

ANNUAL INFORMATION FORM

For The Fiscal Year Ended

December 31, 2008

SAVARIA CORPORATION

2724 Étienne-Lenoir

Laval QC H7R 0A3

Dated: March 27, 2009

TABLE OF CONTENTS

FORWARD LOOKING STATEMENTS	- 3 -
CORPORATE STRUCTURE	- 3 -
GENERAL DEVELOPMENT OF THE BUSINESS.....	- 5 -
DESCRIPTION OF THE BUSINESS.....	- 6 -
A. Elevators and Accessibility Products	- 7 -
B. Adapted Transportation	- 8 -
RISKS FACTORS	- 8 -
DIVIDENDS.....	- 15 -
GENERAL DESCRIPTION OF CAPITAL STRUCTURE	- 15 -
MARKET FOR SECURITIES	- 16 -
ESCROWED SECURITIES.....	- 16 -
DIRECTORS AND OFFICERS	- 17 -
PROMOTERS	- 20 -
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL CONTRACTS.....	- 22 -
AUDIT COMMITTEE INFORMATION	- 21 -
TRANSFER AGENT AND REGISTRAR.....	- 22 -
MATERIAL CONTRACTS	- 23 -
INTEREST OF EXPERTS	- 22 -
ADDITIONAL INFORMATION	- 22 -
SCHEDULE A: AUDIT COMMITTEE’S CHARTER.....	- 24 -

FORWARD LOOKING STATEMENTS

Certain statements in this Annual Information Form (“**AIF**”) and in management's report in the 2008 annual report constitute forward-looking statements which are based on management's beliefs and information currently available to management, as well as on a number of assumptions concerning future events made by management. The use of words such as "anticipate", "believes", "could", "expect", "may", "estimate", "continue", "intend", and similar expressions, are intended to identify forward-looking statements. These statements are intended to express known and unknown risks, uncertainties and other factors which may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Management believes the expectations expressed by these statements are based on reasonable assumptions, but no assurance can be given that these expectations will prove to be correct. Forward-looking statements should only be relied upon with this caution in mind.

Forward-looking statements in this AIF include, but are not limited to, statements with respect to future capital expenditures, including the amount and nature of such expenditures, currency fluctuations, business strategy, including integration of acquisitions, expansion and growth of the Corporation's business and operations, including the Corporation's market share and position, and other such matters. The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of risks, uncertainties and assumptions which are difficult to predict, including, general economic, market and business conditions, incorrect assessments of the value of acquisitions, fluctuations in foreign exchange or interest rates, increase competition, lack of available qualified management and key employees, changing technology and other factors, many of which are beyond the control of the Corporation. These factors should not be exhaustive and readers should also consider the items set out under the heading "Risk Factors" in this AIF. Except as required under applicable securities law, management is under no obligation to update or revise any forward-looking statements. These statements reflect only information as of the date of this AIF.

CORPORATE STRUCTURE

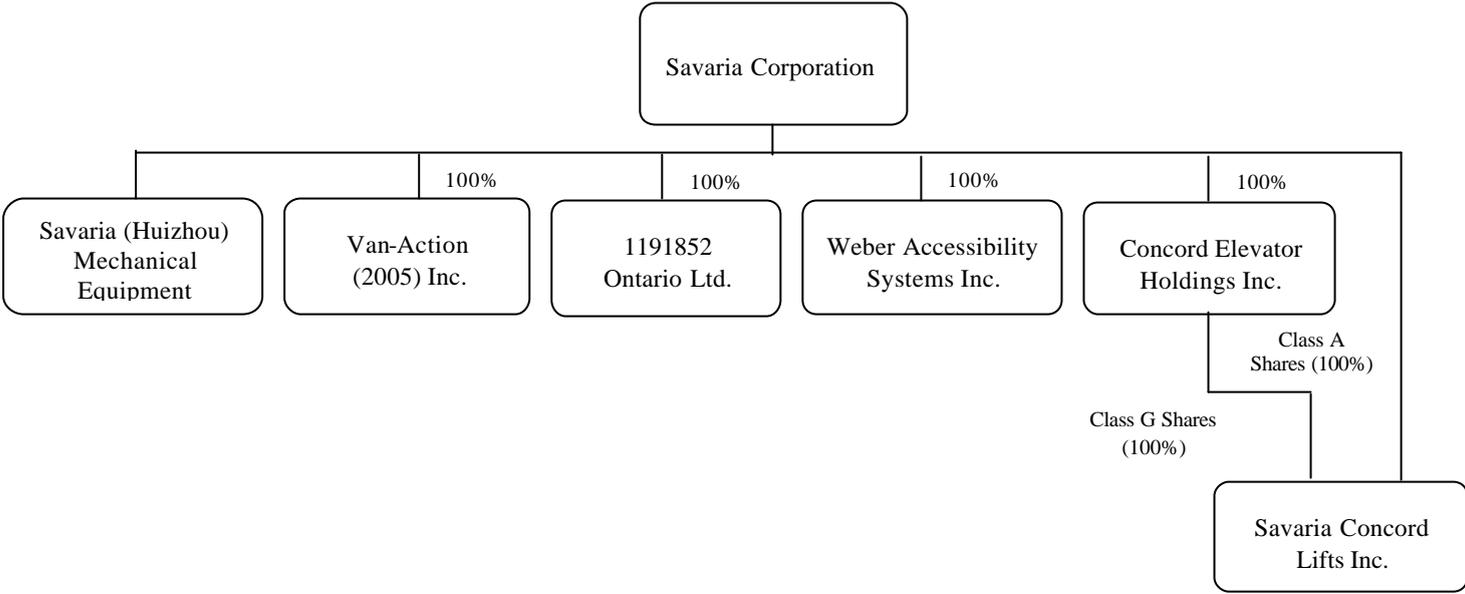
Incorporation of the Issuer

Savaria Corporation (“**Savaria**” or the “**Corporation**”) was incorporated by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) on October 25, 1999. The Articles of the Corporation were amended by Certificate of Amendment dated January 18, 2000, to delete the private company provisions including restrictions on resale. The Articles were amended again by a Certificate of Amendment dated July 25, 2000, consolidating the issued and outstanding common shares. A Certificate of Amendment dated December 21, 2001 provided for the changing of the name of the Corporation to Savaria Corporation, creating a

Series "A" first preferred shares and providing for shareholders' meetings to be held outside of the Province of Alberta and were restated by a Certificate of Amendment and Registration of Restated Articles dated January 4, 2002.

