

AGM

to be held on May 22, 2019

SAVARIA CORPORATION

Notice of Annual General & Special Meeting of Shareholders

Including Management Proxy Circular

SAVARIA CORPORATION
NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

Dear Shareholder,

You are cordially invited to attend the annual general and special meeting (the “**Meeting**”) of the shareholders of SAVARIA CORPORATION (the “**Corporation**”) which will be held at the Loews Hôtel Vogue in the Paris I room, located at 1425 de la Montagne Street, Montréal, Québec, on **May 22, 2019, at 11:00 a.m. (EST)** for the following purposes:

- (a) to receive the audited financial statements of the Corporation for the year ended December 31, 2018, and the report of its auditors;
- (b) to elect the directors for the ensuing year;
- (c) to appoint KPMG LLP as the Corporation’s auditors for the ensuing year and to authorize the directors to fix their remuneration;
- (d) to adopt a resolution (the full text of which is reproduced at item 3.4 of this Management Proxy Circular) to approve and ratify the new general by-laws of the Corporation; and
- (e) to transact such other business as may properly be brought before the Meeting or any reconvened meeting following its adjournment.

The Corporation has elected to use the Notice and Access rules adopted by the Canadian Securities Administrators to reduce the volume of paper in the Meeting materials distributed for the Meeting. Instead of receiving the accompanying Management Proxy Circular with the proxy form or voting instruction form, shareholders will receive a Notice of Meeting with instructions on how to access the remaining Meeting materials online. The accompanying Management Proxy Circular and other relevant materials are available on the Internet at www.savaria.com/en/investor-relations/annual-quarterly-reports or under the Corporation’s profile on SEDAR at www.sedar.com. Shareholders are advised to review the Meeting materials prior to voting.

Any shareholder who wishes to receive a paper copy of the Meeting materials may, at no cost, request printed copies, by calling no later than May 12, 2019. Any shareholder with a 15-digit control number who wishes to receive a paper copy of the Meeting materials may, at no cost, request printed copies by calling the toll-free number 1-866-962-0498 if they are in North America, or by calling 1-514-982-8716 if they are outside North America. Any shareholder with a 16-digit control number who wishes to receive a paper copy of the Meeting materials may, at no cost, request printed copies by calling, no later than May 12, 2019, the toll-free number 1-877-907-7643.

Shareholders may exercise their rights by attending the Meeting or by completing the enclosed instrument of proxy (“**Proxy Form**”). If you are unable to attend the Meeting in person, please complete, date and sign the enclosed Proxy Form and return it in the envelope provided. Proxy Forms must be received by *Computershare Investors Services* (100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1) no later than 5:00 p.m. EST on May 17, 2019, or, if the Meeting is adjourned, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the reconvened meeting, otherwise the Proxy Form may be invalid. Shareholders of record at the close of business on April 5, 2019 are entitled to receive notice of and vote at the Meeting.

Your participation as a shareholder is very important to our Corporation. Please ensure your shares are represented at the Meeting.

By Order of the Board of Directors,

(s) Marcel Bourassa

Marcel Bourassa
President and Chief Executive Officer
Laval (Québec)
April 11, 2019

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SAVARIA CORPORATION

MANAGEMENT PROXY CIRCULAR

FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 22, 2019

1. NOTICE AND ACCESS RULES

The Corporation has elected to use the Notice and Access rules adopted by the Canadian Securities Administrators to reduce the volume of paper in the meeting materials distributed for the Meeting. Instead of receiving this Circular with a proxy form or voting instruction form, shareholders will receive a Notice of Meeting with instructions on how to access the meeting materials online. The Corporation sent the Notice of Meeting and proxy form directly to registered shareholders. The Corporation intends to pay for intermediaries to deliver the Notice of Meeting, voting instruction form and other meeting materials to the non-registered shareholders.

The Circular and other relevant materials are available on the Internet at www.savaria.com/en/investor-relations/annual-quarterly-reports or under the Corporation's profile on SEDAR at www.sedar.com.

If you would like to receive a printed copy of the meeting documents by mail, at no cost, you must request one no later than May 12, 2019. Any shareholder with a 15-digit control number who wishes to receive a paper copy of the Meeting materials may, at no cost, request printed copies by calling the toll-free number 1-866-962-0498 if they are in North America, or by calling 1-514-982-8716 if they are outside North America. Any shareholder with a 16-digit control number who wishes to receive a paper copy of the Meeting materials may, at no cost, request printed copies by calling the toll-free number 1-877-907-7643. To ensure that you receive the materials in advance of the voting deadline and Meeting date, all requests must be received no later than 10 business days before the Meeting to ensure timely receipt. If you request a paper copy of the materials, another Proxy Form or Voting Instruction Form will not be sent to you, so please retain the one received with the Notice of Meeting for voting purposes. To obtain a printed copy of the documents after the Meeting date, please call 1-514-982-7563.

2. VOTING INFORMATION

2.1 Solicitation of Proxies

This management proxy circular ("**Proxy Circular**") is provided in connection with the solicitation of proxies by the Management of SAVARIA CORPORATION (the "**Corporation**") for use at the annual general and special meeting of the shareholders of the Corporation to be held at the Loews Hôtel Vogue in the Paris I room, located at 1425 de la Montagne Street, Montréal, Québec, on May 22, 2019, at 11:00 a.m. (EST) (the "**Meeting**") and at any adjournments of the Meeting, for the purposes set out in the accompanying notice of the Meeting (the "**Notice of Meeting**"). The solicitation of proxies will be primarily by mail, but may also be by telephone or oral communications by the directors, officers and regular employees of the Corporation, at no additional compensation. The costs of preparation and mailing of the Notice of Meeting, the Proxy Circular and the instrument of proxy ("**Proxy Form**") as well as any such solicitation referred to above will be borne by the Corporation. Except as otherwise stated, the information contained in this Proxy Circular is given as of March 31, 2019.

2.2 Appointment of Proxy and Discretionary Authority

A shareholder has the right to designate a person or company (who need not be a shareholder of the Corporation) other than the individuals named on the Proxy Form enclosed, to attend and act on his or her behalf at the Meeting. Such right may be exercised by inserting, in the blank space provided, the name of the person or company to be designated and deleting therefrom the names of the management designees or by completing another proper instrument of proxy and in either case, depositing the resulting instrument of proxy at *Computershare Investors Services*, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, by 5:00 p.m. (EST), on May 17, 2019. The instrument

appointing a proxy shall be in writing and shall be executed by the shareholder or his or her attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

All shares represented at the Meeting by properly executed proxies will be voted in accordance with the instructions of the shareholders on any ballot that may be called for and where a choice with respect to any matter to be acted upon has been specified in the Proxy Form, the shares will be voted in accordance with such specification. In the absence of any such specifications, the management designees, if named as proxy, will vote IN FAVOUR of all matters set out therein. If a shareholder appoints a person designated in the Proxy Form or nominee, and where a choice with respect to any matters to be acted upon has not been specified, the Proxy Form will be voted IN FAVOUR of all the matters set out therein.

The enclosed Proxy Form, when properly signed, also confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting, or at any adjournment thereof. The management of the Corporation does not know of any matters which may be presented at the Meeting, other than the matters set out in the Notice of Meeting; but if other matters or amendments or variations do properly come before the Meeting, it is the intention of the persons named in the enclosed Proxy Form to vote such proxy according to their best judgment pursuant to the discretionary authority conferred by the Proxy Form with respect to such matters.

2.3 Revocation of Proxies

A shareholder or intermediary who has given a proxy, or his or her attorney authorized in writing, may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy, by instrument in writing executed by the shareholder or his or her attorney authorized in writing, or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized in writing and deposited either at the registered office of the Corporation or the office of *Computershare Investor Services*, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, 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 with the Chairperson of such meeting on the day of the Meeting or any adjournment thereof. In addition, a proxy may be revoked by the shareholder personally attending the Meeting and voting his or her shares.

2.4 Beneficial Holder of Shares

The information set out in this section is of significant importance to many shareholders of the Corporation, as a substantial number of the shareholders do not hold common shares in their own name. **Shareholders who do not hold their common shares in their own name (referred to in this Proxy Circular as “Beneficial Shareholders”) should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of common shares can be recognized and acted upon at the Meeting.** If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will more likely be registered under the name of the broker or an agent of a broker. In Canada, the vast majority of such shares are registered under the name of *CDS & Co.*, (the registration name for *CDS Clearing and Depository Services Inc.*, which acts as the nominee for many Canadian brokerage firms). Common shares held by brokers or their nominees can only be voted upon the instructions of the Beneficial Shareholders. Without specific instructions, brokers/nominees are prohibited from voting common shares for their clients. The Corporation does not know for whose benefit the common shares registered in the name of *CDS & Co.* are held. Therefore, Beneficial Shareholders cannot be recognized at the Meeting for purposes of voting the common shares in person or by way of proxy, except as set out below.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that the common shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to that provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder on how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to *Broadridge Investor*

Communication Solutions (“Broadridge”). Broadridge typically mails a scannable Voting Instruction Form in lieu of the Proxy Form. The Beneficial Shareholder is asked to complete and return the Voting Instruction Form to them by mail or facsimile. Alternatively, the Beneficial Shareholder can call a toll-free number to vote the common shares held by the Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. A Beneficial Shareholder receiving a Voting Instruction Form cannot use that Voting Instruction Form to vote common shares directly at the Meeting, as the Voting Instruction Form must be returned as directed by Broadridge well in advance of the Meeting in order to have the common shares votes. If you are a Beneficial Shareholder and wish to vote in person at the Meeting, please contact your broker or agent well in advance of the Meeting to determine how you can do so.

2.5 Voting Shares and Principal Shareholders

The authorized capital of the Corporation consists of an unlimited number of common shares, an unlimited number of First Preferred shares and an unlimited number of Second Preferred shares, of which 45,303,779 common shares were issued and outstanding as of March 31, 2019. There are no First Preferred or Second Preferred shares issued and outstanding at the date of this Proxy Circular.

Each common share entitles the holder thereof to one vote on all matters to come before the Meeting. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the common shares of the Corporation. The directors of the Corporation have established April 5, 2019 as the record date for determination of the persons entitled to receive notice of the Meeting.

Shareholders, as of the record date, are entitled to vote their common shares, except to the extent that they have transferred the ownership of any of their shares after the record date. The transferees of those common shares must produce properly endorsed share certificates or otherwise establish that they own the shares, and demand, not later than 10 days before the Meeting, that their name be included in the shareholder list before the Meeting, in which case the transferees are entitled to vote their common shares at the Meeting.

To the knowledge of the directors and senior officers of the Corporation, the only persons beneficially owning or controlling, directly or indirectly, shares carrying more than 10% of the voting rights attached to all shares of the Corporation as of the date of this Proxy Circular are:

Person	Number of Common Shares Owned, Controlled or Directed, Directly or Indirectly	Percentage of Outstanding Common Shares
Marcel Bourassa	14,516,500 ⁽¹⁾	32.04%

(1) Of the 14,516,500 common shares indicated, 13,399,300 are held indirectly through *Les Élevateurs Savaria Inc.* (Mr. Bourassa holds 80% of the voting rights of the latter, the other 20% is held by his brother, Jean-Marie Bourassa), 529,800 are held indirectly through *9099-4591 Québec Inc.*, 336,500 are held indirectly through *9264-4582 Québec Inc.* (the latter being a corporation of which the voting rights are controlled 50-50 by Mr. Marcel Bourassa and Mr. Jean-Marie Bourassa), 250,000 are held through *La Fondation Savaria Bourassa* and 900 are held personally by Marcel Bourassa.

3. PARTICULARS OF MATTERS TO BE ACTED UPON

3.1 Financial Statements and Auditors’ Report

The audited consolidated financial statements of the Corporation for the financial year ended on December 31, 2018 and the auditors’ report thereon will be presented at the Meeting, but no vote thereon is required or expected. These consolidated financial statements were sent to all registered shareholders (except to those who informed the Corporation, in writing, that a copy of the consolidated financial statements was not wanted) and to the Beneficial Shareholders who requested a copy of such documents. The Corporation’s consolidated financial statements are available on SEDAR

(www.sedar.com) as well as on the Corporation's website (www.savaria.com).

3.2 Election of Directors

The Corporation is required to have a minimum of three directors and a maximum of 12 directors. The Board of Directors of the Corporation has determined and fixed at eight the number of directors to fulfill the Board's responsibilities. At the Meeting, it is proposed that eight directors be elected to serve until the next shareholders' annual meeting or until their successors are elected or appointed in accordance with the *Business Corporations Act* (Alberta) and the by-laws of the Corporation.

