HÉROUX DEVTEK

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Héroux-Devtek Inc. (the "Company") will be held in the "Salon Pierre de Coubertin" of the Omni Hotel, 1050 Sherbrooke Street West, in the City of Montréal, Québec, at the hour of 11:00 a.m., local time, on Wednesday, September 3, 2003, for the following purposes:

1. to receive the Consolidated Financial Statements of the Company for the year ended March 31, 2003 and the Auditors' report thereon;
2. to elect Directors;
3. to appoint Auditors and to authorize the Directors to fix their remuneration; and
4. to transact such other business as may properly be brought before the meeting.

Proxies to be used at the Annual General Meeting must be deposited with the Company c/o National Bank Trust Inc., by mail to the address on the envelope provided herewith, or by personal delivery to Transfer Services, 1100 University Street, Montréal, Québec, Canada H3B 2G7, not later than 4:00 p.m., local time, on Tuesday, September 2, 2003.

Dated at Longueuil, Québec, Canada this 30th day of July 2003.

By order of the Board of Directors,

Jacques Paquin

Jacques Paquin, Corporate Secretary

IMPORTANT

It is desirable that as many shares as possible be represented at the meeting. If you do not expect to attend, and would like your shares represented, please sign the enclosed proxy and return it as soon as possible in the envelope provided.

MANAGEMENT PROXY CIRCULAR

This Circular is furnished in connection with the solicitation of proxies by the management of Héroux-Devtek Inc. (hereinafter called the "Company") for use at the Annual General Meeting of the Shareholders of the Company to be held on September 3, 2003 (hereinafter called the "Meeting") and at every adjournment thereof. Solicitation will be primarily by mail but proxies may also be solicited by telephone, or personally by directors, officers or employees of the Company. The Company will bear all expenses in connection with the solicitation of proxies.

Voting by Proxy

Shares represented by properly executed proxies in favour of the persons designated in the enclosed form of proxy will be voted or withheld from voting on any ballot that may be called for and, if the Shareholder specifies a choice in respect of the matters to be voted upon, the shares shall be voted or withheld from voting in accordance with the specification made by the Shareholder. **If no specification is made, such shares will be voted for the election of the Directors specified in this Circular and the appointment of the Auditors named in this Circular and the fixing of their remuneration by the Directors.**

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

Principal Holders of Voting Securities

To the knowledge of the Directors and senior officers of the Company, the only persons and companies who beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the Common Shares of the Company are, as at June 30, 2003, the following:

Name	Number of Common Shares	Percentage of Outstanding Common Shares
Gilles Labbé	4,683,500[(1)]	19.97%
Howson Tattersall Investment Counsel Limited	2,997,198	12.78%
Natcan Investment Management Inc. and Altamira Management Ltd.	2,965,700	12.64%
Capital d'Amérique CDPQ inc.	2,898,000	12.36%

(1) 4,654,000 Common Shares included in this number are held by 2635-6246 Québec inc. and 2945-0228 Québec inc., companies controlled by Mr. Gilles Labbé.

Appointment of Proxy

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

Revocability of Proxy

A proxy given pursuant to this solicitation may be revoked by an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing and transmitted either to c/o National Bank Trust Inc., 1100 University Street, Montréal, Québec, H3B 2G7, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used, or to the Chairman or Secretary of such Meeting on the day of the Meeting or any adjournment thereof, or by any other manner permitted by law. Any proxy given by a Shareholder can also be revoked by the Shareholder if the Shareholder attends the Meeting in person and so requests.

Voting Rights

As of June 30, 2003, 23,455,459 Common Shares, without nominal or par value, of the Company were outstanding. Holders of Common Shares of record at the close of business on July 25, 2003 will be entitled to one vote for each such share held by them except to the extent that a person has transferred any shares after the record date and the transferee of such shares establishes proper ownership of such Common Shares and demands, not later than 10 days before the Meeting, to be included in the list of Shareholders entitled to vote at the Meeting.

Election of Directors

The affairs of the Company are managed by a Board of Directors. The members of the Board are elected annually at each Annual Meeting of Shareholders to hold office until the next Annual Meeting unless, prior thereto, he or she resigns, or the office of such Director becomes vacant by death, removal, or other cause. By resolution of the Board adopted on May 28, 2003, the precise number of Directors has been fixed at seven. Therefore, a total of seven nominees are being proposed as Directors for election by the Shareholders at the Meeting. The following table sets out the names of said nominees for election, their present principal occupation, the years in which they became Directors of the Company and the number of Common Shares of the Company owned, directly or indirectly, or controlled or directed by the nominees. **The persons designated on the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth below.** Each of the nominees has provided the information as to the shares of the Company he beneficially owns or over which he exercises control or direction, as at June 30, 2003. All nominees have served continuously as director of the Company since their appointment or first election in such capacity.