The Corporation's head office is located at 2724 Étienne-Lenoir, Laval QC H7R 0A3 and its registered office is located at Third Floor, 14505 Bannister Road S.E., Calgary AB T2X 3J3.

Intercorporate Relationships



Savaria has six subsidiaries as indicated in the chart above. Savaria owns, directly and indirectly 100% of the issued and outstanding shares of these subsidiaries.

1. Concord Elevator Holdings Inc. (“**Concord Holdings**”). Concord Holdings was incorporated on July 26, 2002, pursuant to the laws of the State of California. Concord Holdings, along with Corporation, holds all of the issued and outstanding shares of Savaria Concord (see below). The head office of Concord Holdings is located at 107 Alfred Kuehne, Brampton Ontario, L6T 4K3. Concord Holdings was acquired by Savaria on September 14, 2005.

2. Van-Action (2005) Inc. (“**Van-Action**”). Van-Action was incorporated pursuant to the laws of the Province of Quebec. Van-Action is engaged in converting and adapting vehicles for the physically challenged and distributes its products mostly in Canada and also in Europe. The head office is located at 4870 Courval, St-Laurent Quebec, H4T 1L1.

3. Weber Accessibility Systems Inc. (“**Weber**”). Weber was incorporated pursuant to the laws of the State of Vermont. This subsidiary is inactive.

4. 1191852 Ontario Limited, carrying on business as Richardson Elevator (“**Richardson**”), formerly named Robertson. Richardson was incorporated pursuant to the laws of the Province of Ontario. This subsidiary is inactive.

5. Savaria Concord Lifts Inc. (“**Savaria Concord**”). Savaria Concord (formerly Concord Elevator Inc.) was incorporated pursuant to the laws of the Province of Ontario. In 2006, Savaria Concord’s wholly owned subsidiary, Services Industriels Savaria Inc. was wound up into Savaria Concord. Savaria Concord is the operating company which carries out the design, manufacturing and marketing of the Corporation’s accessibility equipment and elevators. The head office of Savaria Concord is located at 107 Alfred Kuehne Blvd, Brampton Ontario, L6T 4K3.

6. Savaria (Huizhou) Mechanical Equipment Manufacturing Co. Ltd. (“**Savaria Huizhou**”). Located in Huizhou, China, the entity assembles accessibility equipment components and finished products for the benefit of the Corporation and its subsidiaries and also for external sales. The Corporation included this related party as a variable interest entity (“VIE”) in its scope of consolidation as at December 31, 2007. In August 2008, the capital stock of this entity was transferred to the Corporation.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

2006

With the acquisitions of all the assets of Van-Action Inc. in June 2005 and the acquisition of all of the issued and outstanding shares of Concord Holdings in September 2005, the Corporation was able to achieve sales of approximately \$60 million on an annualized basis in 2006. It was also starting to benefit from certain synergies such as the greater use of Asian suppliers by the Brampton, Ontario plant.

In June 2006, direct sales outside of the Montreal region were discontinued in order to fully support Savaria’s dealers. As a result of this decision, operations of Weber and Richardson came to an end.

During that year, Savaria’s employees focused their energy on integrating Concord’s operations. Considering its new size, the Corporation could more than ever enjoy an enviable reputation, an extensive North American distribution network, skilled employees, established suppliers, and a solid financial balance sheet.

2007

In 2007, the main challenge of the Corporation was to deal with the increase in the value of the Canadian dollar. To counter the erosion of its operating earnings, Savaria took action on two fronts: firstly, the Corporation closed its Laval manufacturing facilities in December 2007 in order to transfer its production to its facility in Brampton, Ontario and that of a related party in China; and secondly, the Corporation increased its purchases from China.

In 2007, Savaria also introduced new product lines: the “Eclipse”, a new residential elevator that does not require a mechanical room, and a new line of automatic door openers that fit perfectly with its elevators and platform lifts.

The strength of its balance sheet permitted the Corporation to repurchase 911,000 shares under its share repurchase and cancellation program.

2008

In the first quarter of fiscal 2008, the Corporation closed the sale of the Laval building and thereby realized a gain of \$2 million. The integration of the operations transferred to Toronto was finalized; this consolidation provided a greater operational efficiency and significant cost savings.

The subsidiary Van-Action finalized the development of a vehicle called “TX Plus”, with a rear entry in addition to a side entry, for adapted transport of people with mobility problems.

During the year, the Corporation signed two agreements. Firstly, an agreement with the Italian company Vimec S.R.L. (“Vimec”) for the sale of Vimec’s products in North America via Savaria’s distribution network. Secondly, an agreement with Merits Health Products Co. (“Merits”) granting Savaria the exclusive distribution of Merits’ motorized wheelchairs and electric scooters in Canada and the right to sell them in the United States.

DESCRIPTION OF THE BUSINESS

Savaria Corporation’s operations are divided into two reportable segments: Elevators and Accessibility and Adapted Transportation. Its products are used for both commercial (60%) and residential (40%) applications. Savaria generates approximately 54% of its revenues from the U.S. and 40% from Canada with the balance occurring on the international market.

A. Elevators and Accessibility products

Summary

Savaria Concord designs, manufactures and distributes accessibility equipment for people with mobility challenges and elevators for residential use. A total of thirteen products, manufactured and assembled at its Brampton, Ontario plant, are sold through a network of over 600 retailers across North America, managed by the Corporation's six regional sales managers.