All of the following nominees are incumbent directors of the Corporation who were elected to that position at last year's shareholders' annual meeting.

Unless otherwise directed, the Management representatives named in the accompanying Proxy Form intend to vote FOR the election as directors of the proposed nominees whose names are set forth below.

Director profiles

In the following profiles, equity ownership includes the value of the common shares the director beneficially owns or controls, directly or indirectly. Common shares are valued at \$15.22, the closing price of our common shares on the TSX on March 29, 2019 and the stock options are valued according to the Black-Scholes model used when granted.



Marcel Bourassa

Chairman, President and
Chief Executive Officer
SAVARIA CORPORATION

Mr. Marcel Bourassa is President and CEO of Savaria and Chairman of the Board. His career started in consulting, but he was quick to realize his entrepreneurial desire to manage his own business. In 1989, Mr. Bourassa purchased Savaria, a small lift manufacturer in Québec that had been founded 10 years prior. He was looking for a business with a bright future ahead and he saw that in Savaria, a business providing products to an aging population who would need accessibility equipment in the home, vehicles and public spaces.

He grew the business, adding new products over the years and expanding into the U.S. market. In 2002, he took Savaria public, and in 2005, the strategic acquisition of *Concord Elevator*, a leading manufacturer of residential elevators, gave the company new employees, products and added distribution. Mr. Bourassa has continued to lead Savaria with his passionate and driven style. In 2014, he created the *Bourassa Savaria Foundation*, a registered charity that supports Canadians with mobility challenges.

In 2018, Mr. Bourassa was honoured by *Les Affaires* as CEO of the Year for a medium-sized Canadian enterprise. Mr. Marcel Bourassa has a Bachelor of Business Administration from HEC Montréal.

His three adult children all work within Savaria, and he currently resides in the Greater Toronto Area.

Director since 2002

Not independent

2018 meeting attendance	100%
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Committee membership	None
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Other public company boards in the past five years	None
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Securities held	14,516,500 common shares ⁽¹⁾ 0 stock options Total equity ownership: \$220,941,130
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(1) Of the 14,516,500 common shares indicated, 13,399,300 are held indirectly through *Les Élévateurs Savaria Inc.* (Mr. Bourassa holds 80% of the voting rights of the latter, the other 20% is held by his brother, Jean-Marie Bourassa), 529,800 are held indirectly through *9099-4591 Québec Inc.*, 336,500 are held indirectly through *9264-4582 Québec Inc.* (the latter being a corporation of which the voting rights are controlled 50-50 by Mr. Marcel Bourassa and Mr. Jean-Marie Bourassa), 250,000 are held through *La Fondation Savaria Bourassa* and 900 are held personally by Marcel Bourassa.



Jean-Marie Bourassa

Chief Financial Officer
SAVARIA CORPORATION

Director since 2002
Not independent

Mr. Jean-Marie Bourassa has served as Chief Financial Officer of Savaria since January 2002. He cofounded *Bourassa Boyer Inc.*, chartered accountants in 1980 and served as President until 2018, when he became a consulting partner for the firm. He sits on the board of directors of *5N Plus Inc.*, a public Canadian corporation listed on the TSX. He has been chairman of the audit and risk management committee for 5N since 2007.

Mr. Bourassa served in various roles at the Vaudreuil-Soulanges *Palliative Care Residence Foundation*, from 2010 to 2016, including as chairman, co-president and president. He is a chartered professional accountant with a Bachelor of Business Administration from HEC Montréal and holds a certificate of corporate governance from Laval University.

2018 meeting attendance	100%
Committee membership	None
Other public company boards in the past five years	<i>5N Plus Inc.</i>
Securities held	117,500 common shares 0 stock options Total equity ownership: \$45,136,584.22 ⁽¹⁾

(1) This amount reflects the economic ownership he holds via the holding companies he owns with Marcel Bourassa (i.e. in *Les Éleveurs Savaria Inc.* (20%) and *9264-4582 Québec Inc.* (50%)).



**Peter Drutz
Lead Director**

President
KANKARE HOME
SERVICES INC.

Director since 2002
Independent

Mr. Peter Drutz has an extensive range of senior corporate and entrepreneurial business experience. Since October 2004, Mr. Drutz has been president of *KanKare Home Service Inc.* (dba *Comfort Keepers*), a national provider of in-home care for seniors. Previously, he was Executive Vice President, Retail with *Indigo Books and Music Inc.*, from 2003 to 2004, and was responsible for the retail operations of 275 Indigo, Chapters and Coles stores in Canada. Prior to joining Indigo, from 2002 to 2003, he was President of *OutThink Inc.*, a marketing and strategy firm specializing in fueling business growth. From 1982 to 2002, he was with *Amex Canada Inc.* and progressively held responsibility positions. In his later tenure, he was Vice President and General Manager of the *Travel Services Network* and a member of the Canadian executive team.

Mr. Drutz, who has been on the Board of Directors of Savaria since it went public, has served on the boards of *Amex Bank of Canada*, and in the not-for-profit sector, on the boards of *Temple Har Zion* and the *Bayview Golf and Country Club* (the latter with the portfolio of Governance and Human Capital). Mr. Drutz has a Master of Business Administration from York University (now the Schulich School of Business), an Honours BA from the University of Toronto and a Diploma in Human Resources and Labour Relations.

2018 meeting attendance	100%
Committee membership	Audit Committee and Nominating Committee
Other public company boards in the past five years	None
Securities held	140,125 common shares 50,000 stock options Total equity ownership: \$2,276,202.50



Mr. Jean-Louis Chapdelaine founded *Saraguay Investments* in 1977 and serves as President. Through his company, he has applied his entrepreneurial, financial and operational management skills to a variety of endeavours including investments in real estate and retail markets.

Mr. Chapdelaine graduated from the Institute of Graphic Arts in Montréal.

Jean-Louis Chapdelaine

President
SARAGUAY
INVESTMENTS INC.

Director since 2005

Independent

2018 meeting attendance	100%
Committee membership	Nominating Committee
Other public company boards in the past five years	None
Securities held	145,000 common shares 75,000 stock options Total equity ownership: \$2,375,400.82



Mr. Sylvain Dumoulin gained experience in public companies at *Grilli Property Group Inc.*, holding various positions from 1989 to 2002, the last four years as Vice President Finance and a member of the Board of Directors. In 1992, he was involved in the issuance of shares on the stock market, and from 1996 for several years, on the financial restructuring of the company. Building on this expertise, he is now a consultant for companies in the real estate and construction fields.

Mr. Dumoulin began his career at *Raymond, Chabot, Martin, Paré* (now *Raymond Chabot Grant Thornton*) as an auditor from 1986 to 1989, after obtaining a Bachelor of Business Administration from HEC Montréal. He is also a Chartered Professional Accountant.

Sylvain Dumoulin

Consultant

Director since 2010

Independent

2018 meeting attendance	100%
Committee membership	Chair of the Audit Committee
Other public company boards in the past five years	None
Securities held	90,000 common shares 50,000 stock options Total equity ownership: \$1,513,300



Alain Tremblay

Senior VP Finance & Operations
GESTION BENOÎT DUMOULIN INC.

Director since 2011
Independent

Mr. Alain Tremblay has extensive experience in management, particularly in finance and operations for the real estate and construction sectors. From 1996 to 2000, he worked as a financial analyst and then as Finance Director of Internal Audit for *Provigo/Loblaw* Companies. Subsequently, he served as Controller for *Gildan Activewear* and was strongly involved in the international implementation of various information systems. In 2002, he served as Vice President of Finance for *Grilli Property Group*. He then joined *Gouverneur Hôtels*, successfully leading a new ERP system implementation. Since 2013, he has worked as Senior Vice President Finance and Operations for *Gestion Benoit Dumoulin*, with a focus on real estate development and residential construction.

Mr. Tremblay holds a bachelor degree in Accounting from the Université du Québec à Montréal and a university certification in Corporate Governance from Université Laval. He is a Chartered Professional Accountant (CPA, CA) of the Order of Chartered Professional Accountants of Québec, Certified Corporate Director (ASC) of the College of Corporate Directors of Université Laval, and Chartered Director (C. Dir.) from The Directors College.

2018 meeting attendance	100%
Committee membership	Audit Committee and Chair of the Nominating Committee
Other public company boards in the past five years	None
Securities held	88,000 common shares 50,000 stock options Total equity ownership: \$1,482,860



Sébastien Bourassa

Vice President Operations and Integration
SAVARIA CORPORATION

Director since 2017
Not independent

Mr. Sébastien Bourassa began his career at Savaria as a teenager in a hands-on role, installing stair lifts and later managing the Montréal sales office. In 2002, he became Production Director for the Corporation's stair lift department.

With his keen vision for the future, Mr. Bourassa suggested that Savaria establish a presence in China in order to gain competitive advantages for production and supplier relationships. He opened a division of Savaria in China in 2007, which enabled Savaria to improve its efficiencies by building subassemblies for its North American elevating and lift products, while working closely with local suppliers to ensure that quality standards were met. Mr. Bourassa lived in China from 2009 to 2015. This initiative has provided critical advantages for Savaria and Savaria Huizhou has continuously grown in size.

Upon moving back to Canada in 2015, he became Operations Vice President for one year before taking on his current role. Mr. Bourassa has a Bachelor of Business Administration from HEC Montréal as well as an EMBA from Ivey Business School (Hong Kong). He resides in the Greater Toronto Area.

2018 meeting attendance	100%
Committee membership	None
Other public company boards in the past five years	None
Securities held	118,133 common shares 141,667 stock options Total equity ownership: \$1,878,401.01



Caroline Bérubé

Managing Partner
HJM ASIA LAW LLC

Director since 2017
Independent

Ms. Caroline Bérubé is the Managing Partner of *HJM Asia Law* (with offices in China and Singapore). She was admitted to practice in New York and Singapore and holds a BCL (civil law) and an LL.B. (common law) from McGill University (Montréal, Québec). She studied at the National University of Singapore with a focus on Chinese laws in 1998/1999. She worked in Singapore, Bangkok and China for a British and Chinese firm before setting up her own firm in 2007. Ms. Bérubé has represented international corporate clients and family-owned companies in M&A cross-border manufacturing and technology transactions and IP in the Asia Pacific region for 20 years. Ms. Bérubé was elected Secretary General of the Inter-Pacific Bar Association in April 2017. She is also the Co-Chair of the China Working Group of the International Bar Association (“IBA”) and is an officer of the Intellectual Property Committee of the IBA.

In 2015, Ms. Bérubé was selected as the Young Global Leader under 40 by the World Economic Forum given her entrepreneurship mindset and the various businesses she started and built over the last two decades in Asia. She teaches at Sorbonne Assas (Singapore campus) and Bocconi University (Milan) IP, Technology Law and M&A courses. Ms. Bérubé is also the author of the book “Doing Business in China” published by LexisNexis.

2018 meeting attendance	100%
Committee membership	None
Other public company boards in the past five years	None
Securities held	0 common shares 41,667 stock options Total equity ownership: \$122,750.90

The information relating to the shares beneficially owned, controlled or directed, not being within the knowledge of the Corporation, has been furnished by each of the respective candidates.

3.3 Appointment of the Auditors

The management of the Corporation proposes to nominate KPMG LLP as auditors for the Corporation until the next shareholders’ annual meeting and that their remuneration be fixed by the Board of Directors of the Corporation.

Unless otherwise directed, the management representatives named in the accompanying Proxy Form intend to vote FOR the appointment of KPMG LLP as the Corporation’s auditors to serve until the next annual meeting of the shareholders.

3.4 Approval of the Amended and Restated By-Laws of the Corporation

In December 2018, the Board undertook a review of the Corporation’s by-laws, which consisted of By-Law No. 1, general by-laws (“**1999 By-Law No. 1**”), and By-Law No. 2005-A, borrowing by-laws (“**By-Law No. 2005-A**”), both of which had been adopted by the Board and Shareholders many years ago. Following the Board’s review, it determined that the 1999 By-Law No. 1 should be updated to, among other things, reflect the current provisions of the *Business Corporations Act* (Alberta) (the “**ABCA**”), incorporate advance notice provisions and otherwise reflect current corporate governance best practices. Accordingly, at a meeting of the Board held on December 10, 2018, the Board adopted, amended and restated general by-laws of the Corporation (“**New By-Law No. 1**”) which replaced the 1999 By-Law No. 1 in its entirety. The New By-Law No. 1 is attached to this Circular as Schedule “A”. Pursuant to the requirements of the ABCA, the adoption of the New By-Law No. 1 must be submitted to Shareholders for confirmation.

