To the Corporation's knowledge, no proposed director is, at the date of this Circular, or has been, within 10 years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

In addition, to the knowledge of the Corporation, no proposed director has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the directors, executive officers or shareholders.

Furthermore, to the knowledge of the Corporation, no proposed director has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

DIRECTOR COMPENSATION

The following table sets forth, to the extent required by applicable securities legislation, all amounts of compensation provided to the directors of the Corporation for the most recent completed fiscal year ended March 31, 2021.

Name(1)	Fees earned(2)	Share-based awards(3)(4)	Total
Nathalie Bourque	$60,000	$40,000	$100,000
Paule Doré(5)	70,000	40,000	110,000
Didier Evrard(6)	19,950	46,550	66,500
Louis Morin	70,000	40,000	110,000
James J. Morris	39,800	92,867	132,667
Brian A. Robbins	—	111,667	111,667
Annie Thabet(7)	—	—	—
Beverly Wyse	101,767	62,933	164,700

(1) *During fiscal year 2021, Mr. Gilles Labbé and Mr. Martin Brassard were also Executive Officers of the Corporation and neither received any director fees. Their compensation is disclosed in the Summary Compensation Table and elsewhere in this Circular.*

(2) *Some directors have elected to receive some or all of their annual retainer fees paid in DSUs.*

(3) *All awards have been made under the DSU Plan as described below.*

(4) *For the purposes of this table and in accordance with paragraph 3.1 of Item 3 of Form 51-102F6 of the Regulation 51-102 respecting Continuous Disclosure Obligations, share-based awards include award amounts based on the grant date fair value of the award of DSUs for the fiscal year in question.*

(5) *Ms. Paule Doré does not stand for re-election and therefore her mandate will end on August 10,2021.*

(6) *Mr. Didier Evrard was appointed Director of the Corporation on February 8, 2021.*

(7) *Ms. Annie Thabet was appointed Director of the Corporation on May 19, 2021.*

Deferred Share Unit Plan

In May 2011, the Board introduced the Deferred Share Unit Plan ("**DSU Plan**") to enhance the Corporation's ability to attract and retain high quality individuals to serve as members of the Board and participate in the Corporation's long-term success and to promote a greater alignment of interests between the Corporation's non-employee directors and its shareholders. Refer to the Equity Compensation Plans section hereafter for details regarding the **DSU Plan**.

Retainer and Attendance Fees

Each non-executive director receives payment of an annual retainer fee as well as each member of a committee of the Board. Directors also receive reimbursement for reasonable expenses incurred in connection with attending Board and committee meetings. The compensation of non-executive directors was last reviewed during fiscal year 2020. The retainer is composed of the following three components, in Canadian dollars for Canadian directors and US Dollars for non-Canadian directors:

Board Membership		Committee Chairs		Committee Members	
Lead Director	$ 75,000	Human Resources Committee	$ 20,000	Human Resources Committee	$ 10,000
Board Member	$ 50,000	Audit Committee	$ 20,000	Audit Committee	$ 10,000

An eligible director under the DSU Plan may elect annually to receive up to 100% of its annual retainer fees in DSUs. In addition, all non-employee directors will receive as long-term incentive pay a number of DSUs that would represent, on the date of their grant, $40,000 for Canadian directors, US$40,000 for non-Canadian directors and US$50,000 for the lead independent director ("Lead Director"). The portion of DSUs granted to a director as annual retainer usually vests in stages over 12 months starting on August 1st of each year of grant with 1/12 of the DSUs vesting on the last day of each month.

Share Ownership Requirements

In order to align their interests with shareholders, the Board approved a minimum share ownership requirement for members of the Board. Members of the Board must own, directly or indirectly, a number of common shares and DSUs of the Corporation having a market value equal to three times the amount of the annual compensation payable to them, it being understood that a new director shall have a period of four years to comply with such requirement.

Director Outstanding Share-based Awards

The following table summarizes all outstanding director share-based awards as at March 31, 2021:

Name [2]	Share-based Awards [1]		
	Number of shares or units of shares that have not vested[3]	Market or payout value of share-based awards that have not vested [3],[4]	Market or payout value of vested share-based awards not paid out or distributed [3],[4]
Nathalie Bourque	—	$ —	$ 311,307
Paule Doré[5]	—	—	420,913
Didier Evrard[6]	841	14,423	36,066
Louis Morin	—	—	416,968
James J. Morris	1,197	20,529	821,742
Brian A. Robbins	1,815	31,127	1,046,116
Annie Thabet[7]	—	—	—
Beverly Wyse	—	—	179,406

(1) *All awards have been made under the DSU Plan as hereinafter described.*

(2) *During fiscal year 2021, Mr. Gilles Labbé and Mr. Martin Brassard were also Executive Officers of the Corporation and neither received any director fees. Their compensation is disclosed in the Summary Compensation Table and elsewhere in this Circular.*

(3) *The portion of DSUs granted to a director as annual retainer fees usually vests in stages over 12 months starting on August 1st of each year of grant with 1/12 of the DSUs vesting on the last day of each month.*

(4) *This amount is calculated based on the closing share price at the end of the fiscal year 2021. On March 31, 2021, being the last business day of the fiscal year 2021, the closing price of the Corporation's common shares on the Toronto Stock Exchange (the "**TSX**") was $17.15 (HRX-T).*

(5) *Ms. Paule Doré does not stand for re-election and therefore her mandate will end on August 10,2021.*

(6) *Mr. Didier Evrard was appointed Director of the Corporation on February 8, 2021.*

(7) *Ms. Annie Thabet was appointed Director of the Corporation on May 19, 2021.*

Director Incentive Plan Awards – Value Vested During the Year

Name [1]	Share-based awards – Value vested during the year [2]
Nathalie Bourque	$ 40,007
Paule Doré[3]	40,007
Didier Evrard[4]	33,436
Louis Morin	40,007
James J. Morris	91,365
Brian A. Robbins	102,478
Annie Thabet[5]	—
Beverly Wyse	66,504

(1) During fiscal year 2021, Mr. Gilles Labbé and Mr. Martin Brassard were also Executive Officers of the Corporation and neither received any director fees. Their compensation is disclosed in the Summary Compensation Table and elsewhere in this Circular.

(2) All awards have been made under the DSU Plan as hereinafter described. The portion of DSUs granted to a director as annual retainer fees usually vests in stages over 12 months starting on August 1st of each year of grant with 1/12 of the DSUs vesting on the last day of each month.

(3) Ms. Paule Doré does not stand for re-election and therefore her mandate will end on August 10,2021.

(4) Mr. Didier Evrard was appointed Director of the Corporation on February 8, 2021.

(5) Ms. Annie Thabet was appointed Director of the Corporation on May 19, 2021.

ESG DISCLOSURE

In recent years, stakeholders in the aerospace and defence industry have gradually shifted towards more ambitious Environmental, Social, and Governance (ESG) objectives, directly benefiting the entire spectrum of activities and supply chain stages – from sourcing, aircraft manufacturing, and airport operations, to airline activities and cargo handling.

Héroux-Devtek is proud to be the world's third-largest landing gear manufacturer. Such an industry leadership position comes both with a responsibility and the ability to stimulate positive impacts at scale.

As such, the Corporation has been pursuing more specific ESG commitments for over a decade, articulated through a set of diligently enforced corporate policies and the hiring of experts with responsibilities in the key areas of environmental compliance and sustainability, social impact, and community development, as well as in health and safety prevention and promotion.

Héroux-Devtek's ESG commitments and track record start with organizational culture and team values. The Corporation fosters a strong entrepreneurial spirit and culture of innovation where continuous improvement, new practices, and change management are part of the daily reality of its 1,800 employees at each of its centers of excellence and at its corporate head office in Longueuil.

The Corporation's culture is defined by four fundamental values, internally referred to as the 4Rs: Respect, Responsibility, Recognition, and Resilience. Together, they imply a strong company-wide recognition that the sustainability of Héroux-Devtek's success as an organization is defined by the well-being of its employees, the communities in which it operates, and the planet that they will leave to future generations.

Héroux-Devtek's lean management structure allows it to be in very close proximity to its operations and ensures effective and comprehensive two-way communications between all organizational levels.

Environmental Considerations

Management strives to implement, maintain and continuously improve the Corporation's state-of-the-art operations in compliance with all applicable environmental laws and regulations in all applicable jurisdictions. Héroux-Devtek's environmental management culture is supported by four pillars comprised of Awareness, Compliance, Risk Mitigation and Control:

- The Awareness pillar ensures support of the development, implementation, maintenance and enhancement of the corporate environmental policy and related procedures, which are further supported by effective communication and training programs. The corporate environmental policy clearly states Héroux-Devtek's commitment to continually meet or exceed regulations and minimize the Corporation's environmental footprint.
- The Compliance pillar includes regulatory tracking and permitting programs, environmental management programs, as well as timely and transparent communications with regulatory authorities and agencies.
- The Risk Mitigation pillar is grounded on environmental site assessments and risk assessments and inspections.

- The Control pillar governs the Corporation's environmental compliance audit program which is based on the potential environmental risk inherent to each individual operating site. Sites that are determined to be higher risk due to the nature of their operations, such as those having surface treatment processes, are audited annually, alternating between internal audits led by the Corporate Environment Director and external audits led by qualified consultants that are very familiar with local requirements. Lower risk sites are audited every 2 or 3 years also alternating between internal and external audits. In all cases, audits cover both regulatory and corporate requirements.

The key environmental performance indicators of each individual site are communicated to Héroux-Devtek's senior management and Board and diligently reviewed to ensure that appropriate resources are allocated to manage all environmental issues to closure. These indicators include audit results and findings, compliance events, incidents and more importantly, the status and progress of all corrective actions taken to remediate the issues with a strong focus on ensuring actions meet the expectations of the regulatory authorities and address root causes.

The Corporation's environmental management team is comprised of the CEO, the VP Engineering, Quality and Environment, the Corporate Director, Environment and his team, as well as each operating facilities' General Manager and Designated Environmental Officer, and the contribution of all employees. This top down and bottom up collaboration is key to the successful implementation and effectiveness of Héroux-Devtek's corporate environmental policy.

Social Considerations

Health & Safety

The safety of Héroux-Devtek's employees is the Corporation's number one priority. While compliance with applicable legal requirements represents a minimum, management prefers to establish standards which may impose even more stringent obligations. The Corporation also believes that senior management plays a vital role in establishing a culture that supports occupational health and safety programs and initiatives.

Accordingly, Héroux-Devtek is committed to eliminating all work-related injuries and illnesses by providing a safe and healthy workspace and proactively identifying and addressing all inherent risks. The Corporation's health and safety programs combine clear leadership by management, the participation of all employees and functions, and the use of appropriate safety equipment and technology in all stages of operations. Héroux-Devtek encourages employees to play an active role in identifying hazards and to offer suggestions or ideas to improve the safety program.

This philosophy implies continuous improvement toward an accident-free workplace through effective supervision, hiring skilled employees, education, and training. All supervisors and employees are expected to be dedicated to the continuing objectives of workplace safety and eliminating "near misses", which will greatly reduce the risk of injuries. The Corporation has also implemented procedures and processes to record, report, and manage work-related injuries and illnesses.