Name	Principal Occupation	Director Since	Number of Common Shares
Helmut Hofmann	Chairman of the Board Héroux-Devtek Inc.	2000	896,214[(1)]
Gilles Labbé	President and Chief Executive Officer, Héroux-Devtek Inc.	1985	4,683,500[(2)]
Jean-Louis Fontaine	Vice-Chairman of the Board and Director, Bombardier Inc.	1990	21,000
Claude Boivin	Consultant and Member of various Boards of Directors	1994	16,000
Pierre Marcouiller	Chairman of the Board and Chief Executive Officer, Camoplast Inc.	1998	3,400
Alain Cousineau	Partner, Groupe Secor inc.	1999	7,500
Brian A. Robbins	President and Chief Executive Officer, Exco Technologies Limited	2000	40,000[(3)]

(1) 544,293 Common Shares included in this number are held by H. Hofmann Management Inc., a company controlled by Mr. Hofmann.
(2) 4,654,000 Common Shares included in this number are held by 2635-6246 Québec inc. and 2945-0228 Québec inc., companies controlled by Mr. Gilles Labbé.
(3) Held by 555319 Ontario Limited, a corporation wholly-owned by Mr. Brian A. Robbins.

All of the directors, whose names are hereinabove mentioned, have already been elected directors of the Company at a shareholders' meeting.

Remuneration of Directors

Directors who are not salaried employees of the Company are paid an annual base retainer of $10,000 and are paid a fee of $1,000 for attendance at each meeting of the Board. Directors who are not salaried employees of the Company and who are members of a committee of the Board are paid $1,000 per meeting for their services as members of such committees. Directors who are not salaried employees of the Company and who act as Chair of a committee of the Board are paid $500 per meeting for their services, such payment being in addition to any amount to which they are entitled as a member of such committee. Directors also receive reimbursement for reasonable expenses incurred in connection with attending Board and committee meetings.

Stock Appreciation Rights Plan (the "SAR Plan")
The SAR Plan for non-employee directors adopted by the Board of Directors in September 2001 is intended to enhance the Company's ability to attract and retain high quality individuals to serve as members of the Board and participate in the Company's long-term success and to promote a greater alignment of interests between the Company's non-employee directors and its shareholders.

The SAR Plan is administered by the Human Resources and Corporate Governance Committee (the "Committee"). The SAR Plan enables the participants to receive, on the exercise date of a SAR, a cash amount equal to the excess of the market price of a common share on the exercise date of the SAR over the exercise price of the SAR. The exercise price of each SAR granted is determined on the basis of the closing price of the common shares of the Company on the Toronto Stock Exchange, on the day preceding the date of the award of the SAR. On November 15, 2002, the Committee granted 2,500 SARs to each non-employee director of the Company then in office at an exercise price of $6.00. The SARs thus granted have a duration of seven years and may be exercised at a rate of 20% per annum during the five years following the first anniversary date of the award.

Executive Compensation

The total amount of the remuneration paid to the executive officers by the Company and its subsidiaries in exchange of the services rendered during the year ended March 31, 2003 is $2,825,540.

The following table sets forth, to the extent required by applicable securities legislation, all annual and long-term compensation for services in all capacities to the Company for the three most recent completed fiscal years in respect of the Chief Executive Officer and the Company's four most highly compensated executive officers (the "Named Executives").

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long-Term Compensation
Name and Principal Position	**Year**	**Salary**	**Bonus[1]**	**Other Annual Compensation[2]**	**Securities Under Options Granted**
		($)	**($)**	**($)**	**(#)**
Gilles Labbé	2002/03	334,750	-		35,000
President and Chief Executive Officer	2001/02	320,000	400,000	-	25,000
	2000/01	302,500	328,804	-	-
Réal Bélanger	2002/03	231,750	-		30,000
Executive Vice-president and Chief Financial Officer	2001/02	220,000	275,000	-	20,000
	2000/01	206,250	225,000	-	-
Alvin Cook	2002/03	216,138 US	-	52,047 US	10,000
President of the Gas Turbine Division	2001/02	207,308 US	55,000 US	51,997 US	10,000
	2000/01	197,308 US	143,739 US	51,811 US	-
Jean Guilbault[3]	2002/03	257,500	75,000		50,000
President of the Landing Gear Division and President of the Aerostructure Division	2001/02	250,000	160,000	-	65,000
			-		
Martine Rivard [4]	2002/03	154,500	22,000	-	35,000
Vice-president Human Resources	2001/02	90,217	80,000	-	25,000

(1) Represents bonus amounts earned in the corresponding fiscal year although paid in the next fiscal year.

(2) The value of perquisites for each Named Executive is indicated when such value is equal to or exceeds $50,000 or 10 percent of the total annual salary and bonus.

(3) M. Guilbault joined the Company in April 2001.

(4) Mrs. Rivard joined the Company in August 2001.

