

# AGM

to be held on May 13, 2020

**SAVARIA CORPORATION**

## Notice of Annual General Meeting of Shareholders

Including Management Proxy Circular

# SAVARIA CORPORATION

## NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholder,

You are cordially invited to attend the annual general meeting of the shareholders (the “**Meeting**”) of Savaria Corporation (the “**Corporation**”) which will be held at the *Hôtel Le Crystal* in the Crescent room, located at 1100, rue de la Montagne, Montréal, Québec, on **May 13, 2020, at 11:00 a.m. (EST)** (the “**Notice of Meeting**”). *In light of the ongoing public health concerns related to the COVID-19 outbreak and in order to comply with the measures imposed by the federal and provincial governments, the Corporation is encouraging shareholders and others not to attend the Meeting in person. Shareholders are urged to vote on the matters before the Meeting by proxy and to view the Meeting online by way of a live webcast that will be available at <https://bit.ly/3aEm7VM>. Shareholders will be able to submit questions to management of the Corporation through the webcast at the conclusion of the Meeting. In order to exercise such right, Shareholders will need to register one hour before the start of the Meeting by using the control number they have on their proxy voting card. The Corporation may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 outbreak, including changing the date, time or location and in such an event it will issue a press release to inform shareholders.* The Meeting will be for the following purposes:

- (a) to receive the audited financial statements of the Corporation for the year ended December 31, 2019, 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; and
- (d) 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 (the “**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 Proxy Circular and other relevant materials are available on the Internet at <https://www.savaria.com/our-company/investors?lang=en> or under the Corporation’s profile on SEDAR at [www.sedar.com](http://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 3, 2020. 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 3, 2020, 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, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1) no later than 5:00 p.m. EST on May 11, 2020, or, if the Meeting is adjourned, not less than forty-eight (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 March 30, 2020 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  
Chairman, President and Chief Executive Officer  
Laval (Québec)  
April 2, 2020

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# **SAVARIA CORPORATION**

## **MANAGEMENT PROXY CIRCULAR**

### **FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 13, 2020**

#### **1. NOTICE AND ACCESS RULES**

Savaria Corporation (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 annual general meeting of the shareholders (the “**Meeting**”). Instead of receiving this management proxy circular (the “**Proxy Circular**”) with a proxy form or voting instruction form, shareholders will receive a notice of meeting (the “**Notice of Meeting**”) with instructions on how to access the Meeting materials online. The Corporation sent the Notice of Meeting and proxy form (the “**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 <https://www.savaria.com/our-company/investors?lang=en> or under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

If you would like to receive a printed copy of the Meeting materials by mail, at no cost, you must request one no later than May 3, 2020. 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 Meeting materials in advance of the voting deadline and Meeting date, all requests must be received no later than ten (10) business days before the Meeting to ensure timely receipt. If you request a paper copy of the Meeting 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 Proxy Circular is provided in connection with the solicitation of proxies by the Management of the Corporation for use at the Meeting of the Corporation to be held at the Hôtel Le Crystal in the Crescent room, located at 1100, rue de la Montagne, Montréal, Québec, on May 13, 2020, 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. *In light of the ongoing public health concerns related to the COVID-19 outbreak and in order to comply with the measures imposed by the federal and provincial governments, the Corporation is encouraging shareholders and others not to attend the Meeting in person. Shareholders are urged to vote on the matters before the Meeting by proxy and to view the Meeting online by way of a live webcast that will be available at <https://bit.ly/3aEm7VM>. Shareholders will be able to submit questions to management of the Corporation through the webcast at the conclusion of the Meeting. In order to exercise such right, shareholders will need to register one hour before the start of the Meeting by using the control number they have on their proxy voting card. The Corporation may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 outbreak, including changing the date, time or location and in such an event it will issue a press release to inform shareholders.* 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 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 30, 2020.

## 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*, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, by 5:00 p.m. (EST), on May 11, 2020. 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, 8<sup>th</sup> 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 50,633,775 common shares were issued and outstanding as of March 30, 2020. 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 March 30, 2020 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 ten (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	14,905,167 <sup>(1)</sup>	29.44%

(1) Of the 14,905,167 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), 886,467 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 32,900 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, 2019 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](http://www.sedar.com)) as well as on the Corporation's website ([www.savaria.com](http://www.savaria.com)).

#### 3.2 Election of Directors

The Corporation is required to have a minimum of three (3) directors and a maximum of twelve (12) directors. The board of directors of the Corporation (the "**Board**") has determined and fixed at eight (8) the number of directors to fulfill the Board's responsibilities. At the Meeting, it is proposed that eight (8) 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 \$10.36, the closing price of our common shares on the TSX on March 30, 2020 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

Director since 2002  
Not independent

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.