Senior management and Board meetings include reports and discussions of notable workplace incidents and several key performance indicators and metrics. In addition to a dedicated health and safety team at each of Héroux-Devtek's facilities, a team of safety and operations personnel from all sites also meets monthly to share information related to health & safety such as best practices and reviews incidents to apply insights learned.

Finally, management leverages data and analytics to support Héroux-Devtek's health and safety vision by maximizing the use of the Corporation's global work safety management system, implemented enterprise-wide.

With regards to COVID-19, the Corporation implemented specific protocols in order to monitor and mitigate the effect of the pandemic, with the objective of avoiding any virus transmission within its facilities. These measures included, but were not limited to: daily health questionnaires, social distancing, staggered shifts, personal protective equipment and symptom monitoring protocols. The Corporation continues to monitor developments and meet or exceed local guidelines.

Community Engagement

As an active corporate citizen in communities across Canada, the United States, Spain, and the United Kingdom, Héroux-Devtek is committed to making a positive difference through its support of community organizations, academic institutions, as well as the arts and cultural sectors.

This past year, Héroux-Devtek made several financial donations in support of food banks, to promote a world free of sexual violence, as well as to accelerate heart disease research, to name a few – in addition to the long-time support of the annual Centraide of Greater Montreal campaign provided by the Corporation's employees, unions and executives.

The Corporation also contributed financially to support the professional development of future aerospace engineers and technicians, as well as in the advancement of intelligent manufacturing practices, and in support of entrepreneurship and women in leadership programs.

Governance Considerations

Héroux-Devtek is committed to staying at the forefront of corporate governance standards and all employees adhere to a Code of Conduct that establishes the highest standards of ethical behavior at all levels of the organization. It provides mandatory guidance and frameworks concerning the Corporation's activities, and is divided into 12 sections:

1. Employees and human rights
2. Environment, health & safety
3. Government business
4. Supplier relationships
5. Bribery and corruption
6. Conflicts of interest
7. Exports, imports, and trade compliance
8. Fair dealings with other people and organizations
9. Confidential information and other assets
10. Data privacy and digital ethics
11. Insider trading and dealing and stock tipping
12. Financial stewardship/controllership

In addition, a Whistleblower Policy is in place to encourage and enable employees to raise any serious concerns within the Corporation without fear of any reprisals or discrimination. Disclosure mechanisms are regularly reminded to employees, who may confidentially contact the Chairperson of the Audit Committee of the Board, if warranted.

Héroux-Devtek continues to closely monitor the changing business and regulatory environment and will adjust its governance and disclosure practices accordingly.

Further information on the Corporation's governance practices are detailed in the following section.

CORPORATE GOVERNANCE DISCLOSURE

The following discussion addresses the Corporation's corporate governance practices, and has been prepared in accordance with Regulation 58-101 *respecting Disclosure of Corporate Governance Practices* ("**Regulation 58-101**") and Form 58-101F1.

1. Board of Directors

(a) As at June 16, 2021, the following directors are independent within the meaning of section 1.4 of Regulation 52-110 respecting *Audit Committees* ("**Regulation 52-110**"):

Nathalie Bourque
Paule Doré
Didier Evrard
Louis Morin
James J. Morris
Brian A. Robbins
Annie Thabet
Beverly Wyse

(b) Gilles Labbé as Executive Chairman of the Board and Martin Brassard as President and Chief Executive Officer are not independent within the meaning of section 1.4 of Regulation 52-110.

(c) A majority of the directors of the Corporation are independent within the meaning of section 1.4 of Regulation 52-110.

(d) The following table sets forth the name of each director of the Corporation who is presently a director of another issuer that is a reporting issuer, the name of the other issuer, the market(s) on which the other issuers are listed or traded and the list of any board committees with the other issuer(s) on which the director is a member:

Director	Issuer Name	Market	Board Committee
Paule Doré[1]	CGI [2]	TSX NYSE	Chair of the Corporate Governance Committee
Gilles Labbé	CGI [2]	TSX NYSE	Chair of the Audit and Risk Management Committee
Brian A. Robbins	Exco Technologies Limited	TSX	N/A
	AirBoss of America Corp.	TSX	Chair of the Audit Committee
Annie Thabet	Russel Metals Inc.	TSX	Audit Committee, Environmental Management and Health & Safety Committee
	Transcontinental Inc.	TSX	Audit Committee, Governance and Social Responsibility Committee

(1) Ms. Paule Doré does not stand for re-election and therefore her mandate will end on August 10,2021.
(2) Interlocking directorships.

The Corporation's corporate governance guidelines provide that, as a general rule, the President and Chief Executive Officer of the Corporation may not serve simultaneously on the board of more than two other public companies and no director may serve simultaneously on the board of more than five other public companies, in each case unless the Board determines that simultaneous service will not materially adversely affect the Board from acting independently or from fulfilling its mandate in accordance with applicable law. A director wishing to join any other board of directors, whether a private or public corporation, must first request permission of the Executive Chairman of the Board so that the appropriate review can be undertaken to ensure that there is no potential conflict or any other legal or business concerns. Should it be the Executive Chairman of the Board who wishes to join any other board of directors, then such request shall be first made with the Chair of the Human Resources Committee. Moreover, there shall be no more than two board and committee interlocks at any given time. A board interlock occurs when two of the Corporation's directors also serve together on the board of another public company.

(e) The independent directors meet without the presence of members of management at the end of each regular meeting unless they waive such requirement and they have at least two meetings a year at which members of management are not in attendance. During the fiscal year ended March 31, 2021, five such meetings have been held.

(f) The Board has developed a written position description for the Executive Chairman of the Board and the Lead Director. The Lead Director provides leadership to ensure the Board acts independently of the Corporation's management and non-independent directors, ensures the Board is alert to its obligations to the shareholders and can properly perform its functions, facilitates the proper functioning and effectiveness of the Board and facilitates the effective and transparent interaction of directors and management.

(g) The following table summarizes for each of the directors the number of Board and standing committee meetings they have attended for the financial year ended on March 31, 2021.

Director	Board Meetings	Audit Committee Meetings	Human Resources Committee Meetings
Nathalie Bourque	8 of 8	4 of 4	-
Martin Brassard	8 of 8	-	-
Paule Doré	8 of 8	-	5 of 5
Didier Evrard[1]	1 of 1	-	-
Gilles Labbé	8 of 8	-	-
Louis Morin	8 of 8	4 of 4	-
James J. Morris	8 of 8	-	5 of 5
Brian A. Robbins	8 of 8	-	5 of 5
Annie Thabet[2]	-	-	-
Beverly Wyse	8 of 8	4 of 4	-

(1) Mr. Didier Evrard was appointed Director of the Corporation on February 8, 2021.
(2) Ms. Annie Thabet was appointed Director of the Corporation on May 19, 2021.

2. Board Mandate

Role of the Board

The Board is elected by the Corporation's shareholders to supervise, directly and through its committees, the management of the business and affairs of the Corporation, which are conducted by its officers and employees under the direction of the CEO.

The primary stewardship responsibility of the Board is to ensure that the management conducts the business and affairs of the Corporation with the main objectives to enhance shareholder value in a manner that recognizes the concerns of other stakeholders in the Corporation, including its employees, suppliers, customers and the communities in which it operates, to continuously improve the Corporation's performance and quality of its products and services, and to ensure its continuous growth and development. In doing so, the members of the Board must act honestly and in good faith with a view to the best interests of the Corporation.

Mandate and Objectives

The mandate of the Board includes setting long-term goals and objectives for the Corporation, formulating the plans and strategies necessary to achieve those objectives, and supervising senior management who is responsible for the implementation of the Board's objectives and day-to-day management of the Corporation. The Board retains a supervisory role and ultimate responsibility for all matters relating to the Corporation and its business.

The Board discharges its responsibility both directly and through its committees, including the Audit Committee and the Human Resources Committee. The Board may also appoint ad hoc committees periodically to address issues on a more short-term tenure.

Composition and Procedures

Size of Board and candidate selection process – Subject to the minimum number of directors set out at two in the articles of the Corporation, the Board takes into account recommendations of the Human Resources Committee with respect to the desired size and profile of the Board, the need for recruitment and the expected experience of new candidates.

The size of the Board must be sufficient in number to ensure a diversity of skills and perspectives and to provide useful experience to the Board supervising the management of the Corporation as well as members on the various Board committees, while allowing the Board to function efficiently and effectively.

The Human Resources Committee reviews and recommends to the Board the candidates for nomination and election as directors. The Board approves the final choice of candidates for nomination and election by the shareholders. Between annual meetings, the Board may appoint directors to serve until the next annual meeting in compliance with the provisions of the Corporation's articles and by-laws.

Election – Board members will be elected at the annual meeting of shareholders and will serve until their resignation or until their successors are duly appointed or elected.

Qualifications – Directors should have the highest personal and professional ethics and values and be committed to advancing the best interests of the shareholders of the Corporation. They should possess skills and competencies in areas that are relevant to the Corporation's activities, solid business experience, good judgment, integrity, financial literacy and the ability to allocate the necessary time and effort to perform Board and committees duties. A majority of the Board shall be composed of independent directors within the meaning of section 1.4 of Regulation 52-110.

The Board, upon the recommendation of the Human Resources Committee, shall appoint a Chairman of the Board, who should be an independent director. At all times the same person may not occupy the position of Chairman of the Board and of the CEO. Should the Chairman not be an independent director, the Board, upon recommendation of the Human Resources Committee, will appoint a Lead Director.

The retirement age for members of the Board is normally fixed at 75 years.

Director orientation – The Executive Chairman of the Board, the CEO and the Chief Financial Officer are responsible for providing an orientation and education program for new directors with a view to ascertaining that all new directors fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and energy that the Corporation expects from its directors), and the nature and operation of the Corporation's business. The Board shall encourage and provide opportunities for all directors to continually update their skills as well as their knowledge of the Corporation, its business and its senior management, through the orientation and education program.

Committees – The Board has established two standing committees to assist the Board in discharging its responsibilities: the Audit Committee and the Human Resources Committee. Special committees may be established from time to time to assist the Board in connection with specific matters on a more short-term tenure. Each committee operates according to a Board approved written mandate outlining its duties and responsibilities. The chair of each committee reports to the Board following meetings of the committee.

Evaluation – The Human Resources Committee bears the responsibility to assess the Board's performance as a whole as well as that of individual directors and performs an annual evaluation of the effectiveness of the Board as a whole, the committees of the Board and the contributions of individual directors. The Human Resources Committee reports to the Board on such evaluation.

Meeting and Procedures – The Board meets at least quarterly and as many additional times as necessary to carry out its duties effectively. The Board is responsible for its agenda. Prior to each Board meeting, the CEO discusses agenda items for the meeting with the Executive Chairman of the Board. Materials for each meeting will be distributed to the directors in advance of the meetings.

The independent directors meet, without the presence of members of management, at the end of each regular meeting (unless they waive such requirement) and they have at least two such meetings each year.

Quorum for meetings of the Board shall be a majority of its members; quorum shall be maintained throughout the meeting. The powers of the Board may be exercised at a meeting at which a quorum of the Board is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Board.

Each member (including the Executive Chairman of the Board) is entitled to one vote in Board proceedings.