Stock Option Plan

Under the Company's Stock Option Plan (the "Plan") established in 1986, as amended in 1988, 1990, 1996, 1998, 1999, 2000 and 2002, the Board of Directors may designate full-time employees of the Company or its business units as eligible employees under the Plan, and may grant to such eligible employees options to purchase Common Shares of the Company.

The purpose of the Plan is to encourage key employees to promote the Company's growth and development by providing them with an opportunity to acquire an equity interest in the Company and reinforce the Company's ability to attract and retain capable managers.

The number of shares reserved for issuance to any one person under the Plan may not exceed five percent (5%) of the total number of Common Shares outstanding at each stock option award date.

The Plan also provides for certain restrictions regarding the number of shares and the number of options which may be issued and granted to Insiders, as defined below. Such restrictions may be summarized as follows: (i) the number of Common Shares reserved for issuance pursuant to options granted to insiders, as this term is defined in the *Securities Act* (Québec), and to associates of insiders (the "Insiders"), shall not exceed ten percent (10%) of the total number of Common Shares outstanding at each stock option award date; (ii) the number of Common Shares issued to Insiders pursuant to the Plan, within a one-year period, shall not exceed ten percent (10%) of the total number of Common Shares outstanding at each date of such issue of Common Shares; (iii) the number of Common Shares issued to an Insider pursuant to the Plan, within a one-year period, shall not exceed five percent (5%) of the total number of Common Shares outstanding at each date of such issue of Common Shares; (iv) the number of Common Shares issued to non-employee Directors pursuant to the Plan shall not exceed one percent (1%), or one quarter of one percent (0.25%) within a one-year period, of the total number of Common Shares outstanding at each date of such issue of Common Shares; (v) the aggregate number of Common Shares issued or which could be issued under the Plan to any one beneficiary shall not exceed 20% of the aggregate number of Common Shares issuable under the Plan, as amended from time to time; (vi) the total number of additional Common Shares which could be issued under the Plan shall not exceed 200,000 Common Shares per year; and (vii) the options granted to Insiders pursuant to the Plan shall not be repriced at a reduced exercise price.

Options generally may be exercised after the first anniversary of the date of grant until the seventh anniversary of the date of grant, subject to vesting at a rate of 20% per annum from the second to the fourth year of the granting of the options and 40% the fifth year. When grants are made, the Board of Directors designates the percentage of the number of shares subject to the option which a participant may exercise in a given year during the term of the options.

The exercise price per share of an option will not be less than the closing price of a regular board lot of Common Shares of the Company traded on the Toronto Stock Exchange on the day preceding the granting of the option or, in the absence of a closing price for said stock on that day, their last closing price on the same exchange.

Options are granted under the Plan by the Board based on recommendations made by the Human Resources and Corporate Governance Committee. All option awards are for Common Shares. During the fiscal year ended March 31, 2003, the Company granted options toward 200,000 Common Shares.

OPTIONS GRANTED TO NAMED EXECUTIVES DURING THE FISCAL YEAR ENDED MARCH 31, 2003

Name	Common Shares under Options granted	% of total options granted to employees in fiscal year	Exercise price	Trading value of securities on the date of grant	Expiration date
	(#)		($Can/title)	($Can/title)	
Gilles Labbé	35,000	17.5%	9.77	9.77	June 4, 2009
Réal Bélanger	20,000	10.0%	9.77	9.77	June 4, 2009
Réal Bélanger	10,000	5.0%	4.60	4.60	Feb. 17, 2010
Alvin Cook	10,000	5.0%	9.77	9.77	June 4, 2009
Jean Guilbault	25,000	12.5%	9.77	9.77	June 4, 2009
Jean Guilbault	25,000	12.5%	4.60	4.60	Feb. 17, 2010
Martine Rivard	25,000	12.5%	9.77	9.77	June 4, 2009
Martine Rivard	10,000	5.0%	4.60	4.60	Feb. 17, 2010

AGGREGATE OPTIONS EXERCISED BY NAMED EXECUTIVES DURING THE FISCAL YEAR ENDED MARCH 31, 2003 AND NON REALIZED PROFITS ON UNEXERCISED OPTIONS AT THE END OF THE FISCAL YEAR

Name	Securities acquired on exercise	Aggregate value realized	Unexercised options at FY-End		Value of unexercised options at FY-End	
			Exercisable	Unexercisable	Exercisable	Unexercisable
	(#)	($)	(#)	(#)	($)	($)
Gilles Labbé	25,000	1,250	60,000	55,000	-	-
Réal Bélanger	-	-	66,750	46,000	-	-
Alvin Cook	-	-	56,000	18,000	-	-
Jean Guilbault	-	-	13,000	102,000	-	-
Martine Rivard	-	-	5,000	55,000	-	-

OPTIONS EXERCISED DURING FISCAL YEAR ENDED MARCH 31, 2003 BY EXECUTIVE OFFICERS [(1)] AND KEY EMPLOYEES OF THE COMPANY

Date of exercise	Exercised	Exercise price
	(#)	($)
August, 28, 2002	25,000	5.95
February 24, 2003	10,000	4.00
Total	**35,000**	