Advance Notice Provisions in the New By-Law No. 1

One of the differences between the 1999 By-Law No. 1 and the New By-Law No. 1 is the introduction of provisions requiring advance notice of nominations of directors (the “**Advance Notice Provisions**”). The purpose of these provisions is to provide Shareholders, the Board and management of the Corporation with a clear framework for nominating directors to help ensure orderly business at Shareholder meetings and to ensure that all Shareholders receive adequate notice of director nominations and sufficient

information to make an informed decision. No person nominated by a Shareholder will be eligible for election as a director of the Corporation unless nominated in accordance with the Advance Notice Provisions.

Among other things, the Advance Notice Provisions fix a deadline by which Shareholders must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders. In the case of an annual meeting of Shareholders, notice to the secretary of the Corporation must be made not less than 30 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement. In the case of a special meeting of Shareholders (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes as well), notice to the Corporation must be made not later than the 15th day following the day on which the first public announcement of the date of the special meeting was made.

The Advance Notice Provisions also specify the information that a nominating Shareholder must include in the notice to the Corporation for the notice to be in proper form.

Description of Other Key Differences Between the 1999 By-Law No. 1 and the New By-Law No. 1

The following summarizes the other key substantive differences between the 1999 By-Law No. 1 and the New By-Law No. 1 and is qualified in its entirety by the text of the New By-Law No. 1, which is attached to this information circular as Schedule "A".

- The New By-Law No. 1 amends certain provisions relating to Shareholders' meetings to, among other things: (i) allow Shareholders' meetings to be held by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if so determined by the Board; (ii) increase the quorum requirement for Shareholders' meetings from any one person having not less than 5% of the votes entitled to be cast at the meeting to any two persons having not less than 25% of the votes entitled to be cast at the meeting; (iii) allow the chair of a Shareholders' meeting to conduct a vote by ballot instead of by show of hands; and (iv) provide the chair of a Shareholders' meeting with certain other powers to help ensure an orderly and efficient Shareholders' meeting.
- The New By-Law No. 1 amends certain provisions relating to Board meetings to, among other things: (i) remove the Chairperson's casting vote at Board meetings; (ii) provide greater certainty regarding the determination of the number of directors of the Corporation from time to time; and (iii) expand the list of persons who can chair a Board meeting and the list of persons who can act as secretary of the meeting to provide flexibility in the event the Chairperson or Secretary is not in attendance.
- The New By-Law No. 1 provides for the governance of committees of the Board.
- The New By-Law No. 1 provides enhanced indemnification protections for directors and officers by requiring the Corporation to advance money to directors or officers to pay the costs incurred in defending any actions or proceedings and also permits the Corporation to purchase indemnification insurance.
- The New By-Law No. 1 introduces provisions with respect to the payment of dividends, if any.
- The New By-Law No. 1 recognizes and permits electronic notices, communications and instruments in accordance with the current provisions of the ABCA.

Shareholder Approval

If the resolution confirming the adoption of the New By-Law No. 1 is approved, the New By-Law No. 1 will continue as the Corporation's general by-laws. If the resolution is not approved, the Corporation's general by-laws will revert back to the 1999 By-Law No. 1. Shareholders will be asked at the Meeting to pass the following resolution (the "**By-Law Resolution**"), with or without variation, relating to the approval as described above:

“IT IS RESOLVED THAT:

1. the adoption of the amended and restated By-Law No. 1 relating generally to the transaction of the business and affairs of the Corporation, in substantially the form set out in Schedule “A” to the management information circular of the Corporation dated April 11, 2019, as the Corporation’s by-laws be and is hereby ratified, confirmed and approved;
2. for greater certainty, by-law number 2005-A related to borrowings from the National Bank of Canada remains in full force and effect, unamended, as a by-law of the Corporation; and
3. any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to execute or cause to be executed and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as such director or officer may deem necessary or desirable in connection with this resolution.”

In order to be approved, the By-Law Resolution must be approved by an ordinary resolution of the shareholders, being a simple majority of the votes cast by shareholders present in person or by proxy at the Meeting, who voted in respect of the By-Law Resolution. **The Board recommends that shareholders vote in favour of the By-Law Resolution.**

Unless otherwise directed, the management representatives named in the accompanying Proxy Form intend to vote FOR the By-Law Resolution.

4. COMPENSATION OF DIRECTORS

4.1 Directors’ Compensation Table

In order to further align the interest of its directors with those of its shareholders, the independent directors are each granted, annually, 25,000 stock options for their annual compensation. They may exercise, quarterly, 25% of the options granted, starting on the first quarter after the grant date. Said stock options have a three-year expiry date from the grant date. They are also paid a total amount of \$22,500 as attendance fees (i.e. \$5,625 on a quarterly basis). The following table sets forth the details of the total annual compensation and attendance fees paid, in kind or not, to the directors of the Corporation, for the fiscal year ended December 31, 2018.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Caroline Bérubé	22,500	-	77,750	-	-	-	100,250
Jean-Louis Chapdelaine	22,500	-	77,750	-	-	-	100,250
Peter Drutz	22,500	-	77,750	-	-	-	100,250
Sylvain Dumoulin	22,500	-	77,750	-	-	-	100,250
Alain Tremblay	22,500	-	77,750	-	-	-	100,250

(1) The fair value of options granted on the date of grant is determined by multiplying the number of options granted by the value established according to the Black-Scholes model. This value is the same as the fair book value established in accordance with generally accepted accounting principles. The following assumptions were used:

Expected volatility:	29.2%
Expected life:	3 years
Risk-free interest rate:	2.01%
Dividend yield:	2.17%

4.2 Incentive Plan Awards – Value Vested or Earned During the Fiscal Year

The following table sets forth, for each independent director, the aggregate dollar value that would have been realized if the Options had been cashed on the grant date that occurred in fiscal 2018.

Name	Option-based awards – Value vested during the fiscal year (\$) ⁽¹⁾	Share-based awards – Value vested during the fiscal year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Caroline Bérubé	36,502	-	-
Jean-Louis Chapdelaine	27,063	-	-
Peter Drutz	27,063	-	-
Sylvain Dumoulin	27,063	-	-
Alain Tremblay	27,063	-	-

(1) Calculated based on the difference between the exercise price of the options and the closing price of the common shares of the Corporation as at December 31, 2018, the last trading day of 2018, which was \$ 13.06.

4.3 Outstanding Share-Based Awards and Option-Based Awards

The following table indicates, for each independent director who is not a Named Executive Officer of the Corporation (“NEO”) all awards outstanding as at December 31, 2018.

Name	Option-based awards				Share-based awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of sharebased awards that have not vested (\$)	Market or payout value of vested sharebased awards not paid out or distributed (\$)
Caroline Bérubé	16,667	14.04	2020-05-15	-	-	-	-
	25,000	16.89	2021-05-15	-	-	-	-
Jean-Louis Chapdelaine	25,000	6.08	2019-04-16 ⁽²⁾	174,500	-	-	-
	25,000	15.10	2020-05-15	-	-	-	-
	25,000	16.89	2021-05-15	-	-	-	-
Peter Drutz	25,000	15.10	2020-05-15	-	-	-	-
	25,000	16.89	2021-05-15	-	-	-	-
Sylvain Dumoulin	25,000	15.10	2020-05-15	-	-	-	-
	25,000	16.89	2021-05-15	-	-	-	-
Alain Tremblay	25,000	15.10	2020-05-15	-	-	-	-
	25,000	16.89	2021-05-15	-	-	-	-

(1) Calculated based on the difference between the exercise price of the options and the closing price of the common shares of the Corporation as at December 31, 2018, the last trading day of 2018, which was \$13.06.

(2) Stock option expiry date was postponed due to a blackout period.

5. COMPENSATION OF NAMED EXECUTIVE OFFICERS

5.1 Compensation Philosophy

The compensation philosophy for NEOs is based on the performance and the achievement of predetermined objectives. The Corporation's compensation philosophy is a reflection of the entrepreneurial culture of Savaria, one where the financial interests of its executives are aligned with the performance of the Corporation. The compensation strategy includes variable components linked to short-term and long-term performance. The criteria are linked to the achievement of quantified financial objectives as well as quantifiable objectives tied to strategic activities that are key to the execution of the Corporation's business plan.

The Corporation's compensation practices are established based on internal principles of equity that take into consideration the role, nature and level of each of the NEOs, as well as external principles of equity such as fair, equitable and competitive compensation. Considering the size of the Corporation and the limited number of Executive Officers, the Board has not appointed a compensation committee and the Corporation has no defined compensation program or strategy, with the exception of the Stock Option Plan defined in section 6.2 *The Stock Option Plan* below. Since the risks associated with compensation practices are considered low, no risk analysis is made by the Board on the Corporation's remuneration practices. Also, the Corporation does not conduct market analyses and does not refer to any industry benchmarks.

5.2 Elements of Compensation

There are three main components to the remuneration for the NEOs: a base salary, an annual incentive plan (bonus) and a long-term incentive plan.

Base Salary

The base salary of the NEOs, other than the CFO who is not remunerated, reflects the hierarchical level, the responsibilities and the complexity of each position. The base salary is reviewed annually and salary adjustments are based on individual performance and on the Corporation's results.

Annual Incentive Plan

With the exception of the CFO, the NEOs are eligible for a performance bonus. For the year ended December 31, 2018, the President and CEO was entitled to a performance bonus equal to 100% of his salary, if the 2018 budgeted revenue and consolidated adjusted earnings before interest, tax and amortization ("**EBITDA**") was reached. The other NEOs were each entitled to a performance bonus, at the discretion of the President and CEO, based on certain criteria and goals. The Board has determined that it is common practice for a public company to award an annual performance bonus to certain NEOs when performance targets are met, allowing to align their interests with those of the Corporation and allowing them to participate in the financial success of the Corporation or of their division.

As per the consolidated financial statements of the Corporation for the fiscal year of 2018, EBITDA is as follows:

Reconciliation of the Corporation's Net Income with EBITDA	(in thousands of dollars)
Net income	17,658
Plus:	
Interest expense	3,341
Income tax expense	6,942
Depreciation of fixed assets	3,664
Amortization of intangible assets	6,153
Less:	
Interest income	523
EBITDA	37,235

Reconciliation of the Corporation's Net Income with EBITDA	(in thousands of dollars)
Plus:	
Stock-based compensation	1,379
Business acquisition costs, realized and unrealized	3,040
Settlement of a litigation	215
Value adjustment on acquired inventories	331
Restructuring costs for Garaventa Lift's operations in China	879
Less:	
Proceeds from insurance claim	1,776
Gain on financial instrument	503
Adjusted EBITDA	40,800

The following table indicates the composition of the 2018 financial objectives, the target bonus and the bonus earned by the NEOs, for the fiscal year ended December 31, 2018.

Name	Objectives	Target Bonus (\$)	Bonus Earned (\$)
Marcel Bourassa President and Chief Executive Officer	100% on budgeted Consolidated EBITDA	500,000	-
Jean-Marie Bourassa CFO	-	-	-
Sébastien Bourassa VP Operations & Integration	Budgeted operating income of Savaria Concord Lifts Inc.	50,000	-
James D. Ferguson CEO Span group	Budgeted operating income of Span group	49,207 ⁽¹⁾	-
Vince Sciamanna Group President Garaventa Lift group	Operating results of 2018 for Garaventa group	107,000	80,000 ⁽²⁾

(1) This amount has been converted to Canadian dollars using the average foreign exchange rate of 1.2957.

(2) Based on full 2018 fiscal year of Garaventa group.