At all meetings of the Board, every question shall be decided by a majority of the votes cast. In the case of an equality of votes, the Executive Chairman of the Board shall not be entitled to a second vote.

The Board receives a report from the CEO at each regularly scheduled meeting on the current matters relevant to the Corporation.

Duties and Responsibilities of the Board

Board organization - The Board takes into account recommendations of the Human Resources Committee, but retains responsibility for managing its own affairs by giving its approval of its composition and size, the selection of the Chairman of the Board, candidates nominated for election to the Board, committees and committees' chairmen appointments, committees' charters and directors compensation. The Board shall ensure that the compensation adequately reflects the risks and responsibilities, and time commitment involved in being an effective director.

The Board may delegate to committees matters that the Board is responsible for, including the approval of compensation of the Board and senior management, the conduct of performance evaluations and oversight of internal control systems, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities. The Board is responsible for ensuring that measures are taken to orient new directors regarding the role of the Board, its committees and its directors and the nature and operation of the Corporation's business. The Board is also responsible for ensuring that measures are taken to provide continuing education for its directors to ensure that they maintain the skill and knowledge necessary to meet their obligations as directors. The Board is responsible for ensuring that appropriate structures and procedures are in place so that the Board and its committees can function independently of management.

Strategic planning - The Board holds a meeting with senior management to review the Corporation's strategic plan and annual plan and approve such plans. The Board shall take into account, among other things, the opportunities and risks of the business, market and product global trends, and growth potential. The Board is responsible for providing input to senior management on emerging trends and issues and on strategic and annual plans, objectives and goals that management develops.

Risk assessment - The Board shall ensure that the principal risks of the Corporation are identified and that the measures to mitigate and manage such risks are implemented. The Board monitors the conduct of the Corporation and ensures that it complies with applicable legal and regulatory requirements.

Integrity - The Board shall, to the extent feasible, satisfy itself as to the integrity of the CEO and other executive officers and satisfy itself that the CEO and other executive officers create a culture of integrity throughout the organization. The Board is responsible for taking steps to ensure that directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest. The Board is responsible for reviewing and monitoring the controls and procedures within the Corporation to maintain the integrity and accuracy of its financial reporting, internal controls and disclosure controls, and management information systems, and compliance with its Code of Conduct.

Management - The Board is responsible for reviewing and approving, upon the recommendation of the Human Resources Committee, the appointment, compensation, and performance of the CEO and senior management. The Board is responsible for developing written position descriptions for the Executive Chairman of the Board, the Lead Director, as applicable, and the CEO. The Board ensures that adequate plans are in place for senior management development, training and succession.

Governance, Policies and Procedures - The Board, with the assistance of the Human Resources Committee, is responsible for implementing and maintaining sound corporate governance practices in adopting principles, policies and procedures applicable to the Corporation. The Board is responsible for reviewing and approving key policy statements developed by management on issues such as ethics, compliance, communications, environment, health and safety, and public disclosures.

The Board is responsible for approving and monitoring compliance with all significant policies and procedures by which the Corporation is operated and approving policies and procedures designed to ensure that the Corporation operates at all times within applicable laws and regulations. At least annually, the Board, with the assistance of the Human Resources Committee, reviews, amends, if appropriate, and approves the Corporation's policies and procedures.

Monitoring of Financial Performance and Other Financial Matters - The Board is responsible for ensuring congruence between shareholders' expectations, Corporation's plans and management performance. It is also responsible for adopting processes for monitoring the Corporation's progress toward its strategic and operational goals and revising its direction to management in light of changing circumstances affecting the Corporation.

Directly and through the Audit Committee, the Board assesses the integrity of internal control over financial reporting and management information systems. The Board reviews and approves capital, operating and development expenditures, including any budgets associated with such expenditures. The Board is responsible for approving the annual audited financial statements and the unaudited interim financial statements, and the notes and management's discussion and analysis accompanying such financial statements.

The Board is responsible for reviewing and approving material transactions outside the ordinary course of business, including material investments, acquisitions and dispositions of material capital assets, material capital expenditures, material joint ventures, significant reorganizations, restructuring, acquisitions, and divestitures, and any other major initiatives. The Board ensures that the Corporation adopts prudent financial standards with respect to the business of the Corporation and prudent levels of debt in relation to the Corporation's consolidated capitalization. The Board, on the recommendation of the Audit Committee, recommends to the shareholders the appointment of the independent auditors and approves their remuneration.

The Board approves those matters that are required under the Corporation's governing statute to be approved by the directors of the Corporation, including the issuance, purchase and redemption of securities and the declaration and payment of any dividend.

Communications and reporting - The Board has responsibility for ensuring that the performance of the Corporation is adequately reported to its shareholders, its other security holders, the investment community, the relevant regulators and the public on a timely and regular basis. The Board is responsible for reviewing and approving, upon the recommendation of the Audit Committee, the contents of major disclosure documents including the annual information form, press releases in connection with quarterly and annual financial results and is also responsible for reviewing and approving the management proxy circular and any other document required to be disclosed or filed by the Corporation before their public disclosure or filing with regulatory authorities. The Board is responsible for ensuring appropriate processes are in place to ensure the timely disclosure of relevant corporate information and regulatory reporting.

External Consultants – The Board and any committee may at any time retain outside financial, legal or other advisors at the expense of the Corporation. Except for the Audit Committee, the retention and the terms and conditions of the retention of external advisors shall receive prior approval by the Human Resources Committee. The Corporation provides the funds reasonably necessary to pay for the services of these external consultants.

3. Position Descriptions

(a) The Board has developed a written position description for the Executive Chairman of the Board, the Lead Director and for the chair of each board committee. The Board has adopted general terms describing the responsibilities of the chair of each board committee, namely those of presiding committee meetings, and overseeing the way in which the relevant board committee carries out its mandate. The chair of a board committee is required, following a meeting of such committee, to report to the Board at the next regularly scheduled meeting of the Board. The chair of each board committee is responsible for the management, the development and the effective performance of the committee. The chair of each board committee provides leadership and direction to the committee for all aspects of the committee's work and takes all reasonable measures to ensure such committee fulfills its responsibilities.

(b) The Board and the CEO have developed a written position description for the CEO. Pursuant to such position description, in collaboration with the Executive Chairman of the Board, the CEO provides effective leadership and vision for the Corporation to grow value responsibly, in a profitable and sustainable manner and, subject to approved policies and direction by the Board, manages the business and affairs of the Corporation and oversees the execution of its strategic plan and annual plan. In addition to managing the business and affairs of the Corporation, the CEO shall have specific duties set out in the written position description and such other powers and duties as the Board may specify. The CEO has a responsibility to act in the best interests of the Corporation in accordance with applicable legislation and sound governance principles.

4. Orientation and Continuing Education

New directors participate in an initial information session on the Corporation in the presence of management representatives. In addition, they are furnished with appropriate documentation relating to the commercial activities of the Corporation and the internal organization of the Corporation and with a copy of the Board's Manual. The meetings in which new directors participate (including annual strategic planning sessions) as well as discussions with other directors and with management permit new directors to familiarize themselves rapidly with the operations of the Corporation.

The Board's Manual is updated periodically and contains pertinent material and information on the Corporation, the Board, and its committees. Directors meet with the Executive Chairman of the Board, the CEO and members of Management to discuss the Corporation's operations and are given periodic presentations on a particular product line or on a specific business development. New Directors benefit from guided tours of the Corporation's installations. From time to time and before each meeting of the Board, each Director is provided with publications concerning recent industry's developments, new applicable legislation as well as any relevant information. This fiscal year, the Directors attended training sessions covering Enterprise Risk Management and ESG.

5. Ethical Business Conduct

(a) The Board has adopted a *Code of Conduct* to help the Corporation's directors, officers and employees to take a consistent approach on key integrity issues. The *Code of Conduct* is available on the Corporation's web site at www.herouxdevtek.com and may be obtained upon written request to the Secretary, Héroux-Devtek Inc., Suite 600, West Tower, Complexe Saint-Charles, 1111 Saint-Charles Street W., Longueuil, Québec, Canada, J4K 5G4.

The Board also adopted a *Supplier Code of Conduct* to help the Corporation's suppliers, vendors and other third party contractors take an approach which meets the Corporation's ethics and compliance expectations.

The Board has the responsibility of reviewing and monitoring the controls and procedures within the Corporation to maintain the integrity and accuracy of its financial reporting, internal controls and disclosure controls, and management information systems, and compliance with its *Code of Conduct* and its *Supplier Code of Conduct*. The Board discharges its responsibility of monitoring compliance with the *Code of Conduct* and its *Supplier Code of Conduct* through the Human Resources Committee.

The Corporation has also developed and implemented and the Board has approved various corporate policies including a corporate disclosure and insider trading policy and a whistle-blower policy. The Corporation will periodically ask employees to acknowledge their commitment to the Corporation's *Code of Conduct*. A procedure has been put in place so that employees may raise an integrity concern by written or oral communications and it may also be anonymous.

(b) In order to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest, should it occurs, the Board will ask the director or executive officer interested in the transaction or agreement to withdraw during the discussions pertaining to such transaction or agreement.

6. Nomination of Directors

The Human Resources Committee is responsible for identifying and recommending potential appointees to the Board. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required, shown support for the Corporation's mission and strategic objectives, and a willingness to serve. The Human Resources Committee is composed of at least three directors appointed by the Board, each of whom the Board has determined to be independent as contemplated by the laws, regulations and listing requirements to which the Corporation is subject. The Executive Chairman of the Board takes part in the work of the Human Resources Committee as a non-voting member and removes himself where the Human Resources Committee decides on his remuneration and on corporate governance matters.

An advance notice by-law (the "**Advance Notice By-Law**") was adopted by the Corporation in 2018 in order to provide shareholders, directors and management of the Corporation with a clear framework for nominating directors of the Corporation. The Advance Notice By-Law fixes a deadline by which director nominations must be submitted by a shareholder to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in a written notice (the "**Advance Notice**") to the Corporate Secretary of the Corporation in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

To be timely, an Advance Notice must be made (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the meeting was made, notice may be made not later than the close of business on the 10th day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the date on which the first public announcement of the date of the meeting was made.

To be in proper written form, an Advance Notice must set forth: (a) as to each person ("**Proposed Nominee**") proposed for nomination for election as a director: (A) the name, age, business address and residential address of the Proposed Nominee; (B) the principal occupation or employment of the Proposed Nominee; (C) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the Proposed Nominee as of the record date for the meeting of shareholders (if such date has been been made publicly available and has occurred) and as of the date of such Advance Notice; and (D) any other information relating to the Proposed Nominee that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the applicable laws; and (b) as to the shareholder giving the Advance Notice: (A) the name and address of the shareholder and (B) any proxy, contract, arrangement, understanding or relationship pursuant to which such shareholder has a right to vote any shares of the Corporation; and (C) any other information relating to such shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the applicable laws. Additional information, including a written consent to act, may be required by the Corporation to determine the eligibility of such Proposed Nominee to serve as an independent director of the Corporation.

The Advance Notice By-Law is available on the Corporation's Web site at www.herouxdevtek.com/en/investors/corporate-governance.