(1) Executive Officers include the "Named Executives"

OPTIONS GRANTED DURING FISCAL YEAR ENDED MARCH 31, 2003 TO EXECUTIVE OFFICERS (1) AND KEY EMPLOYEES OF THE COMPANY

Date of grant	Number of options	Exercise price ($)	Expiry date
June 5, 2002	150,000	9.77	June 4, 2009
November 15, 2002	5,000	4.85	November 14, 2009
February 18, 2003	45,000	4.60	February 17, 2010
Total	**200,000**		

(1) Executive Officers include the "Named Executives"

The following options, for a total of 983,350 Common Shares, were granted in previous years to executive officers and key employees of the Company and its business units and were outstanding as at March 31, 2003.

Date of grant	Number of options	Exercise price ($)	Expiry date
June 16, 1998	254,250	5.95	June 15, 2003
June 19, 1998	9,000	5.95	June 18, 2003
November 10, 1998	8,500	4.15	November 9, 2003
July 5, 1999	10,000	4.25	July 4, 2004
September 27, 1999	30,000	4.00	September 26, 2004
November 11, 1999	25,000	3.60	November 10, 2004
June 12, 2000	164,100	4.96	June 11, 2007
June 22, 2000	52,500	4.05	June 21, 2005
July 12, 2000	2,500	3.80	July 11, 2005
September 7, 2000	50,000	5.85	September 6, 2005
April 18, 2001	65,000	7.65	April 17, 2008
June 6, 2001	92,500	9.65	June 5, 2008
August 24, 2001	25,000	9.43	August 23, 2008
June 5, 2002	145,000	9.77	June 4, 2009
November 15, 2002	5,000	4.85	November 14, 2009
February 18, 2003	45,000	4.60	February 17, 2010
Total	**983,350**		

During the fiscal year ended March 31, 2003, a total of 48,000 options were cancelled. The aggregate number of shares reserved for issuance under the Plan is 2,277,118 of which 314,750 remain available for future grants.

Pension Plan

Defined Benefit Pension Plan
The Company provides the President and Chief Executive Officer and the Executive Vice-President and Chief Financial Officer with a contributory defined benefit pension plan. The contribution of each employee payable under this pension plan represents 5% of the annual base salary subject to the maximum limit under the income tax regulations. The benefits payable under this defined benefit pension plan are based on a percentage of the final Average Base Salary of the employee multiplied by his credited years of service. Pension benefits in excess of the amount that can be funded through the registered pension plan under the Income Tax Act are provided by an unregistered supplementary pension plan payable directly by the Company.

Named Executive	% of Final Average Base Salary (1)	Credited years of service	Maximum Defined Pension Benefits
Gilles Labbé	2.000	21 years (from 1982)	-
Réal Bélanger	2.965	10 years (from 1993)	60% of Final Average Base Salary

(1) Final Average Base Salary is based on the three (3) consecutive years within the 10 years of continuous employment before retirement or termination of employment, where base salaries were the highest.

The retirement benefits pursuant to the pension plan are payable from normal retirement date for life (with 60% continuance to the spouse); early retirement at age 55 or later is permitted subject to a 3% reduction per year if retirement occurs prior to attainment of age 60, completion of 30 years of service or the date the sum of the employee's age and years of service totals 80.

Benefits are payable upon death or termination of employment. Accrued pension benefits payable from normal retirement date as at March 31, 2003 are estimated at $134,000 per annum for Mr. Gilles Labbé and at $65,000 per annum for Mr. Réal Bélanger.

Defined Contribution Pension Plan
The Company also offers to the other Named Executive employees and other key employees a defined contribution pension plan. The contributions payable under this pension plan, equally made by the employee and by the Company, each represents 5% of the annual base salary of the employee, subject to the maximum deductible amount under the income tax regulations.

Other Employment – Related Agreement

Helmut Hofmann
Helmut Hofmann entered into a 10-year service agreement, negotiated entirely at arm's length, with Devtek inc. ("Devtek"). Pursuant to this agreement, Mr. Hofmann agreed to act as Chairman of the Board and Chief Executive Officer of Devtek until December 31, 2006. In the context of the combining of the operations of the Company with those of Devtek, in the year 2000, the Company agreed to honour this agreement. However, in order to align Mr. Hofmann's annual compensation at Devtek with the compensation policies in force at the Company, it has been agreed to adjust Mr. Hofmann's compensation, while ensuring that such adjustment would not result in a financial loss to Mr. Hofmann. As a result, Mr. Hofmann has received an amount equal to the value of the difference between the amount to which he was entitled under his agreement with Devtek and his new annual compensation set at $75,000 per annum. If re-elected as a director, Mr. Hofmann will serve as non executive Chairman of the Company for the ensuing year: he will serve also as a director until 2006, subject to Mr. Hofmann holding at least 800,000 Common Shares of the Company.