Savaria Concord products meet the requirements of Canadian Standards Association ("**CSA**") or American Society of Mechanical Engineers ("**ASME**"). The applicable standards and codes are CSA B355 (Lifts for Persons with Physical Disabilities), ASME A18.1 (Safety Standard for Platform Lifts and Stairway Chairlifts) and CSA B44 (Safety Code for Elevators). These safety standards specify minimum requirements for the design, construction, installation and testing of lifting equipment.

Production

Savaria Concord designs and manufactures its accessibility products and elevators at its manufacturing facilities in Brampton, Ontario.

Product testing is conducted at the same facility. When parts are received, they are compared to the original design criteria. Samples are selected from each newly received shipment and are submitted through rigorous tests. Once the samples have successfully passed all quality control tests, the product is sub-assembled. Other components are then painted, followed by the assembly of the electric/electronic components. All parts and components are brought together and assembled into the finished product. Quality control, inspection, and examination are performed by non-assembly employees who specialize in the quality control process.

Competitive Conditions

There are four major competitors to Savaria Concord within the North American accessibility equipment industry. The majority of the information relating to competition in the accessibility equipment industry was obtained through corporate websites and information provided directly by Savaria Concord.

ThyssenKrupp Access Corp., Grandview, Missouri, USA

Bruno Independent Living Aids, Inc., Oconomowoc, Wisconsin, USA

Garaventa (Canada) Ltd., Surrey, British Columbia, Canada

Residential Elevators, Inc., Crawfordville, Florida, USA

Components

Among Savaria Concord's products, approximately 1,800 parts are used in total. Savaria Concord acquires 60% of required parts from outside sources and assembles and paints the final products. Drawings of the various components used to assemble final products are submitted to sub-contractors that supply these parts to Savaria Concord on a "just-in-time basis". Suppliers are expected to compete on price, delivery, service and quality. Most parts are stocked for four-week cycles and approximately 65% are purchased in Canadian dollars.

Employees

The Corporation employs a total of 308 people, 183 in assembly, 99 in administration, 8 in installation, 13 in sales and marketing and 5 in research and development.

Foreign Operations

Savaria Concord's foreign operations are sales and purchases. The Corporation generates approximately 63% of its revenues from the U.S., 32% from Canada and the balance on the international market. Regarding purchases, approximately 65% are from Canada, 16% are imported from the U.S., 14% are imported from China and the balance from the international market. See also, "Risk Factors - General - Currency Fluctuations" below.

B. Adapted Transportation

Summary

Van-Action's principal business is to adapt automotive vehicles and to offer mainly lowered-floor minivans and raised-ceiling vans, vehicles ideally suited to transporting people in wheelchairs. Van-Action also distributes and installs lifting platforms, motorized winches, various manual controls and other accessories to facilitate the driving abilities of people with reduced mobility. Located in Ville St-Laurent, Quebec, Van-Action generates revenues of close to \$9 million, half of which come from Quebec agencies.

Production

Van-Action designs, tests and manufactures lowered-floor minivans to accommodate wheelchairs. Their line of production has a capacity of 35 vans per month. The line includes seven stages starting with disassembling the interior of the van, cutting open the floor, welding a new floor in place, painting, rewiring the electricity, reassembling the van and performing road tests.

Competitive Conditions

There are six major competitors to Van-Action within North America:

Liberty Motor Company LTD, Oakville, Ontario, Canada.

Freedom Motors of Oakville, Ontario, Canada.

Braun Corporation of Winamac, Indiana, USA.

Vantage Mobility International, Phoenix, Arizona, USA.

Eldorado Nationa, Salina, Kansas, USA.

Eclipse Conversions, Elkhart, Indiana, USA.

Components

Approximately 300 parts are used to adapt the vans. Of this number, 80% are from outside sources. Most parts are stocked for four-week cycles and approximately 95% are purchased in Canadian dollars.

Employees

The Corporation employs a total of 63 people, 38 in assembly, 11 in administration, 7 in sales and marketing and 7 in research and development.

Foreign Operations

Van-Action sells approximately 78% of its production in Canada and 22% in Sweeden. 75% of its purchases are in Canadian dollars and the rest are in US dollars.

RISK FACTORS

The risks and uncertainties described below are not the only ones Savaria may face. Additional risks and uncertainties not presently known to the Corporation or that it currently deem immaterial may also impair business operations. If any of the following risks actually occurs, the business, financial conditions or results of operations could be materially adversely affected.

General

Financing - Savaria may require additional financing in the future. The ability of the Corporation to arrange such financing in the future will depend, in part, upon the prevailing capital market conditions, as well as the business performance of the Corporation. There can be no assurance that Savaria will be successful in its efforts to

arrange additional financing on terms satisfactory to the Corporation. If additional financing is raised by the issuance of shares from treasury of the Corporation, shareholders may suffer additional dilution and control of the Corporation may change. If adequate funds are not available, or are not available on acceptable terms, Savaria may not be able to take advantage of opportunities, develop new products or otherwise respond to competitive pressures.

Limited Product Lines and Risk of Delays - Most of Savaria's sales are currently derived from a limited number of products and such products are expected to account for a substantial portion of the Corporation's revenues in the near term. In addition, the Corporation may experience delays in the development of new products and the enhancement of existing products in the future.

Costs - Fixed costs, including costs associated with leases, labour costs, amortization and interest expense account for a significant portion of the Corporation's costs and expenses. As a result, downtime or low productivity resulting from lower demand, equipment failure or other factors could result in significant operating losses for Savaria.

Growth Related Risks - Savaria's potential growth will place significant demands on management and other resources. The Corporation's ability to manage its growth effectively will require it to continue to develop and improve its operational, financial and other internal systems, as well as its business development capabilities and to train, motivate and manage its employees. If Savaria is unable to finance and manage its growth effectively, such inability could have a material adverse effect on the quality of its products, its ability to retain key personnel and its business, financial condition and results of operations.