7. Compensation

The Human Resources Committee is charged with reviewing on an annual basis the compensation and benefits paid to the directors in light of market conditions and practice and in light of risks and responsibilities.

8. Other Board Committees

The Board has no standing committees other than the Audit Committee and the Human Resources Committee.

9. Assessments

The Human Resources Committee is responsible for monitoring the effectiveness of the Board and the performance of the directors. The process is facilitated by questionnaires sent by the Chair of the Human Resources Committee to enable individual directors to provide feedback on the effectiveness of the Board and its committees. Following receipt of the questionnaires, the Chair of the Human Resources Committee contacts the directors separately in order to discuss their answer to the questionnaires. The Human Resources Committee assesses the operation of the Board and the committees, the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees. The Human Resources Committee recommends changes to enhance the performance of the Board based on the survey feedback.

10. Term of office and other processes for the renewal of the Board

The Corporation has not fixed a maximum term of office for its directors other that the retirement age normally fixed at 75 years. The Corporation has not established a formal process for the renewal of Board membership. The Board is of the view that it is in the Corporation's best interests to retain experienced board members who are familiar with the Corporation's business and can provide continuity to its management.

11. Policies Regarding the Representation of Women

The Board is very proud that 40% of the Board members are women and is mindful of the benefit of diversity on the Board and regards involvement of women and their experience and input as constructive to the Board's decision-making process.

The Board and Human Resources Committee encourage the diversity in the composition of the Board, even though the Corporation does not have a formal policy with respect to the representation of women on the Board. The Board does not foresee the adoption of such a policy at this time since it has a high level of representation of women on Board. The Board is committed to maintaining that level as board turnover occurs from time to time taking into account the skills, background, experience and knowledge desired at a particular time by the Board and its committees.

12. Consideration of the Representation of Women in the Director Identification and Selection Process

The Human Resources Committee will, within the purview of its mandate, have the responsibility to take gender into consideration as part of its overall recruitment and selection process in respect of the Board. Accordingly, when searching for new directors, the Human Resources Committee will consider the level of women representation on the Board and, where appropriate, will recruit qualified women candidates as part of the Corporation's overall recruitment and selection process to fill Board positions, as the need arises, through vacancies, growth or otherwise.

13. Consideration Given to the Representation of Women in Executive Officer Appointments

The Corporation will consider and be sensitive to the representation of women when making executive officer appointments. However, considering the small number of positions in question, the Corporation refrains from setting targets for the representation of women among its executive officers. It is important that each individual appointed as an executive officer be considered on the individual's merits and on the needs of the Corporation at the relevant time. Targets based on specific criteria could limit the Corporation's ability to appoint the individual who is the best qualified for the position. The Corporation is however committed to increasing the gender diversity of its executive officers going forward. As at the date hereof, the Corporation has no woman in an executive officer position.

14. The Corporation's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

The Corporation has not adopted a measurable objective for achieving gender diversity on the Board or in executive officer positions. The Corporation will consider establishing measurable objectives and targets as it further develops.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The information contained under this heading represents the compensation received by the executive officers of the Corporation that were acting in such capacity as at the end of the fiscal year 2021.

Compensation Governance

Human Resources Committee

The Human Resources Committee has the responsibility to establish a compensation policy for the executive officers that is consistent with the Corporation's business plan, strategies and objectives. This Committee has, namely, the responsibility to analyze for the Board all questions relating to human resources planning, compensation for executive officers, directors and other employees, short and long-term incentive programs, employee benefits programs, and recommends the appointment of executive officers.

As at March 31, 2021, the Human Resources Committee was made up of the following three independent directors: Paule Doré, who is the Chair, Brian A. Robbins, and James J. Morris. All members of the Human Resources Committee are considered to be independent members under the applicable securities legislation. They all possess experience in the area of executive compensation, either as former CEOs of publicly traded companies or as executives. Specifically, Ms. Doré was Executive Vice President, Chief Corporate Officer of CGI, as well as their top HR executive for more than 15 years. She now chairs the Corporate Governance committee of the board of CGI and was previously chair of the Corporate Governance Committee and member of the Human Resources committee of Cogeco Inc. Mr. Robbins is Executive Chairman of Exco Technologies Limited. Mr. Morris was, up to December 31, 2006, Vice President Engineering and Manufacturing for Boeing Commercial Airplanes.

The Board believes that the members of the Human Resources Committee possess the combined knowledge, experience and backgrounds necessary to fulfill the Committee's mandate.

External Independent Consultant

The Human Resources Committee in consultation with management has retained PCI - Perrault Consulting Inc. ("**PCI**") in fiscal year 2021 to assist the Corporation in setting the compensation of some Named Executives for fiscal year 2021.

In fiscal year 2021, the Human Resources Committee in consultation with management retained the services of Willis Towers Watson ("**WTW**") to act as the new external independent compensation consultant for the Human Resources Committee going forward, replacing PCI in this role. WTW has been mandated to review and provide advice on executive compensation recommendations and related questions, and the services provided in fiscal year 2021 were related to engagement onboarding and project planning of the executive compensation review to be conducted in early fiscal year 2022.

The following table summarizes fees paid to WTW and PCI for the fiscal years ended March 31, 2021 and 2020:

	2021	2020
Fees paid to PCI		
Executive Compensation-Related Fees	$ 23,754	$ 50,549
All Other Fees(1)	—	9,109
	$ 23,754	$ 59,658
Fees paid to WTW		
Executive Compensation-Related Fees	$ 17,719	$ —
All Other Fees(2)	113,564	188,228
	$ 131,283	$ 188,228

(1) PCI assisted the Corporation in the revision and modification of employment contracts and long-term incentive / stock purchase plans to ensure coherence with the Corporation's objectives and strategy.

(2) These fees essentially relate to services rendered in Canada and the U.K., including administration and investment consulting for the pension plans, life and health insurance consulting.

Objectives of the Compensation Policy

The compensation policy has the following primary objectives:

- offer total compensation capable of attracting and retaining top level executive officers required to ensure the Corporation's short and long-term goals and success;
- motivate the executive officers in achieving and exceeding the goals of the Corporation and of its shareholders;
- provide Named Executive Officers (as hereinafter defined) with total compensation that stands between the 25^{th} percentile and the median of the market comparators, which could be exceeded upon achieving superior profitability results and shareholder value creation.

The compensation policy is established in such a way to compensate the executive officers and other key employees considering the market and the Corporation's performance.

The Named Executives of the Corporation are the President and Chief Executive Officer, the Vice President and Chief Financial Officer and the Corporation's three most highly compensated executive officers other than the President and Chief Executive Officer and the Vice President and Chief Financial Officer (the "**Named Executives**").

Market Comparator and Positioning

The Corporation's positioning in the market with respect to compensation for executive officers is assessed periodically based on a comparator group that serves as a reference group, as suggested by PCI and approved by Human Resources Committee. PCI last conducted the Corporation's executive compensation market positioning in fiscal year 2020. The comparator group includes 10 companies selected considering criteria such as annual revenues, comparable customer base, publicly-traded, autonomous, market for potential recruitment and entrepreneurial culture (the "**Comparator Group**").

The Comparator Group is composed of the following companies:

Companies	Selection criteria		Revenues
AAR Corp.	Aerospace & Defense	US$	2,072
Aerojet Rocketdyne	Aerospace & Defense	US$	2,073
AeroVironment Inc.	Aerospace & Defense	US$	367
Astronics Corp	Aerospace & Defense	US$	503
Ducommun	Aerospace & Defense	US$	629
Exco Technologies	Industrial machinery	$	412
Kratos Defense & Security	Aerospace & Defense	US$	748
Magellan Aerospace Corp	Aerospace & Defense	$	744
RBC Bearings Inc.	Industrial machinery	US$	609
Senior Plc Inc.	Aerospace & Defense	£	734

In fiscal 2022, with the help of WTW, the Human Resources Committee reviewed the Comparator Group to include more Canadian companies in order to better reflect the recruitment pool for executive talent. This revised Comparator Group will be used in fiscal year 2022 to review the compensation of the executive officers of the Corporation.

Components of the Compensation Policy

The compensation policy consists of the sum of:

- salary;
- annual incentive (bonus) compensation;
- long term incentive compensation;
- benefits and perquisites; and
- pension.

Each of these elements, together with the Corporation philosophy with respect to same, is hereinafter detailed.

Salary

The Corporation's salary policy is to pay salaries to the Named Executives around the 25th percentile of the Comparator Group. The named executive officers' salaries are reviewed annually and may be adjusted by the Human Resources Committee based on the incumbents' performance, tenure and their relative positioning against market. Following his promotion to the position of President and Chief Executive Officer in fiscal 2020, Mr. Brassard's annual salary will progressively increase towards the 25th percentile of the Comparator Group. Considering the uncertainty related to the effects of COVID-19, the salaries of President and Chief Executive Officer and the Vice President and Chief Financial Officer were frozen for fiscal 2021 and the salary of the Executive Chairman of the board was reduced. For fiscal 2022, the provisions of the salary management policy will apply.

Annual Incentive Compensation

The Corporation offers executive officers the opportunity to earn an annual bonus provided the Corporation achieves or exceeds its financial objectives and provided the executive officer or employee achieves specific personal objectives. The annual bonus for the product line or business unit executives and employees rests on financial objectives set against the fiscal year's budget. The annual bonus rests on the achievement of the budgeted net income for the Executive Chairman of the Board, the President and Chief Executive Officer and the Vice President and Chief Financial Officer, and the return on net utilized assets ("**RONA**") and operating income for the Vice President, General Managers of Eastern and Central Regions. The combination of salary and annual bonus target shall be between the 25th percentile and the 50th percentile of the Comparator Group.

The bonus is calculated based on the degree of achievement of the financial performance presented in the annual budget of the Corporation. In order to be eligible to receive bonuses based on financial performance, the region/product line or business unit shall have met at least 80% of its financial target budget. If such goal is achieved, the bonus payout, expressed as a percentage of target bonus could go from 40% to 120% for eligible managers, 130% for senior managers and 170% for some Named Executives (as hereinafter defined) depending on the level of achievement.

The target bonus for each Named Executive are as follows:

Named Executives	Target Bonus
Gilles Labbé	100.0 %
Martin Brassard	110.0 %
Stéphane Arsenault	70.0 %
Jack Curley	40.0 %
Dominique Dallaire	40.0 %

The final bonus to be paid to each executive officer and key employee will also take into account the performance of the Corporation as a whole based on the Corporation's adjusted net income. Therefore, the total annual incentive compensation paid based on the Corporation's performance is composed of the following:

For positions with corporate responsibilities:

- 100% of the target bonus is based on the Corporation's performance as a whole.

For positions with region, product line and/or business unit responsibilities:

- 25% of the target bonus is based on the Corporation's performance as a whole; and,
- 75% of the target bonus is based on the region, product line and/or business unit performance.

The following table summarizes the details of the annual incentive compensation:

Position	Performance Measures	Weighting	Threshold Levels
Executive Chairman of the Board President and Chief Executive Officer Vice President and Chief Financial Officer	The Corporation's Adjusted Net Income	100%	Threshold set lower than previous year's Adjusted Net Income
Vice President, General Managers of Eastern and Central Regions	The Region's RONA; The Region's Operating Income; and The Corporation's Adjusted Net Income	37.5% 37.5% 25%	Thresholds set lower than previous year's RONA and Operating Income

Thresholds for incentive compensation based on financial measures are determined using the Corporation's budget and set at levels which are attainable and aligned with the Corporation's growth objectives.