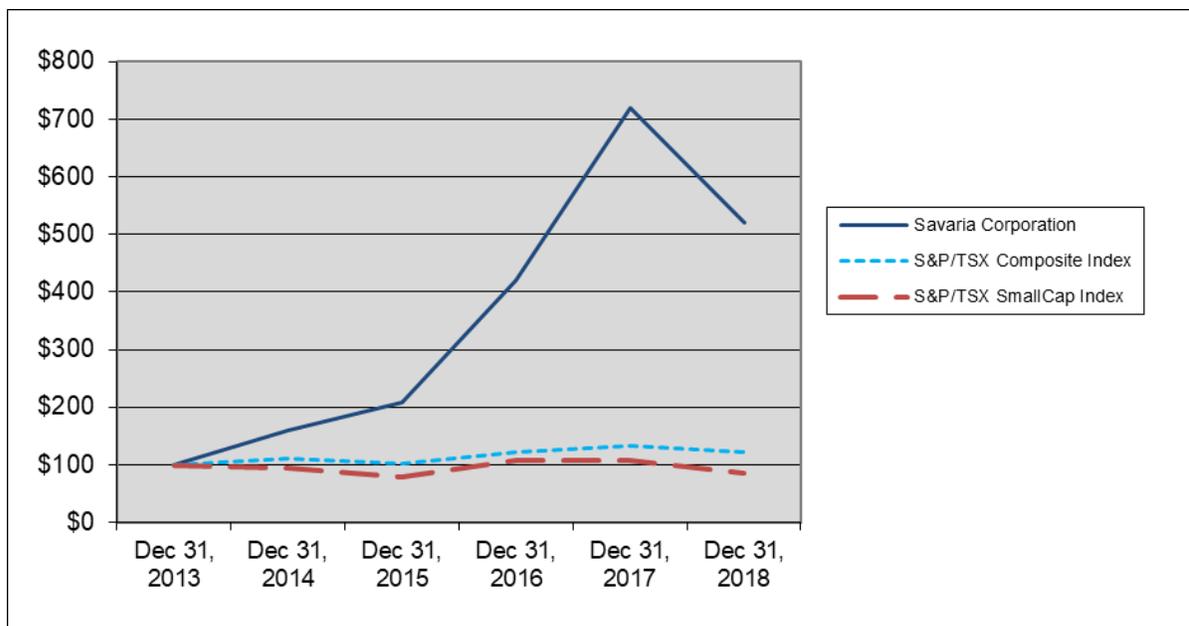
The Corporation does not disclose the budgeted or realized EBITDA of its subsidiaries as this information is confidential and its disclosure could seriously compromise the Corporation's interests, placing it at a competitive disadvantage.

Long Term Incentive – Stock Options

The Board has determined that it is common practice for a public company to award long term incentive to certain NEOs when being appointed and/or performance targets are met, allowing to align their interest with those of the Corporation and its shareholders. The Board approved a stock option plan for the Corporation in 2006. Each option granted under the Stock Option Plan allows its holder to purchase one common share of the Corporation. For more details on the Stock Option Plan, refer to Section 6.2 *Stock Option Plan* below. The number of stock options granted is suggested by the President and CEO and approved by the Board as the case may be. The grant process is very simple and does not follow any specific criteria.

5.3 Performance Graph

The following graph compares the variation in the cumulative total shareholder return on the Corporation's common shares over the period from December 31, 2013 to December 31, 2018, with the cumulative total return of the S&P/TSX Composite Index and S&P/TSX SmallCap Index over the same period, assuming reinvestment of dividends.



	Dec 31, 2013	Dec 31, 2014	Dec 31, 2015	Dec 31, 2016	Dec 31, 2017	Dec 31, 2018
Savaria Corporation (\$)	100	159	208	421	719	520
S&P/TSX Composite Index (\$)	100	111	101	123	134	122
S&P/TSX SmallCap Index (\$)	100	95	80	108	108	86

Executive compensation is not directly linked to the performance of the Corporation's share price, which substantially increased since 2013; therefore, the total compensation does not necessarily follow the trend shown in the above graph.

5.4 Summary Executive Compensation Table

The following table presents all compensation earned during the fiscal years 2018, 2017 and 2016 by the NEOs.

Name and principal position	Year	Base salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) ⁽⁹⁾	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Marcel Bourassa President and CEO	2018	500,000	-	-	-	-	-	-	500,000
	2017	500,000 ⁽¹⁾	-	-	400,000	-	-	-	900,000
	2016	400,000	-	-	300,000	-	-	-	700,000
Jean-Marie Bourassa CFO	2018	-	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-	-
	2016	-	-	-	-	-	-	-	-
Sébastien Bourassa Vice President Operations & Integration	2018	206,000	-	-	-	-	-	-	206,000
	2017	206,000	-	-	50,000	-	-	-	256,000
	2016	200,000	-	-	50,000	-	-	-	250,000
James D. Ferguson CEO Span group	2018	492,073 ⁽³⁾	-	-	-	-	8,908 ⁽⁵⁾	-	500,981
	2017	249,255 ⁽⁴⁾	-	197,333	29,000	-	4,748 ⁽⁵⁾	-	480,336
	2016	-	-	-	-	-	-	-	-
Vince Sciamanna Group President Garaventa Lifts group	2018	80,000 ⁽⁶⁾	-	232,487	80,000 ⁽⁷⁾	-	4,000 ⁽⁸⁾	-	396,487
	2017	-	-	-	-	-	-	-	-
	2016	-	-	-	-	-	-	-	-

- (1) In 2017, the Board of Directors granted a salary increase of \$100,000 in order to better reflect Mr. Bourassa's responsibilities and to take into account the Corporation's growth.
- (2) The value of the compensation shown in this item represents the fair value at the grant date of stock options attributed, calculated according to the Black-Scholes model according to various assumptions. It does not represent a cash amount received by the NEO. This is a risk value that may even be zero. The fair value of options granted on the date of grant is determined by multiplying the number of options granted by the value established according to the Black-Scholes model. This value is the same as the fair book value established in accordance with generally accepted accounting principles. The following assumptions were used:
- | 2018 grant | | 2017 grant | |
|--------------------------|---------|--------------------------|---------|
| Expected volatility: | 29.4% | Expected volatility: | 30.9% |
| Expected life: | 6 years | Expected life: | 6 years |
| Risk-free interest rate: | 2.4% | Risk-free interest rate: | 1.55% |
| Dividend yield: | 2.12% | Dividend yield: | 1.34% |
- (3) His compensation has been paid in U.S. dollars and has been converted to Canadian dollars using the average foreign exchange rate 1.2957.
- (4) Mr. Ferguson joined the Corporation upon the completion of the acquisition of *Span-America Medical Systems Inc.*, on June 16, 2017. The amounts indicated represent compensation for the period between June 16 and December 31, 2017. His compensation has been paid in U.S. dollars and has been converted to Canadian dollars using the average foreign exchange rate 1.2957.
- (5) Contribution by the Corporation into Mr. Ferguson's US 401K account pursuant to U.S. laws.
- (6) Mr. Sciamanna joined the Corporation upon the completion of the acquisition of *Garaventa Accessibility AG* on August 31, 2018. The amount indicated represent compensation for the period between September 1st and December 31, 2018 and is based on an annual base salary of \$240,000.
- (7) Based on full 2018 fiscal year of the Garaventa group.
- (8) Contribution by the Corporation into Mr. Sciamanna's retirement savings plan account (RSP).
- (9) None of the NEOs are eligible for perquisites or other personal benefits for which the total amount is greater than: the greater of \$50,000 or 10% of the total salary paid for the fiscal year indicated.

5.5 Incentive Plan Awards – Value Vested or Earned During the Year

The table below lists all outstanding awards as at December 31, 2018 for each of the NEOs.

Name	Option-based awards – Value vested during the fiscal year (\$) ⁽¹⁾	Share-based awards – Value vested during the fiscal year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Marcel Bourassa	-	-	-
Jean-Marie Bourassa	-	-	-
Sébastien Bourassa	607,246	-	-
James D. Ferguson	-	-	-
Vince Sciamanna	-	-	80,000 ⁽²⁾

(1) Calculation based on the difference between the exercise price of the options and the closing price of the Corporation's common shares as at December 31, 2018, the last trading day of 2018, which was \$13.06.

(2) Based on full 2018 fiscal year of Garaventa group.

5.6 Outstanding Option-Based Awards and Share-Based Awards

The table below shows, for each of the NEOs, the value at the time of vesting and the bonus earned during the year ended December 31, 2018.

Name	Option-based awards				Share-based awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Marcel Bourassa	-	-	-	-	-	-	-
Jean-Marie Bourassa	-	-	-	-	-	-	-
Sébastien Bourassa	66,667	1.90	Aug. 7, 2019	744,004	-	-	-
	75,000	3.65	Nov. 13, 2020	705,750	-	-	-
James D. Ferguson	50,000	16.48	June 22, 2023	-	-	-	-
Vince Sciamanna	50,000	20.03	Sept. 28, 2024	-	-	-	-

(1) Calculation based on the difference between the exercise price of the options and the closing price of the Corporation's common shares as at December 31, 2018, the last trading day of 2018, which was \$13.06.

5.7 Pension Plan

The Corporation does not have pension plans for its NEOs. However, the Corporation makes a contribution to a 401K, as per U.S. regulation, for Mr. James D. Ferguson. The Corporation also makes a contribution to a RSP account, as per Canadian regulations, for Vince Sciamanna, which amounts to 5% of his annual base salary.

5.8 Termination and Change of Control Benefits

The Corporation has no severance pay program. However, the Stock Option Plan provides that in the event the Corporation undergoes (i) a change of control (a reorganization, acquisition, merger or a plan of arrangement in connection with any of the foregoing) with respect to which all or substantially all of the persons who were the beneficial owners of the common shares immediately prior to such reorganization, acquisition, merger or plan of arrangement do not, following such reorganization, acquisition, merger or plan of arrangement beneficially own, directly or indirectly, more than 50% of the resulting common shares of the Corporation on a fully diluted basis (not including a public offering or private placement of treasury), or (ii) the sale to a person other than an affiliate of the Corporation of all or substantially all of the Corporation's assets, all granted and outstanding options shall be deemed to vest immediately upon the completion of the transaction causing the change of control.

The following table sets out the benefits that would be paid to the NEOs following a change of control, assuming the change of control took place on December 31, 2018.

Name	Stock Options (\$) ⁽¹⁾
Marcel Bourassa	-
Jean-Marie Bourassa	-
Sébastien Bourassa	1,449,754
James D. Ferguson	-
Vince Sciamanna	-

(1) Calculated based on the difference between the exercise price of the options and the closing price of the common shares of the Corporation as at December 31, 2018, the last trading day of 2018, which was \$13.06.

6. SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

6.1 Equity Compensation Plan Information

The following table sets forth information, as at December 31, 2018, with respect to the 2006 Stock Option Plan (the "Plan").

	Number of Subordinate Voting Shares to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of Subordinate Voting Shares remaining available for future issuance under the Plan
Equity compensation plan approved by the security holders – The Plan	2,173,334	11.30	2,327,711

6.2 Stock Option Plan

The Stock Option Plan is administered by the Board which shall, without limitation, have full and final authority in its discretion, but subject to the express provisions of the Stock Option Plan, to interpret the Stock Option Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations deemed necessary or advisable for the administration of the Stock Option Plan, subject to any necessary shareholder or regulatory approval. The Board may delegate any or all of its authority with respect to the administration of the Stock Option Plan. The Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of common shares to be subject to each option.

The Board shall have full power and authority to amend, suspend or discontinue the Plan at any time or the terms of any previously granted options, without obtaining shareholder approval, provided that no such action may in any manner adversely affect the rights under any options earlier granted to an Eligible Participant under the Plan without the consent of that Eligible Participant. Such changes include, without

limitation:

- (i) minor changes of a “housekeeping nature”;
- (ii) changing the class of participants eligible to participate under the Plan;
- (iii) changing the termination provision of the Plan or of any option including accelerating vesting or extending the expiration date of any option, provided that the period during which an option is exercisable does not exceed 10 years from the date the option is granted;
- (iv) changing the terms on which options may be granted and exercised including, without limitation, the provisions relating to the determination and payment of the option price and the methodology for determining the exercise price of an option;
- (v) changing the provisions on transferability of options for normal estate settlement purposes;
- (vi) changing the process by which an Eligible Participant who wishes to exercise his or her option can do so, including the form of exercise notice and the place where such payments and notices must be delivered;
- (vii) changing the terms and conditions of any financial assistance to Eligible Participants or adding any cashless exercise features;
- (viii) adding a conditional exercise feature which would give the Eligible Participant the ability to conditionally exercise in certain circumstances determined by the Board, at its discretion, at any time up to a date determined by the Board, all or a portion of those options granted to such Eligible Participant which are then vested and exercisable in accordance with their terms, as well as any unvested options which the Board has determined shall be immediately vested and exercisable in such circumstances;
- (ix) making any amendment to the Plan to permit the granting of deferred or restricted share units under the Plan or to add or to amend any other provisions which would result in the participants receiving securities of the Corporation while no cash consideration is received by the Corporation;
- (x) making any change that is necessary or desirable to comply with applicable laws or regulations or the requirements of any applicable regulatory authority or stock exchange;
- (xi) correcting or rectifying any ambiguity, error or omission in the Plan; and
- (xii) changing the provisions relating to the administration of the Plan.