Currency Fluctuations – Savaria realizes approximately 60% of its sales in foreign currencies and accordingly is exposed to market risks related to foreign exchange fluctuations between the Canadian dollar and the U.S. dollar. As a result, any decrease in the value of the U.S. dollar relative to the Canadian dollar reduces Savaria's profitability. The Corporation partially compensates for these risks by purchasing materials in U.S. dollars and using derivative financial instruments such as foreign exchange forward contracts. These contracts are contracts under which the Corporation is obligated to sell U.S. dollars at a fixed rate.

Investments – The Corporation holds investments in the amount of US\$3 M that are invested in ABCP issued by SLATE Trust and ROCKET Trust. This ABCP had a "R1-(high)" rating according to Dominion Bond Rating Services ("DBRS") and met the Corporation's investment criteria at its acquisition date. The ABCP held by the Corporation matured on various dates between August 30 and September 5, 2007. In mid-August 2007, a number of non-bank sponsors of ABCP, including those with which the Corporation had invested, announced that they could not place ABCP due to

unfavourable conditions in Canadian capital markets. As a result, there is presently no active market for the ABCP held by the Corporation.

On December 24, 2008, the Pan Canadian Investor Committee announced that the final terms of the restructuring plan had been agreed to, this confirmed to the Corporation that its ABCP would be replaced by long-term floating rate notes ("New Notes"). Therefore, as at December 31, 2008, the non-bank ABCP remained the subject of a restructuring process that was completed on January 21, 2009. The restructuring plan pooled all the underlying assets from all the ABCP trusts with the exception of those assets designated as ineligible for pooling ("Ineligible Assets") and those series of assets backed exclusively by traditional financial assets ("Traditional Assets"). The pooled notes are principally backed by structured credit products ("Synthetic Assets").

Consequently, the Corporation's ABCP that had its assets pooled was replaced on January 21, 2009 with two classes of asset-backed notes named A1 and C in declining order of seniority issued by Master Asset Vehicle 2 ("MAV 2").

ABCP relating to Ineligible Assets and Traditional Assets was replaced with new tracking notes whose characteristics are designed to track the performance of the particular assets of the series to which they correspond.

Summary of Valuation

The fair value estimate of the New Notes to be received under the restructuring plan has been calculated based on information provided by the Pan Canadian Investor Committee as well as Ernst & Young Inc., the Monitor of the restructuring.

Evaluation

The Corporation has estimated the fair value of ABCP at December 31, 2008 using the following methodology and assumptions. Using available information, the Corporation determined or estimated the principal characteristics of the New Notes, including the interest rate, maturity date and credit rating. Then, it estimated the yield that a potential investor would require in order to purchase each class of New Notes. The Corporation then used this information to calculate a net present value for each class of New Notes.

In the case of the A1 notes, it is estimated that they will pay interest at a rate 0.5% less than the bankers' acceptances ("BA") rate and it is estimated that prospective buyers of those notes will require premium yields of between 5% and 7% in excess of the BA rate.

The Class C notes pay interest at a rate of 20% above the BA rate. On the other hand, it is not expected that any interest will be paid out since these notes are subordinated to the Class B notes that are, in turn, subordinated to the Class A1 and A2 notes. In light of this subordination, the Class C notes are viewed as highly speculative with regard to the ultimate payment of principal at maturity in 2056. Accordingly, it is expected that the Class C notes have a fair value of approximately 12% of par value.

The notes backed by Traditional Assets are estimated to generate interest income of 0.5% above the BA rate and a prospective buyer of those notes is estimated to require a premium of 3% over the BA rate.

The notes backed by Ineligible Assets are estimated to generate interest of approximately 0.5% above the BA rate and a prospective investor will require yields of between 10% and 100% in excess of the BA rate. These higher yield requirements reflect the observation that some of the underlying assets are significantly distressed in today's market.

Based upon a sensitivity analysis of the assumptions used, the expected yield required by a potential investor remains the most significant assumption included in the fair value estimate. Based on this exercise, the Corporation estimated that the range of potential values of the new notes was between US\$1.64 million and US\$1.29 million. As at December 31, 2008, the fair value of investments in ABCP was estimated at US\$1,46 M and these investments are presented on a long-term basis.

Competition

There are a number of companies marketing and distributing accessibility equipment. Some of these companies may have substantially more financial and technical resources, more extensive research and development capabilities, greater marketing, distribution, and human resources and products already accepted in the market place. See "Competitive Conditions", above.

The accessibility equipment industry is subject to technological change. There can be no assurance that developments by others will not render Savaria's products non-competitive or that it will be able to keep pace with technological developments. Some of these products may have an entirely different approach or means of accomplishing the desired result than products being developed by Savaria and could be more effective and less costly than Savaria's products.

Key Personnel

Savaria believes its future success will depend upon its ability to retain its key management personnel, including Marcel Bourassa, the Corporation's President and CEO, because of his experience and knowledge regarding the development, special opportunities and challenges of Savaria's business. The Corporation may not be successful in attracting and retaining key employees in the future. Savaria's future success and its ability to expand its operations will also depend in large part on its ability to attract and retain additional qualified marketing, sales and technical personnel. The Corporation may not be able to hire, train, retain, motivate and manage required personnel or to successfully identify, manage and exploit existing and potential market opportunities. Competition for these types of employees is intense due to the limited number of qualified professionals. Failure to attract and retain personnel, particularly

marketing, sales and technical personnel could make it difficult for the Corporation to manage its business and meet its objectives.

Product Liability

Savaria, like other manufacturing companies, is subject to a variety of potential liabilities connected with its business operations, including potential liabilities and expenses associated with possible product defects. The Corporation's products are highly complex and sophisticated and, from time to time, contain design and manufacturing defects that are difficult to detect and correct. There can be no assurance that errors will not be found in new products after commencement of commercial shipments or, if discovered, that the Corporation will be able to successfully correct such errors in a timely manner or at all. In addition, despite tests carried out by the Corporation on all of its products to achieve, as much as possible, first pass product success, there is no assurance that Savaria will be able to fully simulate the environment in which its products will operate. As a result, the Corporation may be unable to adequately detect design and manufacturing defects in its products and they may only become apparent when the products are installed. The consequences of such errors and failures could have a material adverse affect on the Corporation's business, financial condition and results of operations.