For fiscal year ended March 31, 2021, the Corporation used adjusted net income, which excludes non-recurring items, net of taxes, to assess its financial performance. This financial measure is not prescribed by IFRS. However, the Corporation's management considers this metric to be useful information to assist in evaluating the Corporation's profitability, liquidity and ability to generate funds to finance its operations and capital investment needs.

The Human Resources Committee has concluded that it would be seriously prejudicial to the Corporation's interests to publicly disclose the level of performance that is associated with threshold, target and maximum achievement for each performance measure of the annual incentive compensation, namely: Net Income, RONA and Operating Income. The levels of these metrics could be used by competitors to infer conclusions about confidential strategic priorities of the Corporation. In addition, the disclosure of these metrics may generate confusion with the financial guidance provided to shareholders in the Corporation's annual and quarterly earnings releases. The targets are intended to be challenging – neither impossible nor easy to achieve.

The Corporation's achievement of financial objectives and performance as a whole and per region for the fiscal year ended March 31, 2021 ranged from 0% to 142%, and the same for the Named Executives.

Finally, the executive officers and key employees' bonus will be calculated based on the individual performance; from 80% for "below expectations" to 120% for "outstanding contribution". The Human Resources Committee may, from time to time, exercise its discretion to allow that the annual incentive compensation otherwise payable in accordance with the Corporation's policies be adjusted to better reflect the overall performance of the Corporation and exceptional market conditions. The Human Resources Committee also reserves the right to recommend to the Board to waive minimum requirements for the annual incentive compensation when exceptional strategic achievements that could increase the long-term value of the Corporation are realized during the year.

Based on its review, the Human Resources Committee approved the following individual payout factor for each of the following Named Executives in connection with payment of the short-term incentive to each of them:

Named Executives	Individual Payout Factor
Gilles Labbé	100.0 %
Martin Brassard	111.6 %
Stéphane Arsenault	113.9 %
Jack Curley	99.5 %
Dominique Dallaire	117.3 %

Accordingly, based on the Human Resources Committee's assessment of the fiscal year 2021 corporate objectives and on the individual performance for the fiscal year ended March 31, 2021, the following annual incentive compensation will be paid in fiscal year 2022 to each Named Executive:

Named Executives		Annual Incentive Compensation	% of Salary
Gilles Labbé	$	460,568	110.0 %
Martin Brassard		540,000	135.0 %
Stéphane Arsenault		250,000	87.7 %
Jack Curley		97,032	33.8 %
Dominique Dallaire		120,000	51.6 %

Long-term Incentive Compensation

The Corporation offers executive officers the opportunity to receive long-term incentive compensation in order to encourage executive officers and other eligible employees to work toward and participate in the growth and development of the Corporation and to assist the Corporation in attracting, retaining and motivating its executive officers and key employees. The Corporation's long-term incentive compensation is designed to:

- Recognize and reward the impact of long-term strategic actions undertaken by executive officers and key employees;
- Align the interests of the Corporation's executive officers and key employees;
- Focus executive officers and key employees on developing and successfully implementing the continuing growth strategy of the Corporation;
- Foster the retention of executive officers and key employees; and
- Attract talented individuals to the company.

Two forms of stock-based compensation are generally granted to executive officers:

- Stock options; and
- Performance Share Units.

The long-term incentive compensation framework is described below:

Stock Option Plan

The establishment of a balance between short and long-term compensation is essential for the Corporation's performance. For this reason, the Corporation has adopted a Stock Option Plan in 1986 (the "**Stock Option Plan**") allowing the grant of options to certain key employees of the Corporation and its business units.

In general, the Board determines the number of options granted annually based on a target percentage attributed to each Named Executive established according to their level of responsibility and authority. The total amount of options issued over the past years is looked at but does not have a material impact on the number of options to be granted to the employee. The options are granted at market value at time of grant and may be exercised for a period of up to seven years, subject to stock performance and time-based vesting conditions as established by the Board.

Refer to the Equity Compensation Plans section hereafter for details regarding the Stock Option Plan.

Performance Share Unit Plan

The Performance Share Unit Plan (the "**PSU Plan**") for management and key employees of the Corporation and its subsidiaries was adopted by the Board on August 6, 2014 and is intended to enhance the Corporation's ability to attract and retain qualified management and key employees, to promote a proprietary interest in the Corporation and to focus management and key employees on operating and financial performance, corporate strategies and total long-term shareholders' return.

The PSU Plan is administered by the Human Resources Committee. The PSU Plan enables the participants to receive upon fulfillment of certain performance vesting conditions, a cash amount equal to the market price of a common share on the determination date for each vested PSU (the "**PSU Payment**"). The performance vesting conditions are generally based on an adjusted EBITDA target for each of the next three fiscal years established using the Corporation's most recent budget and strategic plan. The number of Performance Share Units ("**PSUs**") to be granted is determined on the basis of the volume weighted average trading price of the common shares of the Corporation traded on the TSX, for the five trading days preceding the date of the award of the PSUs.

Refer to the Equity Compensation Plans section hereafter for details regarding the **PSU Plan**.

Employee Stock Purchase Plan

On September 2, 2004, the Board has also approved an employee stock purchase plan (the "**Purchase Plan**") to incent key employees to hold, on a permanent basis, common shares of the Corporation. Refer to the Equity Compensation Plans section hereafter for details regarding the **Purchase Plan**.

Benefits and Perquisites

The Corporation's executive officers benefit program includes life, medical, dental and disability insurance. Perquisites may consist of car allowance and reimbursement for club memberships, medical and financial services. Such benefits and perquisites are designed to be competitive with the Comparator Group and other comparable Canadian enterprises.

The compensation policy seeks to primary reward the superior performance through both individual and corporate results and the increased shareholder value. In reviewing executive officers' compensation, the Human Resources Committee will take into consideration numerous factors that are not easily measurable but which consider the individual performance, experience, integrity and peer appreciation.

Pension

Refer to the Pension Plans section hereafter for details regarding the Pension Plan schemes offered to the Corporation's executive officers.

Compensation and Risk Management

As per its Charter, the Human Resources Committee is responsible for the risk oversight of the Corporation's compensation policies and practices.

In fiscal year 2013, the Board, upon recommendation of the Human Resources Committee, adopted and implemented a risk management policy which considers the implications of the risks associated with the Corporation's compensation policies and practices. Such policy is reviewed annually by the Human Resources Committee and updated as the case may be.

The policy establishes that Management is responsible for ensuring that procedures are in place to identify and assess all risks associated with the Corporation's compensation policies and practices and to report to the Human Resources Committee on the steps taken to identify, monitor and mitigate risks associated with compensation policies and practices.

As part of the policy, Management evaluates risk exposures related to compensation of the Board, executives, management and the broader employee population, with a focus on the short and long-term incentive plans. This includes:

- identifying any such policies or practices that may encourage executive officers to take inappropriate or excessive risks,
- identifying risks arising from such policies and practices that could have a material adverse effect on the Corporation and
- considering the possible risk implications of the Corporation's compensation policies and practices and any proposed changes to them.

The following procedures are followed by Management to identify and mitigate compensation policies and practices that could encourage an executive officer or an individual at a principal business unit, region or product line to take inappropriate or excessive risks:

- annual assessment of the Corporation's compensation policies and practices, including a review and analysis of the aspects of those policies that may lead to risky behavior on the part of an executive officer or any other individual;
- dialogue and communication with experts outside the Corporation (as necessary) regarding an analysis of the risks associated with the Corporation's compensation policies and practices and a review of the risk identification and mitigation practices used by other public companies; and
- scheduling of *in camera* sessions of the Human Resources Committee allowing the members of this committee to discuss and analyze the risks associated with the Corporation's compensation policies and practices without the presence of members of management.

In keeping with the above, during fiscal year 2021, the Human Resources Committee reviewed Management's report about the Corporation's compensation policies and practices, taking into account risks associated therewith. The Committee has not identified any risks associated with the Corporation's compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

The Human Resources Committee is of the opinion that the total compensation of the executive officers is balanced to avoid any potential risk that may result from taking actions to maximize compensation without regard for the risk assumed by the Corporation.

Restrictions on trading and hedging of the Corporation's shares

The Corporation has adopted a policy refraining its directors and officers from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held directly or indirectly by the director or officer.

Minimum Ownership Requirements for Executive Officers

In order to align the interests of executive officers with those of shareholders, the Corporation has adopted in fiscal year 2022 a minimum share ownership requirement policy. As such, effective fiscal year 2022, the following executive officers will be required to hold a minimum number of securities of the Corporation whose total value must equal a multiple of their salary. The multiples are as follows:

Category	Securities Ownership Level
CEO and Executive Chairman	3 x annual base salary
Chief Financial Officer	2 x annual base salary
Vice-President	0.75 x annual base salary

The following securities count in determining whether the requirement is met: i) common shares owned directly, ii) common shares owned jointly or separately by the individual's spouse, iii) common shares held in trust for the benefit of the executive officer, the executive officer's spouse and/or children, and iv) PSUs (whether vested or not vested). Unexercised stock options do not count toward meeting these requirements.

The stock ownership requirement is based upon the executive officer's annual base salary or annual retainer and the determination of whether they meet the applicable requirement will be made in April of each year and will be based on the average closing price of the Corporation's common shares on the TSX for the 5 trading days preceding and including March 31.

The executive officers will have 5 years from the date they are appointed as executive officers of the Corporation to meet the requirement. In the event of an increase in an executive officer's base salary, such officer will have 3 years from the time of the increase to acquire additional securities required to meet the new requirement.

Once the executive officer's level of share ownership satisfies the applicable requirement, ownership level is expected to be maintained for as long as the executive officer is subject to the policy.

If an executive officer falls below the applicable requirement due solely to a decline in the value of the common shares, the executive officer will not be required to acquire additional common shares to meet the requirement, but he or she will be required to retain all common shares then held until such time as the executive officer again attains the target requirement.

The Human Resources Committee has the discretion to enforce the policy on a case-by-case basis and to evaluate whether exceptions from the requirements under the policy should be made in the case of any executive officer who, due to his or her unique financial circumstances, would incur a hardship by complying with the requirements.