Report of the Human Resources and Corporate Governance Committee

The Human Resources and Corporate Governance Committee (the "Compensation Committee") is composed of the following three Directors: Claude Boivin (Chair), Jean-Louis Fontaine and Helmut Hofmann. Gilles Labbé, as President and Chief Executive Officer, and Martine Rivard, as Vice-President Human Resources, attend the Compensation Committee meetings. However, Mr. Labbé and Mrs. Rivard do not participate in the discussions pertaining to the determination of their own remuneration or in matters of corporate governance. Members of the Compensation Committee are not inter-related within the meaning of the Regulation under the *Ontario Securities Act*.

The Compensation Committee has the responsibility to establish a compensation policy for the executive officers which is consistent with the Company's business plan, strategies and objectives. This Committee has, namely, the responsibility to analyse for the Board of Directors all questions relating to human resources planning, compensation for executive officers and other employees, short and long-term incentive programmes, employee benefits programmes, and recommends the appointment of executive officers. In such context, the Compensation Committee relies on the following principles and criteria to determine the compensation paid to executive officers:

- offer total compensation capable of attracting and retaining top level executive officers required to ensure the Company's short and long term goals and success;

- motivate the executive officers in achieving and exceeding the goals of the Company and of its shareholders;

- provide executive officers with total compensation that stands at the first quartile of the market comparators when the Company achieves or exceeds its profitability and shareholder value creation goals.

Components of the Executive Total Compensation

The Executive Total Compensation Program consists of the sum of

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

Each of these elements, together with the Company philosophy with respect to same, is hereinafter detailed, except for benefits (which consist in a median value package of flexible life, medical, dental and disability insurance) and perks (which consist of Company cars).

Base Salary
The Company's base salary policy is to pay base salaries for executive officers that are between the 50^{th} percentile (median) and 55^{th} percentile of the comparators' marketplace. All executive positions are evaluated and classified with a salary grade. For each salary grade, a salary scale set between a minimum of 80% and a maximum of 120% of the market's 50^{th} to 55^{th} percentile is developed. Salaries paid aim at the mid-point of this salary scale but reflect the individual's performance, tenure in the job, etc.

Annual Incentive Compensation
The Company offers executive officers and key employees of the Company and of its Divisions or business units the possibility to earn an annual bonus provided the Company achieves or exceeds its division/business unit financial objectives and provided the executive achieves specific personal objectives. The annual bonus for the divisional or business unit executives rests on three financial objectives set against the previous year results, namely RONA, gross margin and growth in revenues; the annual bonus for corporate executives rests on budgeted earnings per share.

The target bonuses for executive officers vary between 30% and 100% of base salary depending on the position occupied, with maximum bonuses not to exceed 125% of base salary for a given fiscal year.

Long-term Incentive Compensation
The establishing of a balance between short and long-term compensation is essential for the Company's performance. For this reason, the Company has adopted the Plan in 1986 (amended in 1988, 1990, 1996, 1998, 1999, 2000 and 2002) allowing the grant of options to officers and certain key employees of the Company and its business units.

In general, the Board of Directors determines the number of options granted annually by multiplying the base salary of the employee by a multiple varying between 33% and 100%, established according to the level of responsibility and authority of such executive officer. The options are granted at market value at time of grant and may be exercised over seven years. Options granted vest over five years at a rate of 20% per annum from the second to the fourth year of the granting of the options and 40% the fifth year. Rights are given to exercise the vested options within a 90 day or 180 day period following termination of employment, death or retirement..

President and CEO's compensation

The President and CEO's total compensation is established in accordance with the same principles and methodology described hereinabove for other executive officers; an annual review and evaluation of the President and CEO's performance is conducted as part of the setting of total compensation for a given fiscal year. For 2002-2003, the President and CEO's base salary was set at $338,000 following the process described here.

As regards annual incentive (bonus) compensation, the President and CEO's target bonus is set at 100% of base salary with a maximum bonus of 125% of base salary; there is no bonus payable with respect to fiscal year 2002-2003 in view of the earnings per share results.