2019 meeting attendance	100%
Committee membership	None
Other public company boards in the past five years	None
Securities held	14,905,167 common shares <sup>(1)</sup> 0 stock options Total equity ownership: \$124,911,111

(1) Of the 14,905,167 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), 886,467 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 32,900 are held personally by Marcel Bourassa.



**Jean-Marie Bourassa**

Consulting Partner BOURASSA BOYER INC.

Director since 2002  
Not independent

Mr. Jean-Marie Bourassa is Consulting Partner at *Bourassa Boyer Inc.* He served as Chief Financial Officer of Savaria from January 2002 to May 2019. 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 for *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 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.

2019 meeting attendance	100%
Committee membership	None
Other public company boards in the past five years	<i>5N Plus Inc.</i>
Securities held	76,500 common shares 70,833 stock options Total equity ownership: \$30,488,751 <sup>(1)</sup>

(1) This amount reflects the economic ownership he holds via the holding companies he owns with Marcel Bourassa (i.e. in *Les Élévateurs 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.

2019 meeting attendance	100%
Committee membership	Audit Committee
Other public company boards in the past five years	None
Securities held	128,625 common shares 75,000 stock options Total equity ownership: \$1,547,305



**Jean-Louis Chapdelaine**

President  
SARAGUAY  
INVESTMENTS INC.

Director since 2005  
*Independent*

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.

2019 meeting attendance	100%
Committee membership	None
Other public company boards in the past five years	None
Securities held	145,000 common shares 75,000 stock options Total equity ownership: \$1,716,950



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*

2019 meeting attendance	100%
Committee membership	Chair of the Audit Committee and member of the Corporate Governance and Human Capital Committee
Other public company boards in the past five years	None
Securities held	90,000 common shares 75,000 stock options Total equity ownership: \$1,147,150



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.

**Alain Tremblay**

Senior VP Finance & Operations  
GESTION BENOÎT  
DUMOULIN INC.

Director since 2011  
*Independent*

2019 meeting attendance	100%
Committee membership	Audit Committee and Chair of the Corporate Governance and Human Capital Committee
Other public company boards in the past five years	None
Securities held	91,000 common shares 75,000 stock options Total equity ownership: \$1,157,510



**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 efficiency 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.

2019 meeting attendance	100%
Committee membership	None
Other public company boards in the past five years	None
Securities held	208,466 common shares 75,000 stock options Total equity ownership: \$2,223,458



**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.

2019 meeting attendance	86% (missed one board meeting out of seven)
Committee membership	Corporate Governance and Human Capital Committee
Other public company boards in the past five years	None
Securities held	0 common shares 66,667 stock options Total equity ownership: \$194,001

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 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.

#### 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 (3) 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, 2019.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Caroline Bérubé	22,500	-	71,233 <sup>(A)</sup>	-	-	-	93,733
Jean-Marie Bourassa	11,250 <sup>(2)</sup>	-	47,315 <sup>(B)</sup>	-	-	-	201,272
	-	-	142,707 <sup>(3)(C)</sup>	-	-	-	
Jean-Louis Chapdelaine	22,500	-	71,233 <sup>(A)</sup>	-	-	-	93,733
Peter Drutz	22,500	-	71,233 <sup>(A)</sup>	-	-	-	93,733
Sylvain Dumoulin	22,500	-	71,233 <sup>(A)</sup>	-	-	-	93,733
Alain Tremblay	22,500	-	71,233 <sup>(A)</sup>	-	-	-	93,733

(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:

	A	B	C
Expected volatility:	36.78%	36.874%	37.708%
Expected life:	3 years	3 years	3 years
Risk-free interest rate:	1.58%	1.39%	1.7%
Dividend yield:	3.30%	3.76%	3.53%

(2) Mr. Jean-Marie Bourassa stepped down as CFO of the Corporation on May 22, 2019 and was entitled to receive at such date the same compensation as the other Board members that are not part of the Corporation's Management, the whole on a prorated basis.  
(3) Compensation for financial advisory services.

##### 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 2019.

Name	Option-based awards – Value vested during the fiscal year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the fiscal year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Caroline Bérubé	-	-	-
Jean-Marie Bourassa	24,884	-	-
Jean-Louis Chapdelaine	-	-	-
Peter Drutz	-	-	-
Sylvain Dumoulin	-	-	-
Alain Tremblay	-	-	-

(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, 2019, the last trading day of 2019, which was \$13.95.