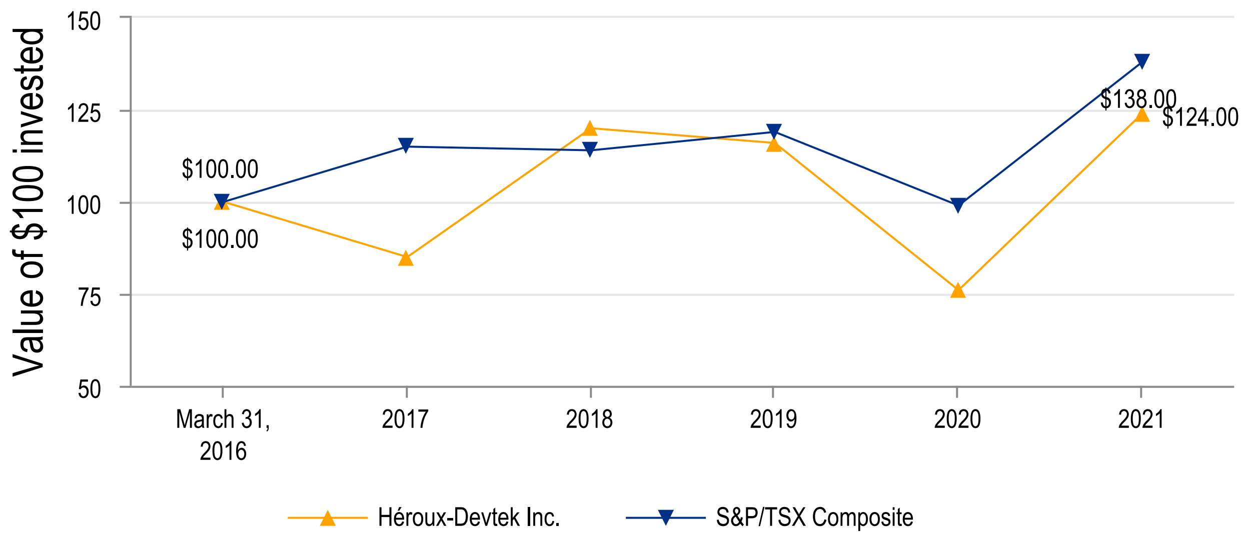
Clawback Policy

A compensation clawback policy (the "**Clawback Policy**") was adopted by the Corporation in fiscal 2022 which allows the Board to require the reimbursement of certain incentive or deferred compensation paid to certain officers, if such compensation was paid in whole or in part as a result of an act of fraud, dishonesty or gross negligence or material non-compliance with legal requirements or the Corporation's policies, any act or omission which would justify termination with cause or any failure to report or take action to stop such an act of another employee of the Corporation, or in the event where there has been a material misrepresentation or material error resulting in the restatement of the Corporation's financial statements, for any reason other than a restatement caused by a change in applicable accounting rules or interpretations.

The Clawback Policy applies to the Executive Chairman, the President and Chief Executive Officer, the Vice President and Chief Financial Officer or to any person holding the position of Vice-President of the Corporation and includes the following compensation paid or awarded to such individuals: annual performance bonus; Options; PSUs; and any realized gain received from the exercise of options or payment of PSUs, net of the exercise price paid, as applicable. Recovery under the Clawback Policy is limited to compensation paid, granted or awarded to, or received or earned by, or vested in the then current fiscal year and the immediately preceding three financial years and may be implemented through various forms, including direct reimbursement, deduction from salary or future payments, grants or awards of incentive compensation, or cancellation or forfeiture of vested or unvested Options, PSUs or any other share-based or option-based awards held by the individual.

Performance Graph

The following graph compares the total cumulative shareholder return for $100 invested in the Corporation's common shares on March 31, 2016 with the cumulative total return of the Toronto Stock Exchange's S&P/TSX Composite Index for the five most recently completed fiscal years up to March 31, 2021.



	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021
Héroux-Devtek Inc.	$100.00	$85.00	$120.00	$116.00	$76.00	$124.00
S&P/TSX Composite	$100.00	$115.00	$114.00	$119.00	$99.00	$138.00

The trend shown by the above graph is a positive total cumulative return for a shareholder over the past five years. Total compensation received by the Named Executives is generally in line with the trend, excluding Fiscal 2020.

The Corporation cannot establish a direct relationship between the Named Executives compensation during Fiscal 2020 and the evolution of the price of common shares over that period due to the unprecedented impact of the ongoing COVID-19 pandemic on financial markets and the commercial aerospace industry and, consequently, the Corporation's share price.

Complementary tests with respect to both the percentile ranks of the CEO's pay and the total shareholders' return over three years and the CEO's pay as a multiple of the estimated median CEO pay of the Comparator Group indicated no material pay and performance disconnect. Based on such results, there appeared to be no material disconnect between the CEO's total compensation and the total shareholders' return.

Summary Compensation Table

The following table sets forth, to the extent required by applicable securities legislation, all annual and long-term compensation for services in all capacities to the Corporation for the three most recent completed fiscal years in respect of the Named Executives.

Name and Principal Position	Year	Salary	Share-based awards (1)	Option-based awards (2)	Non-equity incentive plan compensation(3)	Pension Value	All other compensation(4)	Total compensation
Gilles Labbé(5) Executive Chairman of the Board	2020/21	$418,699	$219,584	$186,050	$460,568	$155,200	$62,102	$1,502,203
	2019/20	475,000	281,577	261,965	475,000	125,600	61,700	1,680,842
	2018/19	469,434	345,880	254,400	650,000	147,800	61,475	1,928,989
Martin Brassard(5) President and Chief Executive Officer	2020/21	400,000	253,620	289,750	540,000	31,200	9,149	1,523,719
	2019/20	391,667	454,693	376,710	480,000	6,700	24,548	1,734,318
	2018/19	345,926	173,814	169,600	375,000	13,319	24,782	1,102,441
Stéphane Arsenault Vice President and Chief Financial Officer	2020/21	285,000	133,523	122,000	250,000	25,430	10,645	826,598
	2019/20	280,833	238,537	151,550	200,000	13,900	11,858	896,678
	2018/19	254,375	157,255	106,000	205,000	12,718	10,078	745,426
Jack Curley Vice President and General Manager Central Region	2020/21	286,775	65,009	61,000	97,032	11,078	87,017	607,911
	2019/20	281,071	98,587	90,930	106,448	7,828	86,448	671,312
	2018/19	270,742	57,682	42,400	111,537	7,670	85,439	575,470
Dominique Dallaire Vice President and General Manager Eastern Region	2020/21	232,511	66,546	61,000	120,000	12,600	5,756	498,413
	2019/20	224,995	99,334	90,930	105,000	11,028	5,733	537,020
	2018/19	207,254	57,656	42,400	100,000	10,363	5,733	423,406

(1) Share-based Awards were made under the Purchase Plan and the PSU Plan. Value of Share-based Awards represents the Corporation's contribution under the Purchase Plan and the PSU grant date value. The PSU grant date value is equal to the number of PSUs granted multiplied by the Volume Weighted Average Price ("VWAP") during the five trading days preceding the grant date of the common shares (fiscal year 2019: $16.31; fiscal year 2020: $16.04; fiscal year 2021: $9.88). These amounts do not reflect the current value of the PSUs or the value, if any, that may be received when the PSUs are vested.

(2) The theoretical value of options is estimated at the date of grant using a binomial lattice model. The weighted average value per option granted was $3.05, $4.33 and $4.25 respectively for options granted in fiscal year 2021, 2020 and 2019.

(3) These amounts represent annual bonuses as more fully described under the heading "Compensation Discussion and Analysis- Annual Incentive Compensation" elsewhere in this Circular.

(4) All other compensation includes other benefits such as car usage or allowance, tax equalization payments and others. It also includes contribution to a personal pension fund for Mr. Martin Brassard prior to January 2020.

(5) Gilles Labbé became Executive Chairman of the Board of Directors on June 1st, 2019 and Mr. Martin Brassard became President and Chief Executive Officer in replacement of Mr. Labbé on such date.

Incentive Plan Awards

Outstanding Share-based Awards and Option-based Awards at the End of the Fiscal Year

	Option-based Awards				Share-based Awards[1]		
Name	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options[2]	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested[3]	Market or payout value of vested share-based awards not paid out or distributed [3]
Gilles Labbé	17,775	$11.31	Aug 15, 2021	$103,806			
	25,000	10.71	Jun 15, 2022	161,000			
	25,000	15.01	Jun 2, 2023	53,500			
	70,000	14.93	Mar 22, 2025	155,400			
	60,000	16.22	Jun 1, 2025	55,800			
	60,500	16.03	May 31, 2026	67,760			
	61,000	9.83	May 29, 2027	446,520			
					22,337	$373,747	$698,546
Martin Brassard	10,469	$11.31	Aug 15, 2021	$61,139			
	30,000	11.45	Nov 24, 2021	171,000			
	23,000	10.71	Jun 15, 2022	148,120			
	15,000	15.01	Jun 2, 2023	32,100			
	40,000	14.93	Mar 22, 2025	88,800			
	40,000	16.22	Jun 1, 2025	37,200			
	87,000	16.03	May 31, 2026	97,440			
	95,000	9.83	May 29, 2027	695,400			
					27,453	$458,236	$882,723
Stéphane Arsenault	9,280	$11.31	Aug 15, 2021	$54,195			
	25,000	10.71	Jun 15, 2022	161,000			
	10,000	15.01	Jun 2, 2023	21,400			
	25,000	14.93	Mar 22, 2025	55,500			
	25,000	16.22	Jun 1, 2025	23,250			
	35,000	16.03	May 31, 2026	39,200			
	40,000	9.83	May 29, 2027	292,800			
					14,892	$249,065	$505,254
Jack Curley	4,023	$11.31	Aug 15, 2021	$23,494			
	6,000	10.71	Jun 15, 2022	38,640			
	6,000	15.01	Jun 2, 2023	12,840			
	12,000	14.93	Mar 22, 2025	26,640			
	10,000	16.22	Jun 1, 2025	9,300			
	21,000	16.03	May 31, 2026	23,520			
	20,000	9.83	May 29, 2027	146,400			
					7,152	$119,907	$252,606
Dominique Dallaire	3,566	$11.31	Aug 15, 2021	$20,825			
	15,000	10.71	Jun 15, 2022	96,600			
	10,000	15.01	Jun 2, 2023	21,400			
	32,000	14.93	Mar 22, 2025	71,040			
	10,000	16.22	Jun 1, 2025	9,300			
	21,000	16.03	May 31, 2026	23,520			
	20,000	9.83	May 29, 2027	146,400			
					7,306	$122,548	$151,301

(1) *Share-based Awards were made under the Purchase Plan and the PSU Plan.*

(2) *This amount is calculated based on the difference between the closing share price at the end of fiscal year 2021 and the option exercise price. On March 31, 2021, being the last business day of fiscal year 2021, the closing price of the Corporation's common shares on the TSX was $17.15 (HRX-T).*

(3) *The value of the common shares under the Purchase Plan is calculated based on the closing share price at the end of fiscal year 2021. On March 31, 2021, being the last business day of fiscal year 2021, the closing price of the Corporation's common shares on the TSX was $17.15 (HRX-T). The value of units under the PSU Plan is calculated using the VWAP for the five trading days ending on March 31, 2021, being the last trading day in the fiscal year 2021 ($16.65). PSUs were valued based on the Corporation's expected results as compared to the PSU's performance conditions.*

Value Vested or Earned during the Year

Name	Option-based awards – Value vested during the year [(1)]	Share-based awards – Value vested during the year [(2)]	Non-equity incentive plan compensation – Value earned during the year [(3)]
Gilles Labbé	$16,100	$371,006	$460,568
Martin Brassard	9,200	363,614	540,000
Stéphane Arsenault	5,750	211,820	250,000
Jack Curley	2,760	89,454	97,032
Dominique Dallaire	7,360	89,815	120,000

(1) These amounts only represent in-the-money options vested during the year and are calculated based on the Corporation's common share value at such date when the options are vested.
(2) Share-based Awards were made under the Purchase Plan and the PSU Plan.
(3) These amounts represent bonuses earned in the fiscal year 2021 but paid in the fiscal year 2022 – Please refer to the "Compensation Discussion and Analysis - Annual Incentive Compensation" and "Summary Compensation Table" elsewhere in this Circular.