Notwithstanding the foregoing, the prior approval of the holders of a majority of the votes attached to all common shares of the Corporation is required if the amendments relate to the following:

- (i) a reduction in the exercise price or purchase price of an option under the Plan benefiting an insider of the issuer;
- (ii) an extension of the term, under the Plan, benefiting an insider of the issuer;
- (iii) any amendment to remove or to exceed the insider participation limit;
- (iv) an increase to the maximum number of securities issuable, either as a fixed number or a fixed percentage of the listed issuer's outstanding capital represented by such securities; and
- (v) any amendment to an amending provision within the Plan.

A maximum number of common shares equal to 10% of the issued and outstanding common shares, from time to time, are reserved for issuance under the Stock Option Plan. If option rights granted to an individual under the Stock Option Plan are exercised, expire or terminate for any reason without having been exercised, such shares may be made available for other options to be granted under the Stock Option Plan. An option granted under the Stock Option Plan shall not be transferable or assignable (whether absolutely or by way of mortgage, pledge or other charge) by an optionee, other than by will or other testamentary instrument or the laws of succession.

No one individual may be granted options to purchase common shares totaling more than 5% of the issued and outstanding common shares at any time, from time to time. No one individual acting as a consultant to the Corporation may be granted options to purchase common shares totaling more than 2% of the issued and outstanding common shares in any one 12-month period. No one individual providing investor relations services to the Corporation may be granted options to purchase common shares totaling more than 2% of the issued and outstanding common shares in any one 12-month period, and options issued to individuals performing investor relations services must vest in stages over at least 12

months with no more than 1/4 of the options vesting in any three-month period.

Options may be granted under the Stock Option Plan to any person who is a director, officer, employee or consultant of the Corporation or its subsidiaries. Subject to compliance with applicable requirements of the Toronto Stock Exchange (“**TSX**”), individuals may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the terms of the Stock Option Plan in the same manner as if the options were held by the individuals.

The number of securities:

- (i) issuable to insiders, at any time, under all security-based compensation arrangements, cannot exceed 10% of issued and outstanding common shares; and
- (ii) issued to insiders, within any one-year period, under all security-based compensation arrangements, cannot exceed 10% of issued and outstanding common shares.

The exercise price for the options granted pursuant to the Stock Option Plan shall be the closing price of the common shares on the TSX on the trading day preceding the day on which the option is granted or, if no common shares have been traded on such immediately preceding trading day, the simple average of the final bid and ask price of the common shares on the TSX, or such greater amount as the Board may designate.

Each option granted under the Plan shall expire on the date set out in the corresponding option agreement, subject to earlier termination as provided under the Plan. In no circumstances shall the duration of an option exceed 10 years. Should the expiration date of an option fall within a blackout period or within nine business days following the expiration of a blackout period, such expiration date shall be automatically extended without any further act or formality to that date which is the 10th business day after the end of any such blackout period, such 10th business day to be considered the expiration of the terms of such option for all purposes under the Plan.

In the event the Corporation undergoes a change of control (a reorganization, acquisition, merger or a plan of arrangement in connection with any of the foregoing) with respect to which all or substantially all of the persons who were the beneficial owners of the common shares immediately prior to such reorganization, acquisition, merger or plan of arrangement do not, following such reorganization, acquisition, merger or plan of arrangement, beneficially own, directly or indirectly more than 50% of the resulting voting shares on a fully diluted basis (not including a public offering or private placement out of treasury), or sale to a person other than an affiliate of the Corporation of all, or substantially all, of the Corporation's assets, then all granted and outstanding options shall be deemed to vest immediately upon the completion of the transaction causing the change of control.

If, at any time when an option granted under the Stock Option Plan remains unexercised with respect to any optioned shares, an offer to purchase all of the common shares is made by a third party, the Corporation shall use its best efforts to bring such offer to the attention of optionees as soon as practicable. The Corporation may, at its discretion, require the acceleration of the time for the exercise of the option rights granted under the Stock Option Plan and of the time for the fulfillment of any conditions or restrictions on such exercise.

If an individual is dismissed as an employee, officer or consultant by the Corporation, or by one of its subsidiaries, for cause, all unexercised option rights of that individual under the Stock Option Plan shall terminate immediately upon such dismissal, notwithstanding the original term of the option granted to such individual.

If an individual ceases to be an officer, employee or consultant of the Corporation or of one of its subsidiaries as a result of:

- (i) disability or illness preventing the individual from performing the duties routinely performed by such person;
- (ii) retirement at the normal retirement age prescribed by the Corporation's pension plan;
- (iii) resignation; or
- (iv) such other circumstances as may be approved by the Board,

such individual shall have the right, for a period not exceeding 90 days from the date of ceasing to be an officer, employee or consultant (or, if earlier, until the expiry date of the option rights pursuant to the terms

of the particular option agreement), to exercise the options to the extent they had vested and were exercisable on the date of ceasing to be an officer, employee or consultant.

If an optionee ceases to be a director of the Corporation or of one of its subsidiaries as a result of:

- (i) disability or illness preventing the optionee from performing the duties routinely performed by such optionee;
- (ii) retirement at the normal retirement age prescribed by the Corporation's pension plan;
- (iii) resignation; or
- (iv) such other circumstances as may be approved by the Board,

such optionee shall have the right, for a period not exceeding one year from the date of ceasing to be a director (or, if earlier, until the expiry date of the option rights pursuant to the terms of the particular option agreement) to exercise the option under the Stock Option Plan with respect to all optioned shares of such optionee to the extent they had vested and were exercisable on the date of ceasing to be a director.

If an individual providing investor relations services to the Corporation ceases to be employed to provide such services as a result of:

- (i) disability or illness preventing the individual from performing investor relations services;
- (ii) retirement at the normal retirement age prescribed by the Corporation's pension plan;
- (iii) resignation; or
- (iv) such other circumstances as may be approved by the Board,

such individual shall have the right, for a period not exceeding 30 days from the date of ceasing to be engaged (or, if earlier, until the expiry date of the option rights pursuant to the terms of the particular option agreement), to exercise the option under the Stock Option Plan with respect to all optioned shares of such optionee to the extent they had vested and were exercisable on the date of ceasing to provide investor relations services.

In the event of the death of an optionee, the legal representatives of the deceased optionee shall have the right for a period not exceeding one year from the date of death of the deceased optionee (or, if earlier, until the expiry date of the option rights pursuant to the terms of the particular option agreement) to exercise the deceased optionee's option.

The Board may, from time to time, approve financial assistance to an eligible participant for the exercise of options granted to such eligible participant under the Stock Option Plan. Any such financial assistance shall be approved by resolution of the Board and shall be on commercially reasonable terms with respect to the amount of interest payable. The repayment term of such financial assistance shall be for a period of not more than 10 years. A term of any such financial assistance will require that the common shares issued upon such exercise shall be pledged to the Corporation as security for repayment of the financial assistance.

Stock Option Renewal

In accordance with the policies of the TSX, shareholders last approved all unallocated options under the Stock Option Plan at the annual and special meeting held on May 23, 2018.

Stock Option Plan Burn Rate

In accordance with the requirements of section 613 of the *TSX Company Manual*, the following table sets out the annual burn rate of the options granted under the Stock Option Plan as of December 31, 2018 and for the two preceding financial years. The burn rate is calculated by dividing the number of options granted under the Stock Option Plan during the relevant fiscal year by the weighted average number of securities outstanding for the applicable financial year.

Years ended December 31	2018	2017	2016
Annual Burn Rate	1.2%	1.8%	0.8%

7. CORPORATE GOVERNANCE

A description of the Corporation's governance practices is attached as Schedule "B" hereto.

8. AUDIT AND OTHER RELATED FEES

KPMG LLP have served as the Corporation's auditors since the fiscal year of 2009. For the fiscal years ended on December 31, 2018 and December 31, 2017, billed fees for audit, audit-related, tax and all other services provided to the Corporation by KPMG LLP, were as follows:

	2018 (\$)	2017 (\$)
<i>Audit Fees</i> ⁽¹⁾	530,300	278,000
<i>Audit-Related Fees</i> ⁽²⁾	58,917	41,000
<i>Tax Fees</i> ⁽³⁾	574,249	221,000
<i>All Other Fees</i> ⁽⁴⁾	99,500	-
TOTAL:	1,262,966	540,000

(1) Includes work performed on audited annual consolidated financial statements, unaudited quarterly consolidated financial statements, purchase price allocation and the prospectus. This amount excludes an amount of \$110,000 paid to another auditor firm for services related to the 2018 audit.

(2) Includes translation, assistance provided with respect to the acquisition of Garaventa Lift and adoption of new IFRS.

(3) Includes assistance related to a variety of corporate tax matters, due diligence and transfer pricing.

(4) Assistance relating to Garaventa Lift due diligence.

The Corporation has a policy and procedure for the pre-approval of non-audit services by the Corporation's auditors. This policy prohibits the Corporation from engaging the auditors to provide certain non-audit services to the Corporation and its subsidiaries, including bookkeeping or other services related to the accounting records or financial statements, financial information systems design and implementation, appraisal or valuation services, actuarial services, internal audit services, investment banking services, management functions or human resources functions, legal services and expert services unrelated to the audit. The policy allows the Corporation to engage the auditors to provide non-audit services, other than the prohibited services, only if the services have specifically been pre-approved by the Audit Committee.

For further information on the Audit Committee in accordance with Form 52-110F1, please refer to the Corporation's Annual Information Form for the year ended December 31, 2018. A copy of this document became available in March 2019 on SEDAR's website at www.sedar.com and is also available by contacting the Corporation's Corporate Secretary at its head office located at 4350 Chomedey Highway, Laval, Québec, H7R 6E9, tel.: 1-800-931-5655.

9. OTHER BUSINESS

Management of the Corporation knows of no amendment or variation to the matters identified in the Notice, nor of any other matter to be discussed, other than those identified in the Notice. However, the enclosed Proxy Form confers discretionary authority upon the persons named therein to vote on any such amendments or variations or other matters.

10. ADDITIONAL INFORMATION

The Corporation is a reporting issuer in Canada and is required to file various documents, including an annual information form and financial statements. Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for the financial year ended December 31, 2018. Additional information relating to the Corporation is available on its website at www.savaria.com and on SEDAR at www.sedar.com or may be obtained on request from the Corporate Secretary of the Corporation.

11. APPROVAL BY DIRECTORS

The Board of the Corporation has approved the contents of this Management Proxy Circular and its sending to the shareholders of the Corporation.

Chairman

(s) Marcel Bourassa

Laval, Québec, Canada, April 11 2019.

**SCHEDULE A
BY-LAW NO. 1**

A by-law relating generally to the transaction of
the business and affairs of Savaria Corporation

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**PART 1
INTERPRETATION**

1.1 Definitions

In this by-law, unless the context otherwise requires:

- (a) “**Act**” means the *Business Corporations Act*, RSA 2000, c B-9, as amended from time to time and any Act that may be substituted therefrom, including the regulations under the Act, as amended from time to time;
- (b) “**Applicable Securities Laws**” means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada;
- (c) “**articles**” means the articles of the Corporation as from time to time amended or restated;
- (d) “**board**” means the board of directors of the Corporation;
- (e) “**by-laws**” means this by-law and all other by-laws of the Corporation from time to time in force and effect;
- (f) “**Corporation**” means Savaria Corporation;
- (g) “**meeting of shareholders**” means any meeting of shareholders, including any meeting of the holders of one or more classes or series of shares, and includes an annual meeting of shareholders and a special meeting of shareholders;

- (h) “**public announcement**” means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on SEDAR at www.sedar.com; and
- (i) “**recorded address**” means, in the case of a shareholder, the address of such shareholder as recorded in the securities register; in the case of joint shareholders, the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; and, in the case of a director, officer, auditor or member of a committee of the board, the latest address of such person as recorded in the records of the Corporation.

Except as otherwise noted, terms, words and expressions used herein, unless otherwise defined herein, or the context otherwise requires, shall have the same meaning herein as defined in the Act.

1.2 Number and Gender

Words importing the singular number include the plural and vice versa. Words importing any gender include any other gender. Words importing persons include individuals, partnerships, associations, bodies corporate, trusts, executors, administrators and legal representatives and any number or aggregate of persons.

1.3 Conflict with the Act or the Articles

To the extent of any conflict between the provisions of the by-laws and the provisions of the Act or the articles, the provisions of the Act or the articles shall govern.