### 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, 2019.

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 (\$) <sup>(1)</sup>	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 (\$)
Caroline Bérubé	16,667	14.04	2020-05-15	-	-	-	-
	25,000	16.89	2021-05-15	-	-	-	-
	25,000	13.72	2022-04-02	5,750	-	-	-
Jean-Marie Bourassa <sup>(2)</sup>	50,000 <sup>(2)</sup>	13.53	2022-05-21	21,000	-	-	-
	20,833	11.42	2022-08-16	52,707	-	-	-
Jean-Louis Chapdelaine	25,000	15.10	2020-05-15	-	-	-	-
	25,000	16.89	2021-05-15	-	-	-	-
	25,000	13.72	2022-04-02	5,750	-	-	-
Peter Drutz	25,000	15.10	2020-05-15	-	-	-	-
	25,000	16.89	2021-05-15	-	-	-	-
	25,000	13.72	2022-04-02	5,750	-	-	-
Sylvain Dumoulin	25,000	15.10	2020-05-15	-	-	-	-
	25,000	16.89	2021-05-15	-	-	-	-
	25,000	13.72	2022-04-02	5,750	-	-	-
Alain Tremblay	25,000	15.10	2020-05-15	-	-	-	-
	25,000	16.89	2021-05-15	-	-	-	-
	25,000	13.72	2022-04-02	5,750	-	-	-

(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, 2019, the last trading day of 2019, which was \$13.95.

(2) Compensation for financial advisory services.

## 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, which are more fully described in this Proxy Circular, but which 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 compensation of NEOs and the participation in the profitability of the Corporation aim to maintain their competitive overall remuneration and to motivate them to perform so that the Corporation achieves its profitability objectives.

## 5.2 Compensation Discussion and Analysis

The Board has created a Corporate Governance and Human Capital Committee (the “**Committee**”) to assist the Board in fulfilling its responsibilities relating to matters of compensation, human resources and corporate governance. The Committee is composed of three independent members who are Mr. Alain Tremblay, the Chair, Mr. Sylvain Dumoulin and Ms. Caroline Bérubé. For more information on their skills and biographies, please refer to their respective biographies in Section 3.2 and the Skill Matrix under Schedule A hereto.

This Committee has the responsibility of evaluating and making recommendations to the Board regarding the compensation of the NEOs and members of the Board and the equity and incentive based compensation plans, policies and programs of the Corporation. The Committee’s ultimate objective is to provide a balance between the compensation components representing fixed and variable compensation for NEOs in order to place emphasis on compensation elements linked to performance and accomplish the Corporation’s compensation policy objective.

In determining compensation for the NEOs and members of the Board, the Committee uses as a reference the compensation practices of a peer group (the “**Peer Group**”) of listed Canadian and U.S. companies of similar size in the retail and manufacturing industries. In addition to the foregoing, the Committee also reviews and assesses the compensation package of the Chief Executive Officer and NEOs, by conducting such review it considers appropriate. It reviews, among other things, the compensation packages for the prior year, the Committee’s evaluation of individual performance, the Corporation’s performance and relative shareholder return, the competitiveness of the compensation package, and the awards given in previous years. It should be noted that no member of the Committee serves as CEO of another company.

## 5.3 Compensation Consultants – Report on Compensation

During fiscal 2019, the Committee retained the services of PCI-Perreault Consulting Inc. (“PCI”) for their expert advice in evaluating the competitiveness and appropriateness of the compensation programs of the Corporation for its NEOs. The services may include, but were not limited to, advice on base salaries, short term, medium term and long-term incentive programs, pension plans, social benefits, accessory benefits and provisions regarding employment and change of control. In connection with these services, PCI assisted the Committee with the review of its Peer Group, (the positioning regarding compensation and performance, the performance measures, etc.), the design of the programs and the levels of compensation compared to market and made observations and suggestions regarding amendments where appropriate. This compensation study was the first ever done by the Corporation and was provided for a total amount of \$25,000. During the fiscal years 2018 and 2019, no other fees were paid to PCI.

The results of the benchmarking exercise indicated that the CEO’s base salary and maximum bonus are competitive. The total compensation paid for the CEO is, however, below market because the CEO did not receive any long-term incentive award in the past years.

Based on these findings and upon the suggestions of PCI and of the Committee, the Board approved the adjustment of the CEO’s base salary and bonus plan to reflect the market value of his role and more closely align his total compensation package with that of the peer group. The annual incentive plan modification includes the implementation of a scale-up bonus component that could pay out up to 130% of his base salary should there be an over-achievement.