Consistent with industry practice, Savaria allows customers to return products for warranty repair, replacement or credit. Although the Corporation will provide allowances for anticipated returns, and management believes that the policies of the Corporation have resulted in the establishment of allowances that are adequate, there is no assurance that such product returns will not exceed such allowances in the future and as a result may have a material adverse effect on future operating results. If any of the products distributed by Savaria prove defective, the Corporation may be required to refund the price of or replace the product. Replacement or recall of such products may cause the Corporation to incur significant expenses and adversely affect the reputation of Savaria and its products.

Savaria maintains product liability and other insurance coverage which it believes to be generally in accordance with industry practices. Nevertheless, such insurance coverage may not be adequate to fully protect the Corporation against substantial damage claims which may arise from product defects and failures.

Government Regulation

All Savaria products are submitted to, and meet the requirements of the CSA and the ASME. Although Savaria intends to seek any other necessary approvals for future products, there can be no assurance that the codes and standards relating to such approvals will not change, thus requiring additional approvals, or that Savaria will be able to secure all necessary approvals at acceptable costs or within desired time frames.

Return on Investment

Savaria may continue to expand its operations or product lines through the acquisition of additional businesses, products or technologies. There can be no assurance that the Corporation will be able to identify, acquire or profitably manage additional businesses or successfully integrate any acquired businesses, products or technologies into the Corporation without substantial expenses, delays or other operational or financial problems. Furthermore, acquisitions involve a number of special risks, including diversion of management's attention, failure to retain key acquired personnel, unanticipated events or circumstances and legal liabilities, some or all of which could have a material adverse effect on the Corporation's business, results of operations and financial condition. In addition, there can be no assurance that acquired businesses, products or technologies, if any, will achieve anticipated revenues and income. An acquisition could also result in a potentially dilutive issuance of equity securities. If a strategy of growth through acquisition is pursued, the failure of the Corporation to manage this strategy successfully could have a material adverse effect on Savaria's business, results of operations and financial condition.

Operating Results

There is no assurance that the Corporation will achieve profitability in the future or that it will be able to generate sufficient cash from operations, or to raise sufficient financing, to fund its operations. Savaria's annual and quarterly results are affected by a number of factors. The primary factors affecting operating results are the level and timing of customer orders, fluctuations in materials costs and the mix of materials costs versus labour and manufacturing overhead costs. Other factors affecting annual and quarterly operating results include price competition, the Corporation's experience manufacturing a particular product, the efficiencies achieved by the Corporation in managing inventories, fixed assets and manufacturing capacity, the timing of expenditures in anticipation of increased sales, the timing of acquisitions and related integration costs, customer product delivery requirements, product defects, shortage of raw materials or labour, expenditures or write-offs related to acquisitions, distribution and marketing costs, expenses relating to expanding existing manufacturing facilities and overall economic conditions in the accessibility equipment industry. Any one of these factors or a combination thereof could have a material adverse effect on the Corporation's results of operations, business, prospects and financial condition and could cause variability of results from period to period.

Healthcare Reimbursement

Savaria's ability to grow sales of accessibility equipment may depend, in part, on the extent to which reimbursement for the cost of such products will be available from government health administration authorities, private health coverage insurers, and other organizations. Third-party payers are increasingly challenging the price of medical equipment. There can be no assurance that third-party coverage will be available to assist potential buyers of Savaria's products.

Proprietary Rights

Much of Savaria's rights to know-how and technology may not be patentable, though this know-how and technology may constitute trade secrets. There can be no assurance that the Corporation will be able to meaningfully protect its rights to trade secrets. To help protect its rights, Savaria may require employees, consultants, suppliers and sub-contractors to enter into confidentiality agreements. There can be no assurance that these agreements will provide meaningful protection for the Corporation's rights to trade secrets, know-how or other proprietary information in the event of any unauthorized use or disclosure. Further, Savaria's business may be adversely affected by competitors who independently develop competing technologies.

Technological Alteration

Savaria's products are manufactured to specifications designated by each country within which product is sold. A country can announce changes to its specifications for equipment design that can materially affect Savaria's production, design and implementation processes, thereby forcing the absorption of additional costs while adjusting to the new specifications.

DIVIDENDS

During each of the years indicated, the Corporation declared the following dividends per share:

	2008	2007	2006
Common Shares	\$0.063	\$0.082	\$0.022

In May 2008 and April 2007, Savaria paid a dividend of \$0.063 and \$0.082 per common share corresponding to 50% of the prior year's earnings before income taxes and amortization. In 2006, dividend represented 25% of net earnings of the prior year.

GENERAL DESCRIPTION OF CAPITAL STRUCTURE

The Corporation is authorized to issue an unlimited number of common shares, first preferred shares and second preferred shares, all without nominal or par value. As at the date of this AIF, 27,468,514 common shares are issued and outstanding as fully paid and non-assessable. No first or second preferred shares are issued and outstanding as at the date of this AIF.

The holders of the common shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per share at meetings of the shareholders of the Corporation and, upon liquidation, to receive such assets of the Corporation as are distributable to the holders of the common shares.