1.4 Headings and Sections

The headings used throughout the by-laws are inserted for convenience of reference only and are not to be used as an aid in the interpretation of the by-laws. “Part” or “Section” followed by a number means or refers to the specified part or section of this by-law.

1.5 Invalidity of Any Provision of this By-Law

The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

PART 2 BUSINESS OF THE CORPORATION

2.1 Corporate Seal

The corporate seal of the Corporation, if any, shall be in such form as the board may from time to time by resolution approve.

2.2 Financial Year

The financial year of the Corporation shall end on the 31st day of December, unless and until changed by the board.

2.3 Execution of Instruments

Deeds, transfers, assignments, contracts, mortgages, charges, obligations, certificates and other instruments of any nature whatsoever (collectively, the “**instruments**”) shall be signed on behalf of the Corporation by two persons, one of whom holds the office of chair of the board, president, vice president or director and the other of whom holds one of the said offices or the office of chief financial officer, chief legal officer, secretary, treasurer, assistant secretary or assistant treasurer or any other office created by resolution of the board. In addition, the board is authorized from time to time by resolution to appoint any person or persons on behalf of the Corporation either to

sign instruments in writing generally or to sign specific instruments. Any signing officer may affix the corporate seal to any instrument requiring the same.

2.4 Banking Arrangements

The banking business of the Corporation, or any part thereof, shall be transacted with such banks, trust companies or other financial institutions as the board may designate, appoint or authorize from time to time by resolution and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers and/or other persons as the board may designate, direct or authorize from time to time by resolution and to the extent therein provided.

2.5 Voting Rights in Other Bodies Corporate

The signing officers of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such persons as may be determined by the officers executing or arranging for the same. In addition, the board may from time to time direct the manner in which and the persons by whom any particular voting rights or class of voting rights may or shall be exercised.

2.6 Execution in Counterpart, by Facsimile and by Electronic Signature

- (a) Subject to the Act, any instrument or document required or permitted to be executed by one or more persons on behalf of the Corporation may be signed by electronic means or by facsimile; and
- (b) any instrument or document required or permitted to be executed by one or more persons may be executed in separate counterparts, each of which when duly executed by one or more of such persons shall be an original and all such counterparts together shall constitute one and the same such instrument or document.

2.7 Interest of Directors and Officers Generally in Contracts

No director or officer shall be disqualified by his office from contracting with the Corporation, nor shall any contract or arrangement entered into by or on behalf of the Corporation with any director or officer or in which any director or officer is in any way interested be liable to be voided nor shall any director or officer so contracting or being so interested be liable to account to the Corporation for any profit realized by any such contract or arrangement by reason of such director or officer holding that office or of the fiduciary relationship thereby established; provided that the director or officer shall have complied with the provisions of the Act.

PART 3 MEETINGS OF SHAREHOLDERS

3.1 Persons Entitled to be Present

The only persons entitled to attend a meeting of shareholders shall be: (a) those entitled to vote thereat; (b) the directors and auditors of the Corporation; (c) others who, although not entitled to vote thereat, are entitled or required to attend under the articles or the Act; (d) legal counsel to the Corporation when invited by the Corporation to attend the meeting; and (e) any other person on the invitation of the chair of the meeting or with the consent of the meeting.

3.2 Chair, Secretary and Scrutineers

- (a) The chair of any meeting of shareholders, who need not be a shareholder of the Corporation, shall be the first mentioned of the following officers as has been appointed and is present at the meeting: Chair of the board, Chief Executive Officer, President, Chief Financial Officer or a vice president (in order of seniority). If no such officer is present and willing to act as chair within 15 minutes from the time fixed for holding the meeting, the persons who are present and entitled to vote at the meeting shall choose

another director as chair of the meeting, and if no director is present or willing to act as chair, then the persons who are present and entitled to vote shall choose one person, from among those present, to be chair. The chair shall conduct the proceedings at the meeting in all respects and his or her decision in any matter or thing, including, but without in any way limiting the generality of the foregoing, any question regarding the validity or invalidity of any instruments of proxy and any question as to the admission or rejection of a vote, shall be conclusive and binding upon the shareholders.

- (b) The secretary of any meeting of shareholders shall be the secretary of the Corporation, provided that, if the Corporation does not have a secretary or if the secretary of the Corporation is absent, the chair shall appoint some person, who need not be a shareholder, to act as secretary of the meeting.
- (c) The board may from time to time appoint in advance of any meeting of shareholders one or more persons to act as scrutineers at such meeting and, in the absence of such appointment, the chair may appoint one or more persons to act as scrutineers at any meeting of shareholders. Scrutineers so appointed may, but need not be, shareholders, directors, officers or employees of the Corporation.

3.3 Meetings by Electronic or Other Means

If the directors of the Corporation call a meeting of shareholders, the directors may determine that the meeting shall be held, in accordance with the Act, in whole or in part by means of a telephonic, electronic or other communication facility including, without limitation, teleconferencing, video conferencing, computer link, webcasting or other similar means that permit all participants to communicate adequately with each other during the meeting.

3.4 Participation in Meetings by Electronic Means

Any person entitled to attend a meeting of shareholders shall be entitled to participate in the meeting by means of a telephonic, electronic or other communication facility including, without limitation, teleconferencing, video conferencing, computer link, webcasting and other similar means, if the Corporation has made available such communication facilities and provided that the chair of the meeting is satisfied that all participants will be able to communicate adequately with each other during the meeting. A person participating in a meeting by such means shall be deemed to be present at the meeting.

3.5 Quorum

A quorum for the transaction of business at any meeting of shareholders shall be at least two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent shareholder so entitled, and representing in the aggregate not less than twenty-five percent (25%) of the outstanding shares of the Corporation carrying voting rights at the meeting, provided that, if there should be only one shareholder of the Corporation entitled to vote at any meeting of shareholders, the quorum for the transaction of business at the meeting of shareholders shall consist of the one shareholder. Notwithstanding the foregoing, if the articles of the Corporation provide for a different quorum in respect of a meeting of shareholders of any class or series of shares, such provisions in the articles shall be incorporated into this by-law and shall be deemed to govern the quorum requirements in respect of any such meeting.

3.6 Votes to Govern

At any meeting of shareholders, every question shall, unless otherwise required by the articles or the Act, be determined by a majority of the votes cast on the question.

3.7 Voting

Subject to the Act, any question at a meeting of shareholders shall be decided by a show of hands, or if the Corporation has made available such communication facilities, by signifying by telephonic, electronic or other means of communication, or by a combination thereof, except

where a ballot thereon is required by the chair of the meeting or demanded by any person entitled to vote at the meeting. Upon a show of hands or by signifying by telephonic, electronic or other means of communication or by a combination thereof, every person who is present and entitled to vote shall have one vote. A declaration by the chair of the meeting that the vote upon the question has been carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be *prima facie* evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

3.8 Ballots

On any question proposed for consideration at a meeting of shareholders, and whether or not a vote by either a show of hands or by signifying by telephonic, electronic or other means of communication or by a combination thereof has been taken thereon, the chair of the meeting may require a ballot or any person who is present and entitled to vote on such question at the meeting may demand a ballot. A ballot so required or demanded shall be taken in such manner as the chair of the meeting shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken, each person present in person, by telephonic, electronic or other means of communication or by a combination thereof, and entitled to vote, shall be entitled, in respect of the shares which such person is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

PART 4 ADVANCE NOTICE OF NOMINATIONS OF DIRECTORS

4.1 Nomination Procedures

Subject to the Act and the articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation at any meeting of shareholders of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

- (a) by or at the direction of the board, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal or a requisition made in accordance with the provisions of the Act; or
- (c) by any person (a “**Nominating Shareholder**”): (A) who, at the close of business on the date of the giving of the notice provided for below in this Part 4 and on the record date for notice of such meeting, is a registered holder or beneficial owner of shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Part 4.

4.2 Timely Notice

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the secretary of the Corporation at the principal executive offices of the Corporation in accordance with this Part 4.

4.3 Manner of Timely Notice

To be timely, a Nominating Shareholder's notice to the secretary of the Corporation must be made:

- (a) in the case of an annual meeting of shareholders, not less than 30 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 annual meeting was made, notice by the Nominating Shareholder 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 as well), not later than the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

4.4 Proper Form of Timely Notice

To be in proper written form, a Nominating Shareholder’s notice to the secretary of the Corporation must set forth:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (each, a “**Proposed Nominee**”): (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person for the last five years; (C) the status of such person as a “resident Canadian” as defined in the Act; (D) the number of shares of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (E) any other information relating to the person 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 Act and Applicable Securities Laws; and
- (b) as to the Nominating Shareholder giving the notice: (A) the name, age, business and residential address of such Nominating Shareholder; (B) the number of shares of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by the Nominating Shareholder as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (C) any other information relating to such Nominating Shareholder 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 Act and Applicable Securities Laws.

The Corporation may require any Proposed Nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such Proposed Nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder’s understanding of the independence, or lack thereof, of such Proposed Nominee.

4.5 Date of Information

Except as otherwise provided in Section 4.4, all information to be provided in a timely notice pursuant to Section 4.4 shall be provided as of the date of such notice. To be considered timely and in proper written form, a Nominating Shareholder’s notice shall be promptly updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting.

4.6 Information to be Made Publicly Available

Subject to applicable law, all information provided by the Proposed Nominee or Nominating Shareholder which has been requested by the Corporation shall (as soon as practicable after receipt of the information) be made publicly available to shareholders by the Corporation.

4.7 Eligibility for Nomination as a Director

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this by-law; provided, however, that nothing in this by-law shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which he would have been entitled to

submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

4.8 Delivery of Notice

Notwithstanding any other provision of this by-law, notice given to the secretary of the Corporation pursuant to this Part 4 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the aforesaid address) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Montréal time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

4.9 Board Discretion

Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Part 4.

PART 5 DIRECTORS AND MEETINGS OF DIRECTORS

5.1 Number of Directors

The board shall consist of the number of directors provided in the articles, or, if a minimum number and a maximum number of directors is so provided, the number of directors of the Corporation shall be determined from time to time by ordinary resolution of the shareholders, or in the absence of such resolution, by resolution of the directors.

5.2 Calling and Notice of Meetings

Meetings of the board shall be held at such time and on such day as the chair of the board, president or a vice president, if any, or any two directors may determine. Notice of meetings of the board shall be given to each director not less than 48 hours before the time when the meeting is to be held, unless otherwise waived in accordance with the Act, and may be delivered personally or may be given by mail, facsimile or other electronic means of communication. Each newly elected board may, without notice, hold its first meeting for the purposes of organization and the election and appointment of officers immediately following the meeting of shareholders at which such board was elected, provided a quorum of directors be present.

5.3 Place of Meetings

Meetings of the board may be held at any place in or outside Canada.

5.4 Chair of Meetings of Directors

The Chair of the board, if any, shall preside as chair at all meetings of the board. In the absence of the Chair of the board, or in the case of his inability or refusal to act as the chair of any meetings of the board, the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting shall act as chair of the meeting: Chief Executive Officer, President, or a vice president (in order of seniority). If no such person is present and willing to act as chair within 15 minutes from the time fixed for holding the meeting, the directors who are present shall choose another director as chair of the meeting.

5.5 Secretary of Meetings of Directors

The secretary, or in the absence of the secretary, an assistant secretary, shall attend any meetings of the board and record the proceedings thereof and all matters transacted and dealt with thereat, and shall prepare and keep minutes of all such meetings and record all votes and the minutes of all proceedings in a book or books to be kept for that purpose, and shall perform like duties for any committee when required. The secretary or an assistant secretary shall give or cause to be given notice of all meetings of the board and shall perform such other duties as may be prescribed by the board.

5.6 Meetings by Electronic or Other Means

Subject to the Act, a director may participate in a meeting of directors or of a committee of directors, by means of telephone, electronic or other communications facilities that permit all persons participating in the meeting to adequately communicate with each other during the meeting.

5.7 Quorum

Subject to any requirements under the Act requiring resident Canadian directors to be present at any meeting of the board, a majority of the directors then in office and in attendance shall constitute a quorum for the transaction of business at any meeting of the board.

5.8 Votes to Govern

At all meetings of the board every question shall be decided by a majority of the votes cast on the question; and in case of an equality of votes, the chair of the meeting shall not be entitled to a second or casting vote.

PART 6 COMMITTEES

6.1 Committees of the Board

Subject to the Act, the board may appoint one or more committees of the board, however designated, and delegate to any such committee any of the powers of the board.