## 5.4 Peer Group Composition

PCI also reviewed and evaluated the pertinence of the Peer Group to be used for market benchmarking purposes. The Peer Group companies are selected in order to represent a theoretical talent market for the organization’s NEOs and from this point of view the group’s constituents is of great importance. The selection criteria employed to identify the companies to be included in the Peer Group were (i) companies competing in industries relating to the Corporation’s such as retail, manufacturing and distribution; and

(ii) companies with a financial footprint as measured by annual revenues of \$240M to \$1.2B; (iii) companies with a market capitalization from \$300M to \$1.9B.

The Peer Group approved by the Committee is comprised of the following companies:

<b>Canada</b>		<b>USA</b>
<ul style="list-style-type: none"><li>• GroupExchange Income Corp.</li><li>• Magellan Aerospace Corp.</li><li>• Badger Daylighting Ltd.</li><li>• Heroux-Devtek Inc.</li><li>• DIRTT Environmental Solutions Ltd.</li><li>• K-Bro Linen Inc.</li></ul>	<ul style="list-style-type: none"><li>• Hardwoods Distribution Inc.</li><li>• Ag Growth International Inc.</li><li>• Logistec Corp.</li><li>• Boralex</li><li>• New Look Vision Group Inc.</li></ul>	<ul style="list-style-type: none"><li>• Gorman-Rupp Company</li><li>• Ennis Inc.</li></ul>

## **5.5 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 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, without the Corporation conducting market analyses or referring to a specific industry peer group.

### ***Performance Bonus***

The NEOs are eligible for a performance bonus. For the year ended December 31, 2019, the CEO was entitled to a performance bonus equal to up to 130% of his base salary, if the 2019 budgeted revenue, consolidated adjusted earnings before interest, tax and amortization ("**EBITDA**") and personal objectives were reached and overachieved. The other NEOs were each entitled to a performance bonus, at the discretion of 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.

The following table indicates the composition of the 2019 financial objectives, the target bonus and the bonus earned by the NEOs, for the fiscal year ended December 31, 2019.

Name	Objectives	Target Bonus (\$)	Bonus Earned (\$)
Marcel Bourassa President and Chief Executive Officer	EBITDA (70%) and Revenue (15%) and Personal Objectives(15%)	715,000	360,038
Jean-Marie Bourassa <sup>(1)</sup> CFO	-	-	-
Mauro Ferrara <sup>(1)</sup> CFO	-	75,000 <sup>(2)</sup>	75,000 <sup>(2)</sup>
Sébastien Bourassa VP Operations & Integration	Budgeted EBITDA of Savaria Concord Lifts Inc.	50,000	50,000
James D. Ferguson CEO Span group	Budgeted operating income of Span group	103,659 <sup>(3)</sup>	56,498 <sup>(3)</sup>
Vince Sciamanna Group President Garaventa Lift group	Operating results of 2019 for Garaventa group	187,500	187,500

(1) Mr. Bourassa ceased to hold such position on May 22, 2019 when Mr. Ferrara took over.

(2) This amount was fixed for fiscal 2019 as per employment contract.

(3) This amount has been converted to Canadian dollars using the average foreign exchange rate of 1.3270.

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.

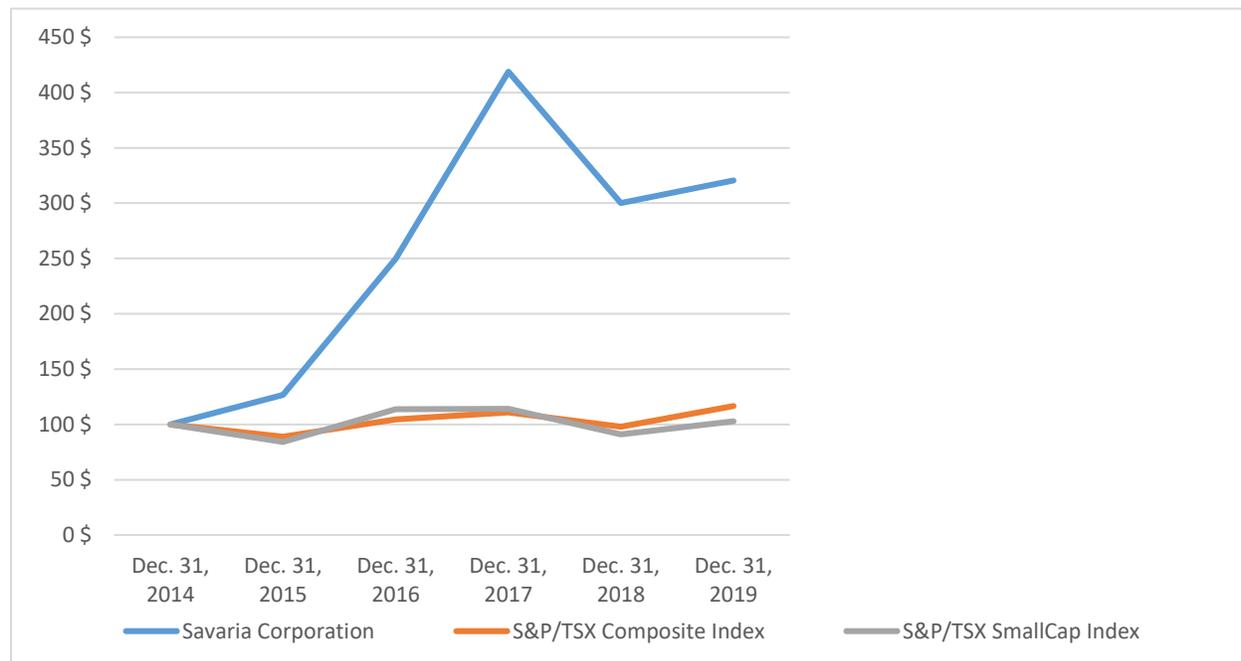
### ***Long Term Incentive – Stock Options***