MARKET FOR SECURITIES

Trading Price and Volume

The Corporation's common shares trade on the Toronto Stock Exchange under the symbol "SIS". As at March 27, 2009 the closing price of the common shares was \$0.70. The trading price of the common shares for the period of January 1, 2008 to December 31, 2008 was as follows:

Month	Price per share			Volume
	High	Low	Close	
January 2008	\$1.23	\$0.95	\$1.10	1,100,650
February 2008	\$1.15	\$1.00	\$1.03	381,170
March 2008	\$1.08	\$1.03	\$1.08	26,296
April 2008	\$1.20	\$1.08	\$1.08	35,700
May 2008	\$1.19	\$0.90	\$1.00	107,882
June 2008	\$1.05	\$0.79	\$0.94	48,650
July 2008	\$1.00	\$0.85	\$0.95	56,550
August 2008	\$1.14	\$0.80	\$1.04	22,110
September 2008	\$1.12	\$0.80	\$0.82	77,650
October 2008	\$0.94	\$0.50	\$0.66	44,870
November 2008	\$0.70	\$0.55	\$0.58	57,750
December 2008	\$0.60	\$0.50	\$0.50	84,285

ESCROWED SECURITIES

On September 14, 2005, the Corporation issued 4,249,984 common shares at \$1.40 per share in order to acquire 100% of the outstanding capital stock of Concord Elevator Holdings Inc. The cost per share was based on the market price that applied on the date of the acquisition but which was discounted to reflect a two-year sales restriction, one third of which was freed up in September 2007, a second third in September 2008 and the last third will be freed up in September 2009. Of the total shares issued, 133,234 shares at \$1.50 per share are still under escrow to protect the Corporation against potential lawsuits or payments arising from events prior to the date of acquisition.

Escrowed Securities		
Designation of Class	Number of Securities held in Escrow	Percentage of Class
Common shares	133,234	0.5%

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

The following table sets out the name and municipality of residence of each of the directors and executive officers of the Corporation, their positions held in the Corporation, their principal occupation at present and during the preceding five years, and the number of common shares of the Corporation which that person has advised are beneficially owned by him or her, directly or indirectly, or over which control or direction is exercised, as of the date of this AIF. Each of these directors has been nominated for election at the Corporation's annual meeting. If elected, they will serve until the next annual meeting, their resignation or until their successors are elected or appointed in accordance with the *Business Corporations Act* (Alberta) and the by-laws of the Corporation.

Name and municipality of residence	Position with Savaria and principal occupation during the past five years	Common Shares beneficially owned and/or controlled and (percent of total issued and outstanding common shares)
Marcel Bourassa Laval, QC	President, Chief Executive Officer and a director of the Corporation since January 2002. President of the Corporation's wholly-owned subsidiary, Savaria Concord Lifts Inc., since 1989.	12,203,200 ⁽²⁾ (44.4%)
Jean-Marie Bourassa Montreal, QC	Chief Financial Officer and director of the Corporation since January 2002. Associate director of Bourassa Boyer, Chartered Accountant firm since 1980.	3,095,500 ⁽³⁾ (11.3%)
Robert Berthiaume Montreal, QC	Professional engineer with Savaria Concord Lifts Inc. since 1991. Director of the Corporation since January 2002.	256,000 (0.9%)

Name and municipality of residence	Position with Savaria and principal occupation during the past five years	Common Shares beneficially owned and/or controlled and (percent of total issued and outstanding common shares)
Normand Balthazard ⁽¹⁾ Montreal, QC	President and CEO of BioCapital Management Inc. since 1990. Chairman of Contact Image Corporation from November 2004 until March 2007. Director of the Corporation since March 2003.	75,000 (0.3%)
Peter Drutz ⁽¹⁾ Richmond Hill, ON	President of S&S Comfort Canada Inc. (dba Comfort Keepers) since August 2007; Chief Operating Officer of S&S Comfort Canada Inc. (dba Comfort Keepers) from October 2004 to August 2007. Executive Vice President, Retail of Indigo Books & Music Inc. from April 2003 to September 2004. President of OutThink in Toronto, ON from October 2002 to March 2003. Director of the Corporation since 1999.	82,766 (0.3%)
Jean-Louis Chapdelaine Pointe-Claire, QC	President of Saraguay Investment Inc. since 1975. Director of the Corporation since June 2005.	20,000 (0.1%)

(1) Members of the Corporation's Audit Committee. Mr. Balthazard is Chairman of the Audit Committee.

(2) Of the 12,203,200, common shares indicated, 11,500,000 are held indirectly through Les Éleveurs Savaria Inc. and 392,300 are held indirectly through 9099-4591 Quebec Inc., both of which are controlled by Marcel Bourassa and his family and 310,900 are held personally by Marcel Bourassa.

(3) Of the 3,095,500 indicated, 2,875,000 are held indirectly through Les Éleveurs Savaria Inc. which is controlled by Jean-Marie Bourassa and his family and 220,500 are held personally by Jean-Marie Bourassa.

The directors and officers of the Corporation, as a group, beneficially own or control, directly or indirectly, 15,732,466, or 57.3%, of the issued and outstanding common shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

1. None of the Corporation's directors or executive officers was, at the date of the AIF, or was within 10 years before the date of the AIF, a director, chief executive officer or chief financial officer of any company (including Savaria), that:
 - (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
 - (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purpose of subsection 1, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

2. Except as expressly stated below, none of the Corporation's directors or executive officers or any shareholder holding a sufficient number of securities of Savaria to affect material control of the Corporation
 - (a) was, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including Savaria), 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, or
 - (b) had within the 10 years before the date of the AIF, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or became subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

As mentioned previously, Mr. Balthazard was Chairman of Contact Image Corporation from November 2004 until March 23, 2007. On May 11, 2007 a wholly owned subsidiary of Contact Image Corporation, named Groupe Contact Image, filed for bankruptcy.

Conflicts of Interest

Directors and officers of Savaria may serve as directors or officers of, or have significant shareholdings in other companies, or be or become engaged in business and activities in the accessibility industry and/or other fields, on their own behalf and on behalf of other companies and entities. To the extent that such other companies or entities may participate in ventures in which the Corporation may participate, the directors or officers of the Corporation may have a conflict of interest. Conflicts of interest, if any, will be subject to the procedures and remedies under the *Business Corporations Act* (Alberta).

As at the date of this AIF, the Corporation is not aware of any existing or potential material conflicts of interest between the Corporation and a director or officer of the Corporation.