6.2 Transaction of Business

The powers of any committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of any committee may be held at any place in or outside Canada.

6.3 Procedure

Unless otherwise determined by the board, a quorum for meetings of any committee shall be a majority of its members, each committee shall have the power to appoint its chair and the rules for calling, holding, conducting and adjourning meetings of the committee, unless otherwise determined, shall be the same as those governing the board. Each member of a committee shall serve during the pleasure of the board of directors and, in any event, only so long as such person shall be a director. The directors may fill vacancies in a committee by appointment from among their members. Provided that a quorum is maintained, the committee may continue to exercise its powers notwithstanding any vacancy among its members.

PART 7 OFFICERS

7.1 Appointment, Powers and Duties

The board may appoint such officers as it deems appropriate from time to time. Every officer shall have such powers and duties as the board may prescribe from time to time, as permitted by the Act.

7.2 Remuneration

The remuneration of any officers appointed by the board may be determined from time to time by the board or by any committee of the board established for that purpose. In the absence of any such determination, the remuneration of officers appointed by the board shall be determined from time to time by either the Chief Executive Officer or the President.

PART 8 INDEMNIFICATION

8.1 Indemnification of Directors and Officers

The Corporation shall, to the maximum extent permitted under the Act or otherwise by law, indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer or in a similar capacity of another entity, and his heirs and legal representatives, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other action or proceeding to which he or she is made a party to or involved by reason of that association with the Corporation or such other entity.

8.2 Indemnification of Others

Except as otherwise required by the Act and subject to Section 8.1, the Corporation may from time to time indemnify and save harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, agent of or participant in another corporation, partnership, joint venture, trust or other enterprise, against expenses (including legal fees), judgments, fines and any amount actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted honestly and in good faith with a view to the best interests of the Corporation, and with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his conduct was lawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction, shall not, or in itself, create a presumption that the person did not act honestly and in good faith with a view to the best interests of the Corporation, and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had no reasonable grounds for believing that his conduct was not lawful.

8.3 Right of Indemnity Not Exclusive

The provisions for indemnification contained in the by-laws of the Corporation shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any other by-law, agreement, vote of shareholders or disinterested directors, at law or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall enure to the benefit of the heirs, executors and administrators of such a person.

8.4 Limitation of Liability

To the extent permitted by law, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation including any person, firm or corporation with whom or which any moneys, securities or effects shall be lodged or deposited, or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets of or belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to act honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation, the fact of his being a director or officer of the Corporation shall not disentitle such director or officer or such firm or company, as the case may be, from receiving proper remuneration for such services.

8.5 Advance of Costs

The Corporation shall, to the maximum extent permitted under the Act or otherwise by law, advance moneys to an individual referred to in Section 8.1 to defray the costs, charges and expenses of a proceeding referred to in Section 8.1, provided such individual shall repay the moneys advanced if the individual does not fulfil the conditions set forth in the Act.

8.6 Court Approval

The Corporation shall use reasonable commercial efforts to obtain any court or other approvals necessary for any indemnification pursuant to Sections 8.1.

8.7 Insurance

The Corporation may purchase, maintain or participate in insurance for the benefit of the persons referred to in Section 8.1, as the board may from time to time determine.

PART 9 DIVIDENDS

9.1 Dividend Cheques

A dividend payable in cash shall be paid by cheque of the Corporation or of any dividend paying agent appointed by the board, to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at the shareholder's recorded address, unless such holder otherwise directs and the Corporation agrees to follow such direction. In the case of joint holders, the cheque shall, unless such joint holders otherwise direct and the Corporation agrees to follow such direction, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby, plus the amount of any tax which the Corporation is required to and does withhold. Alternatively, dividends payable in money may be paid to shareholders by such form of electronic funds transfer as the board considers appropriate.

9.2 Non-Receipt of Cheques

In the event of non-receipt of any dividend cheque by the person to whom it is sent as provided in Section 9.1, the Corporation shall issue to such person a replacement cheque for a like amount

on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case. No dividend shall bear interest against the Corporation.

9.3 Unclaimed Dividends

Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

PART 10 NOTICES

10.1 Method of Giving Notices

Other than in respect of Part 4 of these by-laws, any notice (which term includes any communication or contract document or instrument in writing, or electronic document) to be given (which term includes sent, delivered or served) pursuant to the Act, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to the person's recorded address or if mailed to such person at such recorded address by prepaid mail or if sent to such person by electronic means as permitted by, and in accordance with, the Act. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by the secretary to be reliable. The foregoing shall not be construed so as to limit the manner or effect of giving notice by any other means of communication otherwise permitted by law.

10.2 Notice to Joint Shareholders

If two or more persons are registered as joint holders of any share, any notice may be addressed to all such joint holders, but notice addressed to one of such persons shall be sufficient notice to all of them.

10.3 Omissions and Errors in Notices

The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

10.4 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom such person derives title to such share prior to the name and address of such person being entered on the securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to such person furnishing to the Corporation the proof of authority or evidence of entitlement prescribed by the Act.

PART 11 EFFECTIVE DATE AND REPEAL

11.1 Effective Date

This by-law shall come into force when made by the board in accordance with the Act.

11.2 Repeal

The By-Law No.1 of the Corporation dated October 25, 1999 (the “**1999 By-Law**”) is repealed as of the coming into force of this by-law. Such repeal shall not affect the previous operation of the 1999 By-Law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under or the validity of any contract or agreement made pursuant to the 1999 By-Law prior to its repeal. All directors, officers and persons acting under the 1999 By-Law so repealed shall continue to act as if appointed under the provisions of this by-law and all resolutions of the shareholders or the board with continuing effect passed under the 1999 By-Law shall continue to be valid, except to the extent that they are inconsistent with this by-law and until amended or repealed.

SCHEDULE B CORPORATE GOVERNANCE PRACTICES

Board of Directors

The Board of Directors up for election is comprised of eight directors. The Board of Directors considers five of them to be “independent” from the Corporation. Messrs. Marcel Bourassa, Jean-Marie Bourassa and Sébastien Bourassa are not independent directors. The five other directors, Ms. Caroline Bérubé and Messrs. Jean-Louis Chapdelaine, Peter Drutz, Sylvain Dumoulin and Alain Tremblay are independent directors, given that they do not have any business interests or other relationships with the Corporation or its principal shareholders.

In-camera meetings

The independent members of the Board of Directors meet in-camera with the Lead Director and without management and the non-independent directors after each quarterly and special Board meeting as well as all committee meetings of the Corporation.

Mandate of the Board of Directors

Role

The board of directors (the “**Board**”) of Savaria Corporation (the “**Corporation**”) must promote the viability of the Corporation and value creation, require that the management of the Corporation be in the best interest of the Corporation and of its shareholders, while taking into account the interest of other parties. Furthermore, it shall promote the constant improvement of the performance of the Corporation and thus ensure its continuous development.

The Board supervises the management of the affairs of the Corporation. The Board is responsible for the good governance of the Corporation and must, to this end, ensure an efficient allocation of the resources and have the power to report it.

Composition and Meetings

In accordance with the articles of the Corporation, the Board is composed of a minimum of three directors and a maximum of 12 directors.

The directors must devote the necessary time to the business of the Board and have the relevant skills, experience and aptitudes relating to their appointment as a director in order to meet the needs of the Corporation and to allow the Board to function effectively.

The majority of the directors must be considered independent by the Board, in accordance with the legislative and regulatory requirements and the listing criteria which the Corporation is subjected to. As an indication, a director is independent if he or she does not have a significant relationship, either direct or indirect, with the Corporation.

The Board is governed by the Corporation’s by-laws approved by the shareholders and by the resolutions adopted by the Board.

Essential information and documentation relating to the points on the agenda and subjects discussed at the Board meetings are distributed to the Board members prior to each meeting to allow them to address such points and related subjects in a fully informed manner. Furthermore, the Corporation will distribute to the Board the necessary and pertinent information on the Corporation, its operations and its finances.

Members of the Board may take part in the meetings by teleconference or any other similar means of communication allowing all the individuals participating in the meetings to communicate simultaneously.

Executive management may, on invitation, participate in the meetings and make presentations so that the directors acquire better knowledge and comprehension of the business of the Corporation.

The directors may, if need be, meet without executive management or the non-independent directors, according to what they consider suitable, in order to allow a free and open discussion between the independent directors.

The primary responsibilities of the Board are the following:

1. Strategic Planning

- a) Provide management with the benefits of its vision for new trends and recent events and recommend action appropriate to the circumstances to management;
- b) Adopt and oversee that the strategic plan is updated, by taking into account, among others, opportunities and risks related to the Corporation's activities, global trends related to the Corporation's industry and growth potential;
- c) Identify the principal risks which the commercial activities of the Corporation are exposed to and supervise the implementation of the strategic plan and the appropriate systems to manage risks;
- d) Examine and approve, if necessary, any strategic decision for the Corporation including, in particular, acquisition, merger and disposal of shares, assets or businesses exceeding the delegated powers of approval of executive management; and
- e) Understand and regularly re-evaluate the business plans of the Corporation.

2. Integrity

- a) Ensure the integrity of the President and Chief Executive Officer and the members of executive management and maintain a culture of integrity within the Corporation;
- b) Ensure that the Corporation possesses the means to respect the legislative and regulatory requirements regarding its operations; and
- c) Adopt a code of ethics that governs the behaviour of the directors, management and employees of the Corporation; see to the continuance of a conformity process with its own code of ethics and politics; and review, from time to time, the Corporation's code of ethics.

3. Supervision of the Business of the Corporation

- a) Approve the annual financial objectives, budgets and plan of action, including major capital allowances and expenditures;
- b) Approve the issuance of securities and any operation out of the normal course of the activities of the Corporation, including proposals regarding mergers, acquisitions and other important operations, such as investments and investment withdrawals;
- c) Supervise executive management in order to ensure that the Corporation's daily activities are managed in a competent manner and in accordance with the business plan approved by the Board;
- d) Provide advice to executive management when required by the circumstances;
- e) Ensure that executive management understands the expectations of the Board, that the appropriate questions are presented to the Board and that it is kept informed of the feedback from the shareholders;
- f) Ensure that the Board may exercise its functions independently from executive management of the Corporation;

- g) Determine the expediency of declaring dividends and declare such dividends, where applicable;
- h) Review the financial information and monitor the integrity of the Corporation's internal control and management information systems; and
- i) Consider and approve any modification to the present charter of the Board.

4. Evaluation and Succession Planning

- a) Evaluate its own efficiency with regard to the performance of the aforementioned duties and the other responsibilities of each director;
- b) Supervise the composition of the Board to ensure the effectiveness of the decision-making process;
- c) Verify that the members of executive management have the required skills to accomplish their functions;
- d) Create necessary Board committees (including the mandatory Audit Committee), establish their mandates and choose their members;
- e) Recommend candidates for director positions to fill any vacancy on the Board;
- f) Ensure that all new directors are completely oriented in order that they fully understand the role of the Board and its committees, as well as the nature and operation of the Corporation's business;
- g) Evaluate and supervise the succession planning, in emergency circumstances, of the Chief Executive Officer and executive management; and
- h) Ensure that directors receive adequate continuing training and orientation.

5. Communication

- a) Supervise the steps followed so that the Corporation conforms to its obligations of continuous and timely disclosure and avoids selective disclosure;
- b) Examine and approve the content of the principal disclosure documents, including the annual information form, press releases regarding quarterly and annual financial results as well as the corresponding financial statements, and the management proxy circular; and
- c) Review, when necessary, the Corporation's communication policies.

6. Meeting Attendance

- a) To ensure the efficient performance of their responsibilities, the Board and Audit Committee shall meet periodically, at least once quarterly, while the other committees (if applicable) shall meet at least once a year;
- b) Unless prevented by circumstances beyond their control, all directors must attend all meetings of the Board or committee on which they sit; and
- c) Before each meeting, the directors shall receive the documentation required for the following meeting. Each director shall be responsible for examining this documentation before that meeting opens.

7. Other

Carry out any other appropriate duties and responsibilities pursuant to the legislative and regulatory requirements pertaining to its operations and to the by-laws of the Corporation.

Position Descriptions

The Board has developed Charters for the Audit and Nominating committees of the Board, as well as respective position descriptions for the Chairperson, President and Chief Executive Officer, for the Lead Director and for the Committee chairs. A full description of these mandates can be found on the Corporation's website at www.savaria.com.