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 (the "**Stock Option Plan**"). 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.

## 5.6 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, 2014 to December 31, 2019, 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, 2014	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2019
Savaria Corporation (\$)	100	127	250	419	300	321
S&P/TSX Composite Index (\$)	100	89	104	111	98	117
S&P/TSX SmallCap Index (\$)	100	84	114	114	91	103

Executive compensation is not directly linked to the performance of the Corporation's share price, which substantially increased since 2014; therefore, the total compensation does not necessarily follow the trend shown in the above graph.

## 5.7 Summary Executive Compensation Table

The following table presents all compensation earned during the fiscal years 2019, 2018 and 2017 by the NEOs.

Name and principal position	Year	Base salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) <sup>(2)</sup>	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
<b>Marcel Bourassa</b> President and CEO	2019	550,000	-	-	360,038	-	-	-	910,038
	2018	500,000	-	-	-	-	-	-	500,000
	2017	500,000	-	-	400,000	-	-	-	900,000
<b>Jean-Marie Bourassa<sup>(3)</sup></b> CFO	2019	-	-	-	-	-	-	-	-
	2018	-	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-	-
<b>Mauro Ferrara<sup>(4)</sup></b> CFO	2019	146,871 <sup>(5)</sup>	-	67,787	75,000	-	-	-	289,658
	2018	-	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-	-
<b>Sébastien Bourassa</b> Vice President Operations & Integration	2019	206,000	-	-	50,000	-	-	-	256,000
	2018	206,000	-	-	-	-	-	-	206,000
	2017	206,000	-	-	50,000	-	-	-	256,000
<b>James D. Ferguson</b> CEO Span group	2019	518,296 <sup>(6)</sup>	-	-	56,498 <sup>(6)</sup>	-	9,289 <sup>(6,8)</sup>	-	584,083
	2018	492,073	-	-	-	-	8,908 <sup>(8)</sup>	-	500,981
	2017	249,255 <sup>(9)</sup>	-	197,333	29,000	-	4,748 <sup>(8)</sup>	-	480,336 <sup>(7)</sup>
<b>Vince Sciamanna</b> Group President Garaventa Lifts group	2019	250,000	-	-	187,500	-	12,500 <sup>(9)</sup>	-	450,000
	2018	80,000 <sup>(10)</sup>	-	232,487	80,000	-	4,000 <sup>(9)</sup>	-	396,487
	2017	-	-	-	-	-	-	-	-

(1) 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:

2019 grant		2018 grant		2017 grant	
Expected volatility:	31.752%	Expected volatility:	29.4%	Expected volatility:	30.9%
Expected life:	7 years	Expected life:	6 years	Expected life:	6 years
Risk-free interest rate:	1.7%	Risk-free interest rate:	2.4%	Risk-free interest rate:	1.34%
Dividend yield:	3.53%	Dividend yield:	2.12%	Dividend yield:	1.55%

(2) 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.

(3) Mr. Jean-Marie Bourassa stepped down as CFO on May 22, 2019.

(4) Mr. Mauro Ferrara was appointed CFO on May 22, 2019.

(5) Amount paid pursuant to an annual base salary of \$235,000.

(6) Mr. Ferguson's compensation has been paid in U.S. dollars and has been converted to Canadian dollars using the average foreign exchange rate 1.3270.