Equity Compensation Plans

Options granted by the Corporation are governed by the Stock Option Plan.

The following table shows, as of March 31, 2021, aggregated information for the Corporation's Stock Option Plan which is the only compensation plan under which equity securities of the Corporation are authorized for issuance from treasury.

Plan Category	Number of Common Shares to be Issued Upon Exercise of Outstanding Options and rights	Weighted Average Exercise Price of Outstanding Options and rights	Number of Common Shares Remaining Available for Future Issuance Under the Equity Compensation Plans
Equity Compensation Plans of the Corporation approved by the shareholders	1,449,095	$13.48	910,912
Equity Compensation Plans of the Corporation not approved by the shareholders	—	—	—
Total:	1,449,095	13.48	910,912

During fiscal year 2021, 349,000 options were granted under the Stock Option Plan at a weighted-average exercise price of $9.83.

In addition to the Stock Option Plan, the Corporation also maintains the Purchase Plan, the PSU Plan and the DSU Plan which provide long-term incentive to management, key employees and non-employee Directors of the Corporation based on the stock price of the Corporation.

The main features of these four equity compensation plans follow.

Stock Option Plan

The establishment of a balance between short and long-term compensation is essential for the Corporation's performance. For this reason, the Corporation has adopted the Stock Option Plan in 1986 allowing the grant of options to certain key employees of the Corporation and its business units.

In general, the Board determines the number of options granted annually based on a percentage of the target bonus of the Named Executives and key employees, established according to the level of responsibility and authority of such Named Executives. The total amount of options issued over the past years is looked at but does not have a material impact on the number of options to be granted to the employee.

Participants	Officers other than outside directors and key employees of Héroux-Devtek and its subsidiaries, as determined by the Board of Directors or the Human Resources Committee.
Term	The term of each grant is determined by the Board or the Human Resources Committee, subject to a maximum of seven years.
Expiry	Options expire under the following conditions, excluding maturity at term: 1) vested options expire 60 days (or longer at the discretion of the Board or Human Resources Committee) following termination of employment for any reason other than death, disability or retirement 2) all options, vested or not, expire upon termination for cause 3) vested options expire 180 days (or longer at the discretion of the Board or Human Resources Committee) following death, disability or retirement Under no circumstances do options expire later than their initial term.
Vesting conditions	Vesting conditions are determined by the Board or Human Resources Committee. Options granted generally vest in tranches beginning one year following the grant date and include a performance vesting condition based on the price of the Corporation's common shares.
Exercise price	The exercise price may not be lower than average closing price of the Corporation's common shares for the five days preceding the grant.
Authorized securities	The total number of common shares currently issuable under the Stock Option Plan shall not exceed in the aggregate 2,808,257 common shares (representing approximately 7.6% of the common shares outstanding as at March 31, 2021).
Insider participation limit	As defined by the TSX: 1) the number of shares issuable to insiders under all security-based compensation arrangements may not exceed 10% of the total issued and outstanding Common Shares at the award date. 2) the number of shares issued to insiders during any one-year period may not exceed exceed 10% of the total issued and outstanding Common Shares.
Maximum issuable to one person	1) The number of common shares issued to one insider pursuant to the Stock Option Plan, within a one-year period, shall not exceed 5% of the total number of common shares outstanding at each date of such issue of common shares; 2) The aggregate number of common shares issued or which could be issued under the Stock Option Plan to any one beneficiary shall not exceed 20% of the aggregate number of common shares issuable under the Stock Option Plan.
Assignment or transfer	Options awarded under the Stock Option Plan may not be transferred or assigned.
Change of control	In the event of a change of control, the Board may make such provision for the protection of the rights of the participants in the event of a change of control as the Board at its sole discretion considers appropriate in the circumstances.
Blackout	If the term of an option arrives during a trading blackout, the term of the option is extended for ten business days following the end of the blackout period, or ten business days less the number of business days elapsed between the end of the black out period and the end of the term, as applicable.
Options outstanding	As at March 31, 2021, 1,449,095 options were outstanding representing 3.9% of the issued and outstanding common shares. Such options were exercisable at exercise prices ranging from $9.83 to $16.22 per share and were due to expire up to May 29, 2027.
Annual burn rate	The burn rate of securities issued related to his plan stood at 1.0%, 0.9% and 0.6% for each of the fiscal years ended March 31 2021, 2020 and 2019, respectively.

Amendment procedures

The Board may, without the approval of the shareholders of the Corporation but subject to receipt of requisite approval from the TSX, in its sole discretion make the following amendments to the Stock Option Plan:

a. any change to the vesting provisions of an option or of the Stock Option Plan;
b. any change to the termination provision of an option or the Stock Option Plan which does not entail an extension beyond the expiry date;
c. any addition to, deletion from or amendment of the Stock Option Plan or of an option that is necessary to comply with applicable law or the requirements of any regulatory authority or stock exchange;
d. any amendment to correct or rectify any ambiguity, defective provision, error or omission in the Stock Option Plan or an option; and
e. any other amendment that does not require shareholder approval under the Stock Option Plan.

The approval of the Board and the requisite approval from the TSX and the shareholders shall be required for any of the following amendments to be made to the Stock Option Plan:

a. any increase in the number of common shares reserved for issuance under the Stock Option Plan, including a change from a fixed number of common shares to a fixed maximum percentage;
b. any reduction in the subscription price of an option (for this purpose, a cancellation and reissue of options to the same beneficiary with a lower subscription price is considered an amendment to reduce the subscription price of an option);
c. any extension of the term of any option benefiting an insider;
d. any change to the eligible beneficiaries which would have the potential of broadening or increasing insider participation;
e. the addition of any form of financial assistance;
f. any amendment to a financial assistance provision which is more favourable to beneficiaries; and
g. any amendment to the amendment section of the Stock Option Plan.

PSU Plan

The PSU Plan for management and key employees of the Corporation and its subsidiaries was adopted by the Board on August 6, 2014 and is intended to enhance the Corporation's ability to attract and retain qualified management and key employees, to promote a proprietary interest in the Corporation and to focus management and key employees on operating and financial performance, corporate strategies and total long-term shareholders' return.

The PSU Plan is administered by the Human Resources Committee. The PSU Plan enables the participants to receive upon fulfillment of certain performance vesting conditions, a cash amount equal to the market price of a common share on the determination date for each vested PSU. The number of PSUs to be granted is determined on the basis of the VWAP of the common shares of the Corporation traded on the TSX, for the five trading days preceding the date of the award of the PSUs.

Participants	Management and key employees of the Corporation and its subsidiaries, as determined by the Board of Directors or the Human Resources Committee.
Term	December 1st of the third calendar year following the award of PSUs, unless otherwise determined by the Board of Directors or Human Resources Committee.
Expiry	PSUs expire under the following conditions, excluding maturity at term: 1) immediately following termination of employment for any reason other than death, disability or retirement; 2) upon disability or death, all PSUs granted to a participant shall vest on a pro-rata basis as of the date of disability or death, with the remainder being cancelled; 3) upon retirement of a participant over the age of 60 with over ten years of consecutive service in the employment of Héroux-Devtek or its subsidiaries, all PSUs granted to said participant vest on a pro-rata basis as of the date of retirement, with the remainder being cancelled.
Vesting conditions	Vesting conditions are determined by the Board or Human Resources Committee, and are generally based on achieving a targeted level of adjusted EBITDA over each of the three fiscal years following the date of grant, determined based on the Corporation's budget and strategic plan. One third of each PSU award generally vests on March 31st of each fiscal year following its grant, provided the performance vesting condition set by the Board of Directors or Human Resources Committee is met.
Payout amount and date	PSUs are paid out in cash at term. The payment amount is equal to the volume weighted average trading price of the Corporation's shares for the five trading days prior to the end of the term multiplied by the number of PSUs.
Assignment or transfer	PSUs may not be transferred or assigned.
Change of control	At all times, the Board may make such provision for the protection of the rights of the participants in the event of a Change of Control as the Board at its sole discretion considers appropriate in the circumstances.
Blackout	As PSU Payments are made on a predetermined schedule, they are not affected by blackout periods.
PSUs Outstanding	As at March 31, 2021, 300,150 PSUs were issued and outstanding.

Amendment procedures

The Board may at any time, amend the PSU Plan as it deems necessary or appropriate. Such amendment shall be ratified by the Board of each relevant subsidiary.

Purchase Plan

On September 2, 2004, the Board approved the Purchase Plan to induce key employees to hold, on a permanent basis, common shares of the Corporation. The Purchase Plan was amended in 2006, 2011 and 2019.

Membership in the Purchase Plan is optional and is valid for one Purchase Plan year at a time, namely for the period beginning January 1 and ending December 31 of each calendar year. An eligible management employee shall become a participating employee only if he joins the Purchase Plan by completing the enrollment form and if he subscribes with respect to said Purchase Plan year, for a number of shares whose aggregate price shall equal between 2% and 10% of the employee's annual salary as at the date of his enrollment, without exceeding 10% of said annual salary. The Corporation makes matching contributions of between 1.25% and 5.25%.

Participants	Management employees of the Corporation or its subsidiaries, as designated by the Board or the Human Resources Committee, who have more than 6 months of continuous service unless that condition is otherwise waived by the Board of Directors or the Human Resources Committee.
Term	Common shares of the Corporation do not have a term.
Subscription price	Prior to January 1, 2019, shares issued under the Purchase Plan were issued at a price equal to 90% of the weighted average closing price of the Corporation's stock for the five trading days prior to the subscription. Since January 1, 2019, all shares are purchased on the market at fair value.
Vesting conditions	One third of the common shares purchased over a calendar year will become vested on July 1 of each of the three following years.
Termination of employment	The following terms relate to termination of employment: 1) if the employment of a participant ends for any reason other than death, disability or retirement, all unvested shares resulting from employer contributions are forfeited. All unvested shares purchased with employee contributions vest immediately; 2) upon retirement, disability or death, all unvested shares shall vest.
Assignment or transfer	The rights and privileges related to common shares cannot be assigned or transferred.
Change of control	At all times, the Board may make such provision for the protection of the rights of the participants in the event of a Change of Control as the Board at its sole discretion considers appropriate in the circumstances.
Blackout	Insiders cannot trade in shares of the Corporation during a blackout period. As payroll deductions are scheduled and automated, contributions continue during a blackout.
Annual burn rate	The burn rate of securities issued related to his plan stood at 0.0%, 0.0% and 0.1% for each of the fiscal years ended March 31 2021, 2020 and 2019, respectively.
Authorized securities	Since January 1, 2019, no more common shares will be issued under this plan.