Nomination of Directors

The Board has delegated to the Nominating Committee the task of evaluating and recommending to the Board new nominees for the position of Director. The Committee determines the skills, abilities and personal attributes required of new directors, with a view to creating value for shareholders. Occasionally, the services of a recruiting firm may be retained. The potential candidates are interviewed by the members of the Nominating Committee, the Lead Director and Chairman and, if needed, by the Board members. Following this process, the Nominating Committee will make its recommendations to the Board. The Nominating Committee is exclusively comprised of independent directors. The members are Messrs. Tremblay (Chair), Drutz and Chapdelaine. By their experience, education and involvement in the business world, all the members are experienced in compensation matters.

Election of Directors

The Board must be composed of a minimum of three directors and of a maximum of 12 directors. Pursuant to a resolution of the Board, eight persons are to be elected as directors for the current fiscal year, each to hold office until the next annual meeting of shareholders or until such person's successor is elected or appointed. Management proposes the election, at the Meeting, of the eight nominees, all are currently members of the Board. Management does not contemplate that any of the nominees will be unable to serve as a director but, should any of the nominees be unable to serve as a director for any reason prior to the Meeting, the persons named in the form of proxy reserve the right to vote for another nominee in their discretion, unless the shareholder has specified in the proxy that his or her shares are to be withheld from voting in the election of directors.

Advance Notice of Director Nominations

The Corporation adopted an Advance Notice By-Law providing shareholders with the framework to exercise their right to submit director nominations prior to any annual or special meeting of shareholders by fixing a deadline by which such nominations must be submitted and sets forth the information that a shareholder must include in the written notice to the Corporation for any director nominee to be eligible for election at such annual or special meeting of shareholders.

The Advance Notice Provisions fix a deadline by which Shareholders must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders. In the case of an annual meeting of Shareholders, notice to the secretary of the Corporation must be made not less than 30 days prior to the date of the annual meeting; provided, however, in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement. In the case of a special meeting of Shareholders (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes as well), notice to the Corporation must be made not later than the 15th day following the day on which the first public announcement of the date of the special meeting was made.

For the purposes of the Advance Notice By-law, "**public announcement**" means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on SEDAR at www.sedar.com. The Advance Notice By-law will be subject to review by the Board, and will be updated from time to time to reflect changes required by securities regulatory agencies or stock exchanges, or to conform to industry standards.

Gender Diversity and Board Term

The Corporation values diversity of views, experience, skill sets, gender and ethnicity and supports the identification and nomination of women directors and candidates for executive officer positions. However, gender diversity is only one factor out of many that is taken into account in identifying and selecting Board members and in considering the hiring, promotion and appointment of executive officers.

The Nominating Committee carefully examines the composition of the Board, more specifically its size, the professional skill set of each individual and the sectors of activity. The Board must ensure that the directors collectively have all the relevant skills, experience and qualities enabling them to meet the challenges which the Corporation faces and that they form a strong independent Board allowing them to better serve the interests of the shareholders in the long term.

Currently, the Corporation has one woman on the Board and one woman in an executive level position. The Corporation wishes to emphasize that it has a succession plan in place for its executive management, which focuses on regular performance evaluations and other processes (including, but not limited to, development and career planning), as well as invests and mentors all of its executive officers, regardless of their gender. The Corporation recognizes that in order to achieve a better, more representative balance between men and women on the Board and in executive officer positions, it must ensure that this talent pipeline is properly developed.

The Corporation has not set any specific targets with regards to the representation of women on the Board or in executive officer positions, nor has it adopted a policy to that effect, but focuses instead on choosing the most appropriate candidate for the position.

The Corporation has considered whether or not to impose a mandatory Board term for its board members and will continue to do so. To date, the Corporation believes that adopting such a policy is not appropriate for its Board. In fact, the Corporation considers that its annual assessment process is the most efficient and transparent manner to evaluate the Board members and it ensures that Board members provide an added value and provide a strong contribution to the Corporation. The current Board structure takes all these objectives into consideration.

Skills Matrix

The Nominating Committee maintains a “skills matrix” for the Board where each director is asked to indicate his or her experience which is compiled into the matrix. The skills matrix allows the Board to easily review the Board skills composition to ensure the Board’s expertise is well rounded. The results are reviewed, analyzed and discussed by the full Board. The contents of the skills matrix for the directors seeking re-election, as the case may be, are as follows:

SKILLS AND EXPERIENCE	<i>Marcel Bourassa</i>	<i>Jean-Marie Bourassa</i>	<i>Sébastien Bourassa</i>	<i>Caroline Bérubé</i>	<i>Jean-Louis Chapdelaine</i>	<i>Sylvain Dumoulin</i>	<i>Peter Druz</i>	<i>Alain Tremblay</i>
Entrepreneurship	X	X	X	X	X		X	X
Financial literacy	X	X	X		X	X	X	X
Corporate governance	X	X		X		X	X	X
Compensation, labour relations, human resources	X		X		X	X	X	X
Senior executive leadership	X	X	X	X	X	X	X	X
Corporate social responsibility, environment		X		X			X	

SKILLS AND EXPERIENCE	<i>Marcel Bourassa</i>	<i>Jean-Marie Bourassa</i>	<i>Sébastien Bourassa</i>	<i>Caroline Bérubé</i>	<i>Jean-Louis Chapdelaine</i>	<i>Sylvain Dumoulin</i>	<i>Peter Druz</i>	<i>Alain Tremblay</i>
Marketing, communications	X				X		X	X
Manufacturing and retail industries	X	X	X		X		X	X
Mergers and acquisitions	X	X	X	X	X	X	X	X

Majority Voting Policy

As part of its ongoing review of corporate governance practices, on April 3, 2013, the Corporation's Board adopted the policy on majority voting for director nominees, which provides that in an uncontested election of directors, if the number of shares withheld from voting for any nominee exceeds the number of shares voted for such nominee, then, notwithstanding that such nominee was duly elected as a director as a matter of corporate law, he or she shall, within five days following the date of the final scrutineer's report on the ballot, tender his or her written resignation to the chair of the Board. According to this policy, the Audit Committee will then consider such offer of resignation and will make a recommendation to the Board concerning the acceptance or rejection of the resignation. In its deliberations, the Audit Committee will consider all factors deemed relevant. The Board will take formal action on the Audit Committee's recommendation no later than 90 days following the date of the applicable annual meeting and will announce its decision via press release. No director who is required to tender his or her resignation shall participate in the Audit Committee's deliberations or recommendations or in the Board's deliberations or determination. In the event any director fails to tender his or her written resignation when required to do so in the circumstances described above, such director will not be put forward by the Board as a nominee at the next annual meeting where directors are to be elected. If a resignation is accepted by the Board, and subject to any corporate law restrictions, the policy provides that the Board may either leave any resulting vacancy unfilled until the next annual meeting, appoint a new director, who the Board considers to merit the confidence of the shareholders, to fill the vacancy, or call a special meeting of shareholders at which there will be presented a management slate to fill the vacant position or positions. It should be noted that this policy only applies to uncontested elections (i.e. an election where the only nominees are those recommended by the Board) and does not apply in the case where the election involves a proxy battle.

Orientation and Continuing Education

The Corporation's orientation process for all new members of the Board encompasses presentations made by various officers and key executives primarily related to the Corporation's organizational structure and the nature and operation of its businesses both in North America and in Europe. In addition, an overall view of the role of the Board and its Committees is discussed as well as the contribution individual directors are anticipated to make. All new directors are provided with a director's guide that contains up-to-date documentation, including, among other things, basic information on the Corporation and its industry.

Directors also interact with executives and senior management at every Board meeting where they are exposed to a wide variety of presentations on business growth strategy and on the overall outlook of the Corporation's worldwide operations and challenges.

In addition, throughout the year, the directors are provided with educational reading materials and presentations on corporate governance, financial strategy, risk assessment, disclosure requirements as well as other topics.

Chief Executive Officer and Executive Succession Planning

Succession planning for the President and CEO and executive management has always been a key focus of the Board, therefore ensuring the continuity of executive management. The Board, in collaboration with the President and CEO, carry out an annual review of the succession planning process. As part of the annual process, the President and CEO, reviews numerous candidacies among their respective divisions for various, Vice President positions.

Compensation

The Board has the responsibility for evaluating the compensation of the President and Chief Executive Officer, including the equity-based and incentive compensation plans, policies and programs of the Corporation. For more details, refer to the heading “Executive Compensation” in this Circular.

Board, Committee and Member Assessments

The Board examines on an annual basis, together with the Lead Director, the performance and contribution of directors nominated for re-election and ensures that they are still eligible pursuant to applicable laws. The Board reviews the size of the Board on an annual basis and reports to the Board. In addition, the Lead Director coordinates an annual questionnaire with each director to assess the operation of the Board and its committees, the participation of individual directors, the adequacy of information given to directors and communication between the Board and Management. Thereafter, the Lead Director reports the assessment to the Board.

Audit Committee and Other Board Committees

Information relating to the Audit Committee of the Corporation may be found under the heading “Audit Committee Disclosure” in the 2018 Annual Information Form, which is hereby incorporated by reference. Information relating to the Nominating Committee of the Corporation can be found under Schedule C of this Circular.

Clawback Policy

The Corporation has not adopted a clawback policy.

Anti-Hedging Policy

The Board of Directors did not adopt such policy considering that directors and NEOs are governed by securities legislation which requires them to disclose all transactions related to their shareholdings including any derivative instruments (i.e. anti-hedging) purchases. To the Corporation’s knowledge, none of its directors or NEOs has hedged their respective shares in the Corporation.

Ethical Business Conduct

The Corporation has in place a written code of ethics and conduct for its directors, officers and employees (the “Code”). The Code may be consulted on the Corporation’s profile on SEDAR at www.sedar.com or its website at www.savaria.com. The Board is responsible for the Code’s implementation within the Corporation. The Code is distributed and acknowledged by each employee of the Corporation upon hire. The Code pertains namely to conflicts of interest, the use of the Corporation’s assets, fair treatment of clients, suppliers, competitors and other Corporation employees. In addition, the Code includes a whistleblowing policy and a communication policy. Pursuant to the Code, all employees of the Corporation shall report any activity which seems not to be in line with the Code or laws and regulations.

Corporate Social Responsibility and Environment

Although the Corporation does not have a separate corporate social responsibility (“CSR”) committee, it does nonetheless deal with a variety of issues relating to corporate social responsibility and the environment, both from an operations level as well as at the corporate level. The main issues related to CSR that the Corporation feels are essential are environmental sustainability, health and safety, people and culture, and communities and giving. The Corporation recognizes the importance of making responsible decisions that will reduce its business’ negative impact on the environment and has

established programs to increase the efficient use of energy and natural resources, in order to manage and reduce the Corporation's environmental impact on operations. Such programs include, but are not limited to, improving energy efficiency, reducing paper usage in our business processes and sourcing environmentally preferable paper, electronics and other commodities, and engaging employees to participate in our environmental responsibility programs (i.e. waste management, recycling, etc.).

SCHEDULE C NOMINATING COMMITTEE CHARTER

PURPOSE

The Nominating Committee is appointed by the Board of Directors to assist the Board in fulfilling its responsibilities with respect to the Board and committee membership.

MANDATE

1. Develop, review and monitor, in consultation with the Chairperson of the Board, criteria for selecting directors by assessing the competencies, skills, personal qualities, availability, diversity, business background and diversified experience of the Board members corresponding to the Corporation's changing circumstances and needs, and ensuring the planned retirement of Board members as necessary to maintain an optimal mix of skills, competencies, recent experience and contact networks to maintain an optimal balance thereof.
2. Evaluate risks and opportunities facing the Corporation and consider key areas of required knowledge, including business strategy and opportunities, finance, manufacturing and international activities and the status of a publicly traded company. The foregoing criteria will allow the Board to quickly assess any skill gaps in the composition of the Board and target new potential candidates to fulfil the expertise sought.
3. In consultation with the Chairperson of the Board and taking into consideration the Corporation's needs, identify candidates qualified to become Board members, who can devote sufficient time and resources to their duties as Board members, and make recommendations to the Board.
4. Develop and update a list of potential candidates, in view of the competencies that the Board considers to be necessary for the Board as a whole and for each existing director to possess and for each new nominee to bring to the Board.

COMPOSITION

The Nominating Committee shall be comprised of a minimum of three directors, appointed by the Board, all of whom shall be outside directors and the majority of whom shall be unrelated directors.

The Chair of the Nominating Committee shall be an unrelated director.

MEETINGS

The Nominating Committee shall meet from time to time as circumstances dictate. The Nominating Committee may ask members of management or others to attend the meeting and provide pertinent information as required.



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