(7) Mr. Ferguson became a NEO when the Corporation completed the acquisition of *Span-America Medical Systems, Inc.* on June 16, 2017. The amount indicated represent compensation for the period between June 16 and December 31, 2017.

(8) Contribution by the Corporation into Mr. Ferguson's US 401K account pursuant to U.S. laws.

(9) Contribution by the Corporation into Mr. Sciamanna's retirement savings plan account (RSP).

(10) 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 1<sup>st</sup> and December 31, 2018 and is based on an annual base salary of \$240,000.

## 5.8 Incentive Plan Awards – Value Vested or Earned During the Year

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, 2019.

Name	Option-based awards – Value vested during the fiscal year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the fiscal year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Marcel Bourassa	-	-	360,038
Jean-Marie Bourassa <sup>(3)</sup>	-	-	-
Mauro Ferrara <sup>(3)</sup>	10,500	-	75,000
Sébastien Bourassa	257,500	-	50,000
James D. Ferguson	-	-	56,498 <sup>(2)</sup>
Vince Sciamanna	-	-	187,500

(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, 2019, the last trading day of 2019, which was \$13.95.

(2) Amount was paid in U.S. dollars and has been converted to Canadian dollars using the average foreign exchange rate 1.3270.

(3) Mr. Jean-Marie Bourassa stepped down as CFO on May 22, 2019, and Mr. Mauro Ferrara was appointed CFO on May 22, 2019.

## 5.9 Outstanding Option-Based Awards and Share-Based Awards

The Table below lists all outstanding awards as at December 31, 2019 for each of the NEOs.

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 (\$) <sup>(1)</sup>	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	-	-	-	-	-	-	-
Mauro Ferrara	25,000	13.53	May 21, 2026	10,500	-	-	-
Sébastien Bourassa	75,000	3.65	Nov. 13, 2020	772,500	-	-	-
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, 2019, the last trading day of 2019, which was \$13.95.

## 5.10 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.

## 5.11 Termination and Change of Control Benefits

The Corporation has no severance pay program. However, (1) 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 does 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 and (2) pursuant to the employment agreement between the Corporation and Mr. Ferrara, the latter is entitled to eighteen month base salary payable within thirty days from the date Mr. Marcel Bourassa divests all the shares he controls directly and indirectly in the Corporation to a party, or parties, not members of his immediate family or under the control of such family members.

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, 2019.

Name	Stock Options (\$) <sup>(1)</sup>
Marcel Bourassa	-
Jean-Marie Bourassa <sup>(2)</sup>	-
Mauro Ferrara <sup>(2)</sup>	10,500
Sébastien Bourassa	772,500
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, 2019, the last trading day of 2019, which was \$13.95.

(2) Mr. Jean-Marie Bourassa stepped down as CFO on May 22, 2019, and Mr. Mauro Ferrara was appointed CFO on May 22, 2019.

## 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, 2019, with respect to the Stock Option 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	2,077,503	12.73	2,982,541

### 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 Stock Option 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 Stock Option 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 Stock Option Plan;
- (iii) changing the termination provision of the Stock Option 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 ten (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 Stock Option Plan to permit the granting of deferred or restricted share units under the Stock Option 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 Stock Option Plan; and
- (xii) changing the provisions relating to the administration of the Stock Option 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 Stock Option Plan benefiting an insider of the issuer;
- (ii) an extension of the term, under the Stock Option 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 Stock Option 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 twelve (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 twelve (12) month period, and options issued to individuals performing investor relations services must vest in stages over at least twelve (12) months with no more than a quarter (1/4) of the options vesting in any three (3) 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 (1) 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 Stock Option Plan shall expire on the date set out in the corresponding option agreement, subject to earlier termination as provided under the Stock Option Plan. In no circumstances shall the duration of an option exceed ten (10) years. Should the expiration date of an option fall within a blackout period or within nine (9) 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 tenth (10<sup>th</sup>) business day after the end of any such blackout period, such tenth (10<sup>th</sup>) business day to be considered the expiration of the terms of such option for all purposes under the Stock Option 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 ninety (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 option under the Stock Option Plan with respect to all optioned shares of such individual to the extent they had vested and were exercisable on the date of ceasing to be an officer, employee or consultant.