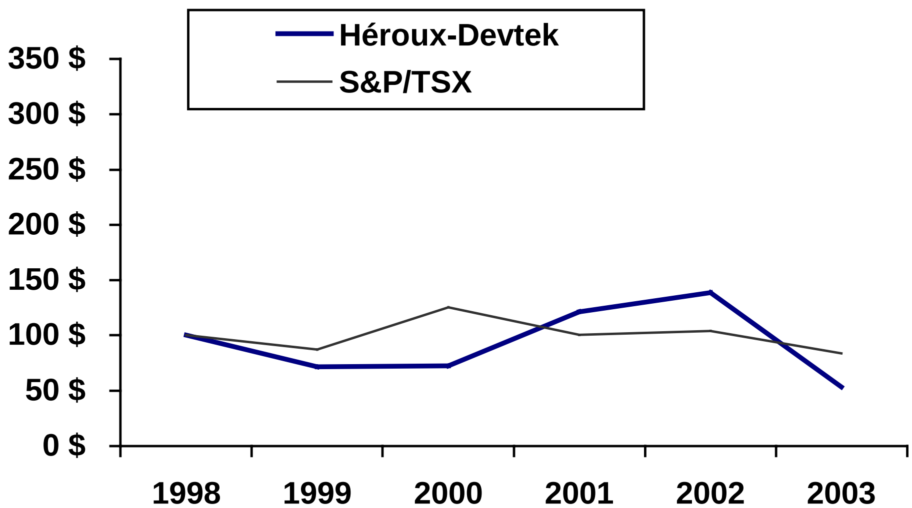
During fiscal year 2002-2003, in accordance with the formula for granting annual options which sets at 1.0 times base salary the multiple for the President and CEO, a total of 35,000 options at an exercise price of $9.77 were granted to the President and CEO by way of long term incentive compensation.

The Compensation Committee, whose members are listed below, has approved the publication of this report and its inclusion in this Circular:

Claude Boivin, President
Jean-Louis Fontaine
Helmut Hofmann

Performance Graph

The following graph compares the total cumulative shareholder return for $100 invested in the Company's Common Shares on March 31, 1998 with the cumulative total return of the Toronto Stock Exchange's S&P/TSX Composite Index (formerly TSE-300 Index) for the five most recently completed fiscal years.



	1998	1999	2000	2001	2002	2003
Héroux-Devtek	$100.00	$71.43	$72.22	$121.43	$138.89	$53.17
S&P/TSX Composite Index	$100.00	$87.29	$125.19	$100.65	$103.88	$83.92

Transaction with interested parties

The Company is not aware that any of its directors, officers, nominees for election as directors, other insiders of the Company or any persons associated with or otherwise related to any of the foregoing has had an interest in any material transaction carried out since the beginning of the Company's most recently completed financial year or in any proposed transaction which has materially affected or is likely to materially affect the Company or any of its subsidiaries.

Indebtedness of Directors, Executive Officers and Senior Officers

None of the Company's directors, executive officers or senior officers or persons who held such position during the most recently completed financial year or any nominees proposed as a director nor any person associated with any of the foregoing is indebted to the Company.

Liability Insurance

The Company takes out liability insurance for the benefit of its directors and officers to cover them against certain liabilities contracted by them in such capacity. For the most recently completed financial year, this insurance provided for a coverage limit of $20,000,000 per each loss and policy year. For the twelve-month period ended

March 31, 2003, the premium paid by the Company amounted to $62,566. When the Company is authorized or required to indemnify an insured, a deductible of $100,000 applies.

Statement of Corporate Governance Practices

The rules of the Toronto Stock Exchange require that each listed company disclose on an annual basis its approach to corporate governance with reference to guidelines set out in the TSX Company Manual (the "Guidelines").

The Company's disclosure addressing each of the Guidelines is set out in Schedule "A" attached hereto. In addition, you will find in Schedule "B" hereto, a copy of the mandate of the audit committee.

Appointment and remuneration of Auditors

At the Meeting, the shareholders will be called upon to appoint auditors to hold office until the next annual meeting of shareholders and to authorize the directors to establish the remuneration of the auditors appointed.

Unless instructions are given to abstain from voting with regard to the appointment of auditors, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Deloitte & Touche LLP, Chartered Accountants, as Auditors of the Company, at a compensation for their services to be determined by the Board of Directors.

The contents and the sending of this Circular have been approved by the Directors of the Company.

Longueuil, Québec July 30, 2003	Jacques Paquin Corporate Secretary

SCHEDULE "A"