PROMOTERS

Marcel Bourassa and Jean-Marie Bourassa may be considered promoters of the Corporation. The following table sets out the number and percentage of each class of securities of the Corporation beneficially owned, directly or indirectly, or over which control is exercised by the promoters of the Corporation:

Name of Promoter and Position with Savaria	Number and Percentage of Voting Securities Held
Marcel Bourassa President, CEO and Director	12,203,200 ⁽¹⁾ common shares (44.4%)
Jean-Marie Bourassa Chief Financial Officer	3,095,500 ⁽²⁾ common shares (11.3%)

(1) Of the 12,203,200, common shares indicated, 11,500,000 are held indirectly through Les Éleveurs Savaria Inc. and 392,300 are held indirectly through 9099-4591 Quebec Inc., both of which are controlled by Marcel Bourassa and his family and 310,900 are held personally by Marcel Bourassa.

(2) Of the 3,095,500 indicated, 2,875,000 are held indirectly through Les Elevateurs Savaria Inc. which is controlled by Jean-Marie Bourassa and his family and 220,500 are held personally by Jean-Marie Bourassa.

The following table sets out the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received by the promoters directly or indirectly from Savaria or its wholly-owned subsidiary:

Name and principal position	Salary (\$)	Bonus	Other annual compensation	Securities under option	Any other items of value, received by the promoters from Savaria
Marcel Bourassa	\$175,000	nil	nil	nil	nil

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

On August 22, 2008, the Corporation paid an amount of \$216,055 to an employee and close relative of the President related to the transfer of the capital of a variable interest entity. During the fiscal year ended December 31, 2008, the Corporation recorded an amount of \$88,310 (2007: \$59,600) for services rendered by an entity whose officer is a director and Chief financial officer of the Corporation. Other than the foregoing, the directors, officers and principal shareholders of the Corporation (and the known associates and affiliates of such persons) have had no direct or indirect interest in any transaction involving the Corporation, or its subsidiaries in the last fiscal year or in any proposed material transaction.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

See Schedule A

Composition of the Audit Committee

Members of the Audit Committee are Normand Balthazard (Chair) and Peter Drutz. In May 2008, Mr. Kenneth McKinnon gave his resignation as member of the Audit Committee and was replaced in October 2008 by Mr. Robert Champagne. Mr. Champagne gave his resignation in January 2009. The Corporation relied on exemption 3.5 of rule 52-110 allowing to assign an Audit Committee member who is not independent for a period that does not exceed six months. Therefore, Jean-Marie Bourassa has been assigned as a temporary member of the Audit Committee in replacement of Mr. Robert Champagne. A recruiting process is presently taking place in order to fill the position with an independent member.

Besides Jean-Marie Bourassa, each member of the Audit Committee is independent and financially literate.

Relevant Education and Experience

Normand Balthazard

Mr. Balthazard is the founder, President and CEO of BioCapital Management. He has more than 20 years of investment expertise in private and public companies while managing a Venture Capital Fund and a Mutual Fund in Life Sciences. Mr. Balthazard was a founder, co-founder or lead investor of many private companies in the field of biotechnology, some of them now public companies such as Cryocath, Conjuchem, Labopharm, Neurochem and Methylgene. Prior to founding BioCapital, he was a senior partner in a brokerage firm that went public in 1987 and was bought by Desjardins Securities in 1988. Mr. Balthazard is on the board of the Armand-Frappier Foundation, which honoured him several years ago with an award in recognition of his contribution to the biotechnology sector in Quebec. He is also a member of the World Presidents' Organization (WPO).

Peter A. Drutz

Mr. Drutz obtained his Masters of Business Administration from the Faculty of Administrative Studies at York University in 1984. He was Executive Vice President of Retail for Indigo Books and Music from April 2003 to September 2004 and with Amex Canada Inc. from 1982 to 2003, the last 8 years as Vice President and General Manager of the Travel Services Network Division. Over this time, he gained experience in analyzing financial statements and he has an understanding of internal controls and procedures for financial reporting. He has gained an understanding of audit committee functions and governance through his involvement with Savaria and being on the board of directors of Amex Bank of Canada Inc. and other public corporations.

External Auditor Service Fees (By Category)

<u>Year Ended</u>	<u>Audit Fees</u>	<u>Audit Related Fees ⁽¹⁾</u>	<u>Tax Fees</u>	<u>All Other ⁽²⁾</u>
2008	\$160,000	\$8,000	0	\$14,000
2007	\$144,000	\$3,000	0	\$69,000

(1) Audit related fees relate to quarterly readings.

(2) Other fees relate mainly to Concord Holdings tax matters and other miscellaneous services.

TRANSFER AGENT AND REGISTRAR

The Corporation's transfer agent and registrar is Computershare Trust Company of Canada. Computershare maintains the Corporation's registers at 1500 University, suite 700, Montreal, Quebec, H3A 3S8.

MATERIAL CONTRACTS

Savaria has not entered into any material contracts that are not disclosed or otherwise entered in the ordinary course of business.

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP, Chartered Accountants, are the Corporation's auditors who prepared the Auditor's Report to the shareholders dated March 24, 2009, with respect to the consolidated annual financial statements of the Corporation for the year ended December 31, 2008. As of March 24, 2009, PricewaterhouseCoopers LLP is objective with respect to the Corporation within the meaning of the Code of Ethics of the Ordre des comptables agréés du Québec.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and options to purchase securities, will be contained in the Corporation's Information Circular for the annual meeting. Additional financial information is provided in Savaria's comparative financial statements for the year ended December 31, 2008. Copies of the Information Circular, annual report and the comparative financial statements may be obtained upon request from the Corporation at its corporate head office. Additional information relating to Savaria may also be found on SEDAR (System for Electronic Document Analysis and Retrieval) at www.sedar.com, and on Savaria's website at www.savariaconcord.com.

SCHEDULE A: AUDIT COMMITTEE'S CHARTER

1. General objectives

The Audit committee of Savaria (the "Committee") is established by and among the board of directors (the "Board") for the purpose of overseeing the accounting and financial reporting processes, as well as the audit of the financial statements of the Corporation.