If an individual 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 individual shall have the right, for a period not exceeding one (1) 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 individual 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 thirty (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 individual 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 (1) 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 ten (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, 2019, and for the two (2) 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	2019	2018	2017
Annual Burn Rate	1.4%	1.2%	1.8%

## 7. CORPORATE GOVERNANCE

A description of the Corporation's governance practices is attached as Schedule "A" 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, 2019 and December 31, 2018, billed fees for audit, audit-related, tax and all other services provided to the Corporation by KPMG LLP, were as follows:

	2019 (\$)	2018 (\$)
<i>Audit Fees</i> <sup>(1)</sup>	580,100	530,300
<i>Audit-Related Fees</i> <sup>(2)</sup>	32,000	158,417
<i>Tax Fees</i> <sup>(3)</sup>	486,989	574,249
<i>All Other Fees</i>	-	-
<b>TOTAL:</b>	<b>1,099,089</b>	<b>1,262,966</b>

- (1) Include work performed on audited annual consolidated financial statements, unaudited quarterly consolidated financial statements and purchase price allocation. The 2018 fees also include work performed on prospectus and exclude an amount of \$110,000 paid to another auditor firm for services related to the 2018 audit.
- (2) Include assistance relating to due diligence. The 2018 fees also include translation and assistance provided with respect to the acquisition of Garaventa Lift and with the adoption of new IFRS.
- (3) Include assistance related to a variety of corporate tax matters, tax compliance, due diligence and transfer pricing.

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, 2019. A copy of this document became available in March 2020 on the Corporation's website at [www.savaria.com](http://www.savaria.com), on SEDAR's website at [www.sedar.com](http://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 of Meeting, nor of any other matter to be discussed, other than those identified in the Notice of Meeting. 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 discussion and analysis for the financial year ended December 31, 2019. Additional information relating to the Corporation is available on its website at [www.savaria.com](http://www.savaria.com) and on SEDAR at [www.sedar.com](http://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 Proxy Circular and its sending to the shareholders of the Corporation.

### **Chairman**

*(s) Marcel Bourassa*

Laval, Québec, Canada, April 2, 2020.

## **SCHEDULE A CORPORATE GOVERNANCE PRACTICES**

### **Board of Directors**

The board of directors (the “**Board**”) up for election is comprised of eight (8) directors. The Board considers five (5) of them to be “independent” from Savaria Corporation (the “**Corporation**”). Messrs. Marcel Bourassa, Jean-Marie Bourassa and Sébastien Bourassa are not independent directors. The five (5) 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 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 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 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 (3) directors and a maximum of twelve (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 Corporate Governance and Human Capital 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](http://www.savaria.com).

## Nomination of Directors

The Board has delegated to the Corporate Governance and Human Capital Committee (the "**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 Committee, the Lead Director and Chairman and, if needed, by the Board members. Following this process, the Committee will make its recommendations to the Board. The Committee is exclusively comprised of independent directors. The members are Messrs. Tremblay (Chair), Dumoulin and Ms. Caroline Bérubé. 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 (3) directors and of a maximum of twelve (12) directors. Pursuant to a resolution of the Board, eight (8) 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 (8) 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 thirty (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 fifty (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 tenth (10<sup>th</sup>) 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 fifteenth (15<sup>th</sup>) 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](http://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 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 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:

<b>SKILLS AND EXPERIENCE</b> (level of expertise 1 to 5)	<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 Drutz</i>	<i>Alain Tremblay</i>
Entrepreneurship	5	5	5	5	5	2	5	4
Financial literacy	5	5	3	3	3	5	4	5
Corporate governance	4	5	3	4	4	5	4	5
Compensation, labour relations, human resources	3	4	3	3	3	4	5	4
Senior executive leadership	5	5	4	4	4	4	5	5
Corporate social responsibility, environment	4	5	4	3	3	4	3	3
Marketing, communications	5	4	3	3	3	2	5	4

<b>SKILLS AND EXPERIENCE</b> (level of expertise 1 to 5)	<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>
Manufacturing and retail industries	5	4	5	4	4	2	5	5
Mergers and acquisitions	5	5	4	5	5	5	4	4

## Majority Voting Policy

As part of its ongoing review of corporate governance practices, 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 (5) 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 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 Committee will consider all factors deemed relevant. The Board will take formal action on the Committee's recommendation no later than ninety (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 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 and the Committee, 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 Committee 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 and make recommendations to the Board accordingly. For more details, refer to the heading “Executive Compensation” in this Circular.

## **Board, Committee and Member Assessments**

The Committee 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 Committee 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 2019 Annual Information Form, which is hereby incorporated by reference. Information relating to the Corporate Governance and Human Capital Committee of the Corporation can be found under Schedule B of this Circular.

## **Clawback Policy**

The Corporation has not adopted a clawback policy.