HÉROUX-DEVTEK INC.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

CORPORATE GOVERNANCE GUIDELINE	COMMENTS
1. The Board of Directors should explicitly assume responsibility for stewardship of the corporation, and specifically for:	The mandate of the Board of Directors is one of stewardship and oversight of the Company and its business. The Board relies on the Company's officers to manage the Company through a delegation of general management responsibilities to the Company's officers. The Board then monitors Management's achievement of the Company's goals and objectives as part of its responsibility to supervise the business and affairs of the Company.
a. adoption of a strategic planning process;	The duties of the Board of Directors include the review on an annual basis of the business plan for each operating unit of the Company presented to the Board by Management, a discussion of such plans with the President and Chief Executive Officer and with the President of each operating unit and an assessment of the risks identified.
b. identification of principal risks, and implementing risk managing systems;	The Board of Directors' duties include the review of overall business risks and of the Company's practices and policies for dealing with these risks. In addition, the Audit Committee assesses principal risks which the Company faces and, where appropriate, proposes the implementation of risk management systems.
c. succession planning and monitoring senior management;	The Human Resources and Corporate Governance Committee reviews, reports and, where appropriate, provides recommendations to the Board of Directors on succession planning matters and, with the Board of Directors, monitors the performance of senior management.
d. communications policy;	The Board has generally delegated the Company's communications policy to senior management. Management's responsibilities therefore include speaking on behalf of the Company in communications with its shareholders and other stakeholders. These responsibilities are generally handled by the Chief Executive Officer and the Chief Financial Officer. The Board, directly or through its Committees, reviews and, where appropriate, approves public disclosure documents required to be filed with securities regulators and other similar bodies. The Company receives and responds to Shareholder enquiries through Management. Important Management communications with Shareholders include a review of material matters in each quarterly financial report prepared by the Company and a report to Shareholders in each year's Annual Report. Generally, the Board is not directly involved in communications, but does oversee the Company's communications policy and program.
e. integrity of internal control and management information systems.	The Board of Directors' duties include the assessment of the integrity of the Company's internal controls and information systems. In addition, the Audit Committee has oversight responsibility of internal controls and management information systems.

2. Majority of directors should be "unrelated" (independent of management and free from conflicting interest) to the Company and the Company's significant shareholder, if any.	The Company has no significant shareholder. Six directors qualify as "unrelated directors" and one director, Mr. Gilles Labbé, is a related director. An unrelated director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholdings. On the basis of the facts known by the Board, the Board has determined that it fairly reflects the investment of minority shareholders in the Company.
3. Disclose for each director whether he is related, and how that conclusion was reached.	Gilles Labbé — related — he is President and Chief Executive Officer of the Company Claude Boivin — unrelated Alain Cousineau — unrelated Jean-Louis Fontaine — unrelated Helmut Hofmann — unrelated Pierre Marcouiller — unrelated Brian A. Robbins — unrelated
4. Appoint a Committee of directors:	
a. responsible for proposing to the full Board of Directors new nominees to the Board and for assessing directors on an ongoing basis;	The Human Resources and Corporate Governance Committee is responsible for monitoring the corporate governance systems of the Company, the effectiveness of the Board (including its size, composition, and its committees), and the performance of the Directors. The Committee is also responsible for identifying and recommending potential appointees to the Board.
b. composed exclusively of outside (non-management) directors, the majority of whom are unrelated.	The Human Resources and Corporate Governance Committee is composed of the Chairman of the Board of the Company and two outside Directors, all of whom are "unrelated".
5. Implement a process for assessing the effectiveness of the Board of Directors, its Committees and individual directors.	The Human Resources and Corporate Governance Committee is responsible for monitoring the effectiveness of the Board and the performance of the Directors. The process is facilitated by questionnaires sent by the Chair of the Committee to enable individual Directors to express their views about the effectiveness of the Board and its Committees.
6. Provide orientation and education programs for new directors.	New directors participate in an initial information session on the Company in the presence of Management representatives. In addition, they are furnished with appropriate documentation relating to the commercial activities of the Company and the internal organization of the Company and with a copy of the Board of Directors' Manual. The meetings in which new directors participate (including annual strategic planning sessions) as well as discussions with other directors and with Management permit new directors to familiarize themselves rapidly with the operations of the Company.
7. Consider reducing the size of the Board of Directors, with a view to improving effectiveness.	The Board of Directors is of the view that a board of at least 7 directors and not more than 15 directors is appropriate for the Company in its current circumstances. The Board currently has 7 members.

8. The Board of Directors should review compensation of directors in light of risks and responsibilities.

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

9. Committees of the Board of Directors should generally be composed of outside (non-management) directors, a majority of whom are unrelated directors.

The Board relies on its Committees to assist it in discharging its responsibilities. The Board has appointed a Human Resources and Corporate Governance Committee and an Audit Committee. Each Committee operates according to a Board approved written mandate outlining its duties and responsibilities and consists of a majority of unrelated Directors.

The Human Resources and Corporate Governance Committee is responsible for reviewing the levels and form of total compensation paid to the Company's senior employees and for administering the Company's Stock Appreciation Rights Plan, Stock Option Plan and Incentive Plan. The Committee annually assesses the performance of the Chairman, the Chief Executive Officer and senior officers of the Company and determines each of such person's compensation and benefits. It reviews succession planning for the Company's senior management as part of its general mandate to review the Company's organizational structure to determine if such structure is appropriate to carry out the business of the Company. The Committee also reviews and monitors Management development programs. The Committee reports to the Board at each meeting of the Board following meetings of the Committee.

With respect to the Audit Committee, see item 13.

10. The Board of Directors should expressly assume responsibility for, or assign to a committee the general responsibility for, approach to corporate governance issues.

The Human Resources and Corporate Governance Committee is responsible for advising the Board on corporate governance matters and for monitoring the corporate governance systems of the Company and for the Company's response to the Guidelines.