Amendment procedures

The Board has full and complete responsibility for the Purchase Plan, which includes, without restriction, the power to adopt, amend, suspend or terminate the Purchase Plan, as it deems necessary or desirable, provided that such acts do not retroactively affect the rights of the participating employees under the Purchase Plan and that the approval of the regulators and the self-regulatory organizations, if necessary, is obtained. The Purchase Plan does not require that an amendment thereto be approved by the shareholders of the Corporation.

DSU Plan

The DSU Plan for non-employee directors adopted by the Board in May 2011, as amended, is intended to enhance the Corporation's ability to attract and retain high quality individuals to serve as members of the Board and participate in the Corporation's long-term success and to promote a greater alignment of interests between the Corporation's non-employee directors and its shareholders.

The DSU Plan is administered by the Human Resources Committee. The DSU Plan enables the participants to receive upon termination of service as director, a cash amount equal to the market price of a common share on the termination date for each vested DSU. The number of DSUs to be granted is determined on the basis of the VWAP of the common shares of the Corporation traded on the TSX, for the five trading days preceding the date of the award of the DSUs.

Participants	Non-employee directors of the Corporation.
Term	DSUs do not have a fixed term.
Expiry	DSUs expire under the following conditions, at which time they are paid out: 1) upon termination of service as a Director; 2) upon death or disability of the participant.
Vesting conditions	DSUs vest immediately on the award date, unless the director has elected to receive such DSUs in lieu of cash for their annual retainer. DSUs received under election as annual retainer usually vest 1/12 during each month of service, the last day of each month.
Payout amount and date	The cash payment amount upon termination is equal to the volume weighted average trading price of the Corporation's shares for the five trading days prior to the end of the term multiplied by the number of DSUs.
Assignment or transfer	DSUs may not be transferred or assigned.
Blackout	Should the service of a Board member terminate during a blackout period, the DSUs will be paid out following the blackout period at a rate equal to the volume weighted average trading price of the Corporation's shares for the five trading days following the end of the blackout multiplied by the number of DSUs.
DSUs Outstanding	As at March 31, 2021, 192,108 DSUs were issued and outstanding.

Amendment procedures

The Board may at any time amend the Plan as it deems necessary or appropriate.

Pension Plans

Defined Benefit Pension Plans

The pension payable to eligible executive officers is based on the years of credited service and a percentage of the average of the best three consecutive basic earnings (Average Earnings) at the date of retirement. For Gilles Labbé, this percentage is equal to 2% for all his credited service and his pension is not limited. The pension is payable at normal retirement date (first of the month coincident with or immediately following the executive's 65th birthday, or later if the participant works past this date), or as early as the first of the month following age 55. Upon early retirement, the pension is reduced by ¼ % for each month by which the early retirement date precedes the earliest of the following dates: executive's 60th birthday, executive's age plus continuous service equals 80, executive's continuous service equals 30 years.

The pension is payable from two sources: a registered Individual Pension Plan (IPP) and an unregistered Executive Retirement Plan (ERP). The IPP pays the pension up to the income tax limits and the excess is paid from the ERP. The IPP pension is funded through Corporation's and employee's contributions while the ERP pension is funded through Corporation's contributions to the Retirement Compensation Arrangements (RCA).

In the event of a change in control of the Corporation, the ERP benefits shall be fully funded upon the closing of such change of control and no reduction would be applied on the pension upon early retirement.

The following table shows the retirement benefits for each eligible Named Executives under the defined benefit pension plans:

Name	Number of years of Credited Service (1)	Annual Benefits Payable (2)		Accrued Obligation at start of year (3)	Compensatory Change (4)	Non-Compensatory Change (5)	Accrued Obligation at year end (6)
		At year end	At age 65				
Gilles Labbé	38.52	$359,600	$360,565	$5,819,700	$155,200	$118,000	$6,092,900

(1) Number of years of credited service as at March 31, 2021.

(2) The annual lifetime benefit at year-end is payable from normal retirement age and is based on years of credited service and pensionable earnings as at March 31, 2021. The annual lifetime benefit payable at age 65 is based on years of credited service as at age 65 and pensionable earnings as at March 31, 2021.

(3) The accrued obligation at start of year is the value of the accrued retirement benefits as at March 31, 2020 based on assumptions and methods in respect of fiscal year ended March 31, 2020, as disclosed in the Corporation's financial statements available on SEDAR at www.sedar.com and a copy of same will be provided free of charge, upon request, to any shareholder of the Corporation.

(4) The compensatory change in the accrued obligation includes service cost net of employee contributions and difference between actual and estimated earnings.

(5) The non-compensatory change in the accrued obligation includes changes in assumptions, employee contributions and interest on the accrued obligation at the start of the year.

(6) The accrued obligation at year-end is the value of the accrued retirement benefits as at March 31, 2021 based on assumptions and methods in respect of fiscal year ended March 31, 2021, as disclosed in the Corporation's financial statements available on SEDAR at www.sedar.com and a copy of same will be provided free of charge, upon request, to any shareholder of the Corporation.

Defined Contribution Pension Plan

Under the Canadian defined contribution pension plan offered to executive officers working in Canada ("the Canadian Plan"), the Corporation contributes an amount equal to the executive officers' contributions (between 3% and 5% of base salary), subject to the income tax limits, to a savings account opened on their behalf. The contributions of both Mr. Brassard and Mr. Arsenault have been waived and the Corporation contributes 10% of their base salary up to the income tax limits.

Under the 401k plan offered to executive officers working in the US, the Corporation contributes an amount equal to the executive officers' contributions (up to 2% of base salary) plus 50% of the executive officers' contributions for the next 2% of base salary, subject to the Internal Revenue Service limits, to a savings account opened on their behalf.

The executive officers' accounts accumulate with interest according to their investment instructions. At retirement, the executive officers receive their account balance.

The following table shows the accumulated values for each eligible Named Executive under the defined contribution pension plans:

Name	Accumulated Value at start of year(1)	Compensatory(2)	Non-Compensatory(3)	Accumulated Value at year end(4)
Martin Brassard(5)	$603,200	$31,200	$142,100	$776,500
Stéphane Arsenault	468,500	25,430	117,800	611,730
Jack Curley	182,630	11,078	77,606	271,314
Dominique Dallaire	153,800	12,600	56,200	222,600

(1) The accumulated value at start of year is the account balance as at April 1, 2020.

(2) The compensatory component represents the amount of employer contributions from April 1st, 2020 to March 31, 2021.

(3) The non-compensatory component represents the amount of employee contributions and investment earnings from April 1st, 2020 to March 31, 2021.

(4) The accumulated value at year end is the account balance as at March 31, 2021.

(5) Mr. Brassard entered the plan on January 1,2020. Effective April 1, 2020, his accumulated value under a prior plan was consolidated into the employer plan.

Termination and Change of Control Benefits

With respect to the Named Executives, individual employment agreements stipulate that, in the case of termination of employment initiated by the Corporation for reasons other than cause, severance payments are as follow:

Termination by the Corporation Without Cause

Named Executives	Severance Payments	Maximum Payments	Total Estimated Payments(1)
Gilles Labbé	6 months + one month per year of service	24 months	$2,521,693
Martin Brassard	6 months + one month per year of service	24 months	2,468,039
Stéphane Arsenault	6 months + one month per year of service	24 months	1,488,829
Jack Curley	one month per year of service	18 months	707,730

(1) *Including salary, benefits and value of in-the-money vested options and vested PSUs as of March 31, 2021.*

Gilles Labbé, Martin Brassard and Stéphane Arsenault undertake to not solicit the Corporation's customers or employees for a period of 24 months and that they would not compete with the Corporation for a period of 12 months.

Some of the Named Executives could also receive the bonus, included above, that otherwise would have been payable for the fiscal year in which cessation of employment occurs, but prorated, provided the Named Executive has completed at least six months of employment in said year. The Named Executive will have a period of at least 60 days following cessation of employment to exercise the options already vested.

Termination of Employment Following Change in Control

Named Executives	Severance Payments	Maximum Payments	Total Estimated Payments(1)(2)
Gilles Labbé	6 months + one month per year of service	24 months	$3,357,722
Martin Brassard	6 months + one month per year of service	30 months	3,874,150
Stéphane Arsenault	6 months + one month per year of service	24 months	2,033,560
Jack Curley	one month per year of service	18 months	707,730

(1) *Including salary, benefits and value of in-the-money options and PSUs as of March 31, 2021, for Gilles Labbé, Martin Brassard and Stéphane Arsenault..*
(2) *Including salary, benefits and value of in-the-money vested options and vested PSUs as of March 31, 2021, for Jack Curley.*

Gilles Labbé, Martin Brassard and Stéphane Arsenault undertake to not solicit the Corporation's customers or employees for a period of 24 months and that they would not compete with the Corporation for a period of 18 months.

ADDITIONAL INFORMATION

INTERESTS IN MATERIAL TRANSACTIONS

None of the Corporation's directors, officers, nominees for election as directors, other insiders of the Corporation or any persons associated with or otherwise related to any of the foregoing has had an interest in any material transaction carried out since the beginning of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or is likely to materially affect the Corporation or any of its subsidiaries.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Corporation's directors, officers, nominees for election as a director, nor any associate of the foregoing is indebted to the Corporation or any of its subsidiaries.

AUDIT COMMITTEE

Reference is made to Item 10 - Audit Committee of the Corporation's Annual Information Form ("**AIF**") that contains the information required by section 5.1 and Form 52-110F1 of Regulation 52-110. The Corporation's AIF is available on SEDAR at www.sedar.com and a copy of same will be provided free of charge, upon request, to any shareholder of the Corporation.

NORMAL COURSE ISSUER BID

The Corporation has a normal course issuer bid ("**NCIB**") on the TSX which allows for the purchase for cancellation of up to 10% of the public float of the Corporation's common shares as at May 12, 2021 (or up to 2,412,279 shares). The current NCIB enables the Corporation to purchase common shares for cancellation on the open market through the facilities of the TSX and through alternative trading systems, as well as outside the facilities of the TSX by private agreements pursuant to exemption orders issued by securities regulators. A copy of the Corporation's Notice of Intention relating to its NCIB may be obtained free of charge from the Secretary. See the heading Additional Information at the end of the Circular.

The Corporation was authorized to purchase common shares under the current NCIB commencing on May 25, 2021 and may continue to do so until May 24, 2022, or until such earlier date when the Corporation will either have acquired the maximum number of common shares allowable under the NCIB or elected to terminate the NCIB. As at June 16, 2021, the Corporation had purchased for cancellation 309,727 common shares under its NCIB for approximately $5.5 million at a weighted average price of $17.87 per common share.

APPROVAL

The contents and the sending of this Circular have been approved by the directors of the Corporation.

(s) François Renaud

Longueuil, Québec
June 16, 2021

François Renaud
Secretary

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Shareholders may contact the Corporation at the following address to request copies of the Corporation's consolidated financial statements and Management Discussion & Analysis: Secretary, Héroux-Devtek Inc., Suite 600, West Tower, Complexe Saint-Charles, 1111 Saint-Charles Street W., Longueuil, Québec, Canada, J4K 5G4. These documents are also available on the Corporation's Web site at www.herouxdevtek.com and on SEDAR at www.sedar.com. Financial information is provided in the Corporation's comparative consolidated financial statements and Management Discussion & Analysis: for its most recently completed financial year.