2. Composition

The Committee shall be comprised of three or more directors as determined by the Board, none of whom are members of management of Savaria and all of whom are "independent" (as such term is used in Multilateral Instrument 52-110 — Audit Committees ("MI 52-110")) unless the Board shall have determined that the exemption contained in section 3.6 of MI 52-110 is available and has determined to rely thereon.

The expression "independent" shall mean a person with no direct or indirect relationship with the Corporation. A material relationship refers to a relationship that, in the opinion of the Corporation's Board of Directors, could reasonably interfere with a members' independent judgment.

All of the members of the Committee shall be "financially literate" (as defined in MI 52-110) unless the Board shall determine that an exemption under MI 52-110 from such requirement in respect of any particular member is available and has determined to rely thereon in accordance with the provisions of MI 52-110.

The expression "financial literacy" shall mean the ability to read and understand financial statements that are presenting accounting issues that could reasonably be raised in the Corporation's financial statements.

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board and remain as members of the Committee until their successors shall be duly elected and qualified.

Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

3. Organization

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The members of the Audit committee shall meet before or after each meeting without management. As part of its mandate to foster open communication, the Committee should meet at least annually with management and the external auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. The Chief Financial Officer may, at the discretion of the Committee, be present at meetings of the Committee and may be excused from all or part of any such meetings by the Chairman.

Minutes of all meetings of the Committee shall be taken and the Committee shall report the results of its meetings and reviews undertaken and any associated recommendations or resolutions to the Board. A written resolution signed by all Committee members entitled to vote on that resolution at a meeting of the Committee shall be a valid resolution of the Committee.

A quorum for meetings of the Committee shall be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board.

Members of the Committee may participate in a meeting of the Committee by means of telephone or other communication device or facilities that permit all persons participating in any such meeting to hear one another.

The Committee shall ensure the existence of an annual procedure to assess the performance of the audit Committee and its members.

4. Responsibilities and Duties

a) Financial Reporting and Disclosure of Documents

To fulfill its responsibilities and duties, the Committee shall:

- a. Review with management and the external auditors the annual financial statements and accompanying notes, the external auditors' report thereon and the related press release, including the information contained in management's discussion analysis, before recommending Board approval and prior to their release, filing and distribution.
- b. Review with management the quarterly financial statements and accompanying notes and the related press release, including the information contained in management's discussion analysis, before recommending Board approval and prior to their release, filing and distribution.

- c. Review the financial information contained in the annual information form, annual report, management proxy circular, prospectus and other documents containing similar information and prior to their release, filing and distribution with regulatory authorities in Canada.
- d. Ensure that the quarterly and annual audited financial statements of the Corporation are presented accurately, in accordance with generally accepted accounting principles, before recommending Board approval.
- e. Review with the external auditors and management the quality, appropriateness and adequacy of the Corporation's accounting principles and policies, underlying assumptions and financial reporting practices.
- f. Review, together with the Corporation's management and the external auditor, the proposed changes to the Corporation's accounting principles and policies, as well as the different estimates performed by management that could have a material impact on the financial information.
- g. Review the reports to management prepared by the external auditors and management's responses.
- h. Review of significant auditor findings during the year, including the status of previous audit recommendations.
- i. Ensure that adequate procedures are in place for the review of the public disclosure of financial information extracted or derived from the financial statements and periodically review those procedures.
- j. Review and update this Charter, as conditions dictate .

b) Risk management and Internal Controls

To fulfill its responsibilities and duties, the Committee shall:

- a. Ensure, through discussion with management and external auditors, the effectiveness of the internal controls and the reliability of the financial information disclosed.
- b. Remain informed, through the external auditors, of any weakness in the systems that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Corporation or from applicable laws and regulations.
- c. Review the financial and accounting aspects of transactions between related parties.
- d. Review risk management policies and procedures of the Corporation (i.e., hedging, litigation and insurance).
- e. Review the liability insurance coverage for the board members (annually and as required).
- f. Review requests for information from the *Autorité des marchés financiers* and any recommendations made and the steps taken by the Corporation to deal with any such issues.
- g. Assist the Board with the oversight of the Corporation's compliance with applicable regulatory requirements.

c) External Auditors

To fulfill its responsibilities and duties, the Committee shall:

- a. Be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
- b. Recommend to the Board the external auditors to be nominated for appointment by the shareholders.
- c. Recommend to the Board the terms of engagement of the external auditor, including their compensation and a confirmation that the external auditors shall report directly to the Committee.
- d. On an annual basis, review and discuss with the auditors all significant relationships the auditors have with the Corporation to determine the auditors' independence.
- e. Review the performance of the external auditors and approve any proposed discharge of the external auditors when circumstances warrant.
- f. When there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change.
- g. Periodically consult with the external auditors, without the presence of management, about internal controls and the fullness and accuracy of the organization's financial statements.
- h. Review, in consultation with the external auditor, the audit scope and plan of the external auditor.
- i. Pre-approve the completion of any non-audit services by the external auditors and determine which non-audit services the external auditor is prohibited from providing.
- j. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.

d) Ethical and Legal Compliance

To fulfill its responsibilities and duties, the Committee shall:

- a. Establish a procedure for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters.
- b. Establish a procedure for the confidential transmittal, on condition of anonymity, by the Corporation's employees of concerns regarding questionable accounting or auditing matters.

- c. Conduct and authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain, and to set and pay compensation for any independent counsel and other professionals to assist in the conduct of any investigation, subject to the Board approving any expenditure in excess of \$10,000 in this regard.
- d. See to the establishment and respect by the Corporation's Executive Management of the disclosure policy regarding financial information, operations, activities, facts or events having a material impact effect on the Corporation's financial condition.
- e. Perform any other activities consistent with this Charter, the Corporation's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

ADOPTED BY THE BOARD OF DIRECTORS ON DECEMBER 10, 2008