## **Anti-Hedging Policy**

The Board 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](http://www.sedar.com) or its website at [www.savaria.com](http://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 CSR and the environment, both from an operation 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’s 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 B**  
**CORPORATE GOVERNANCE AND HUMAN CAPITAL COMMITTEE CHARTER**

**1. General objectives**

The role of the Corporate Governance and Human Capital Committee (the "**Committee**") is to assist the board of directors (the "**Board**") of Savaria Corporation (the "**Corporation**") in carrying out its responsibilities by dealing with matters relating to corporate governance, ethics, compensation and human resources matters and making recommendations to the Board as appropriate.

**2. Composition and Term**

The Committee is comprised of the number of independent directors of the Corporation that the Board may determine, from time to time, by resolution, and in no case fewer than three (3). The members of the Committee must meet the requirements of independence and the other requirements related to their duties on the Committee as determined by the Board in compliance with the applicable laws, rules and regulations. The Chair of the Committee is appointed by the Board. Unless otherwise determined by a resolution of the Board, the Corporate Secretary will act as the secretary for the Committee. The Lead Director of the Board shall participate and support Committee meetings without any voting rights.

The members of the Committee are appointed by a resolution of the Board and carry out their mandate until the next annual general meeting of shareholders or until their successors are appointed.

**3. Meetings**

The Committee establishes its own procedures with respect to the holding and calling of meetings at least twice a year. It maintains the records it deems necessary with respect to its deliberations and reports its activities and recommendations to the Board. The members may participate in the meetings in person, by telephone, by electronic means or by any other means of communication. The written resolutions, signed by all the members of the Committee entitled to vote on these resolutions at committee meetings, have the same value as if they had been adopted at a meeting.

Unless otherwise determined, from time to time, by a resolution of the Board, a majority of the Committee constitutes a quorum for the purposes of deliberations on a matter raised at a meeting. In the absence of the Chair of the Committee, the meeting is chaired by a member who is present and who has been chosen by the other members. During a meeting, all matters are decided by a majority vote expressed by the members of the Committee, unless, in the event that the committee is comprised of only three (3) directors, and only two (2) members are present, in which case all matters are decided on a unanimous basis.

**4. Duties and Responsibilities**

**a) Corporate Governance**

To fulfill its responsibilities and duties, the Committee shall:

1. Develop, review and recommend at least annually to the Board a set of corporate governance guidelines in accordance with applicable laws, regulations and review of best practices.
2. Review and recommend to the Board the appropriate structure, size, composition, mandate and members for each Board committee, and recommend to the Board any modifications to such items. Review and recommend to the Board, from time to time, each charter and any suggested amendments.
3. Determine and review the competencies, aptitudes and personal qualities sought in new directors to ensure that the Board can fulfil its responsibility to oversee the stewardship of the Corporation.
4. Review, at least annually, with the Chairman of the Board the succession plans relating to the positions of the chairpersons of the Board and committees and the lead director of the Corporation, if applicable, and make recommendations to the Board with respect to the selection of the individuals to occupy these positions.

5. Develop and review, as appropriate, an orientation plan and development program for directors to ensure that each new director fully understands the Corporation's governance structure, the role of the Board and of the committees of the Board, the expectations in respect of individual performance and the Corporation's operations and working environment.
6. Develop a process to assess the effectiveness of the Board and its committees, including their respective chairperson and the lead director, if applicable.
7. Review and recommend to the Board the adoption of an official code of conduct and ethics governing the behaviour of the directors, senior officers, officers and employees of the Corporation and oversee its disclosure.
8. Review and approve the report on corporate governance practices that is included in the Corporation's management proxy circular and any other similar document, in compliance with the regulations.

**b) Human Resources**

To fulfill its responsibilities and duties, the Committee shall:

1. Review, at least annually, with the Chairman of the Board and the CEO, the succession plans relating to the positions of CEO and other executive officers and senior management to ensure the appropriate talent based in the organization to meet current and future strategic needs.
2. Consider and recommend for approval by the Board the appointment of the CEO and the CFO.
3. Review the Corporation's overall compensation philosophy and strategy to ensure that compensation policies and/or practices followed by the Corporation are designed to recognize and reward performance (both short term and long term) and establish a compensation framework which is industry competitive.
4. Review and evaluate the performance of the CEO based on the corporate goals and objectives relevant to the compensation of the CEO and make recommendations to the Board on the compensation of the CEO based on these evaluations.
5. Review and approve the report on compensation philosophy and strategy that is included in the Corporation's management proxy circular and any other similar document, in compliance with the regulations.

**5. External Advisors**

The Committee has the authority to engage independent counsel or other advisors as it deems necessary to assist it in its duties and to set and pay the compensation of any advisors it employs. The Corporation shall provide the necessary funds to obtain the services of such advisors as determined by the Committee.

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**SAVARIA CORPORATION**

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