11. a. Define limits to Management's responsibilities by developing mandates for:

(i) the Board of Directors;

In addition to those matters which must, by law, be approved by the Board, the Board retains responsibility for significant changes in the Company's affairs. Management is therefore required to obtain the approval of the Board of Directors before entering into any venture which is outside the scope of the Company's existing business.

The Board retains plenary power for functions not delegated to management. The Board has not specifically defined the limits of management's responsibilities in the sense of having a position description for the Chief Executive Officer and the Board of Directors. The Board annually reviews those matters which are considered to require Board approval. In addition to exercising the powers which it must exercise as a matter of law, the Board specifically approves significant matters such as material acquisitions, divestitures, and capital expenditures as well as the Company's short-term and long-term business plan.

The role and responsibilities of management include day-to-day operation of the Company's businesses as well as developing individual business unit and overall corporate strategies with the Board reviewing these strategies annually. Management also updates the Board on a regular basis at Board meetings on strategic issues, the

	progress of the Company and the problems and opportunities which the Company faces or could face. The Board and its Committees monitor risks and evaluate corporate control systems in key areas such as health, safety and the environment and accounting, finance and information systems, all of which are of significance to the business of the Company. The Board is involved in monitoring and assessing senior management both through its Human Resources and Corporate Governance Committee and direct regular contact as a result of senior management presentations to the Board on a variety of matters including strategic direction and the setting of corporate goals and objectives.
(ii) the CEO	The corporate objectives which the President and Chief Executive Officer is responsible for meeting, with the rest of Management placed under his supervision, are determined by the strategic plans and the budget as they are approved each year by the Board of Directors. Performance of the President and Chief Executive Officer and Management is assessed against the achievement of the strategic plans and the budget.
b. The Board of Directors should approve CEO's corporate objectives.	See item 11. a. (ii).
12. Establish procedures to enable the Board of Directors to function independently of Management.	While there are no formal structures in place to ensure that the Board of Directors can function independently of Management, the Board of Directors of the Company is free to ask one or more members of Management to withdraw during certain discussions and the directors of the Company would not hesitate to meet without the presence of the members of Management who are also directors, including the President and Chief Executive Officer, if the circumstances were to so require.
13. a. Establish an Audit Committee with a specifically defined mandate;	The Board has appointed an Audit Committee which operates according to a Board approved written mandate outlining its duties and responsibilities. The Audit Committee plays an important role in monitoring the control environment and the integrity of the management information systems, including management reporting on internal control, with the objective of ensuring that those systems are producing accurate information. The Committee reviews the annual financial statements of the Company and certain other public disclosure documents required by regulatory authorities and makes recommendations to the Board with respect to such statements and documents. The Committee has direct communication channels with the auditors to discuss and review specific issues as appropriate. The Committee also makes recommendations to the Board regarding the appointment of independent auditors, reviews the nature and scope of the annual audit as proposed by the auditors and management, and reviews with management the risks inherent in the Company's business and risk management programs relating thereto.
b. all members should be non-management directors.	The Committee is composed entirely of outside Directors. Board policy is that all of such Committee's Directors be unrelated Directors.
14. Implement a system to enable individual directors to engage outside advisors, at the Company's expense.	In certain circumstances, it could become appropriate for an individual Director to engage an outside advisor or advisors at the expense of the Company. The engagement of outside advisors is subject to the approval of the appropriate Committee.

SCHEDULE "B"

HÉROUX-DEVTEK INC.
(the "Company")
AUDIT COMMITTEE - DECLARATION OF MANDATE

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1. MISSION

1.1 The Audit Committee assists the Board of Directors in its general management responsibilities of the Company by:

(a) selecting and recommending the external auditors and reviewing their independence and effectiveness;

(b) reviewing:

(i) the financial statements;
(ii) the processes for presenting financial information;
(iii) the internal controls;
(iv) the audit processes;
(v) the management information systems; and
(vi) the financial risk management processes and control methods for managing such risks;

for the purpose of determining the integrity and effectiveness thereof; and

(c) serving as intermediary between the Board of Directors and the independent oversight functions (internal and external auditing).

1.2 The Company's external auditors are responsible for reporting to the Board of Directors and to the Audit Committee acting as the shareholders' representatives, and these shareholders' representatives have the ultimate power and responsibility of choosing, evaluating and, where necessary, recommending the replacement of the external auditors.

1.3 The Committee fulfills its responsibilities to the Board by carrying out the duties set forth in section 10 of this Mandate.

1.4 Although the Audit Committee has the powers and responsibilities set forth in this Mandate, the role of the Audit Committee is oversight. The members of the Audit Committee are not full-time employees of the Company and may or may not be accountants or auditors by profession and, in any event, do not serve in such capacity on the Audit Committee. Consequently, it is not the duty of the Audit Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with the Canadian generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the external auditors.

2. COMPOSITION

2.1 The Committee is comprised of at least three (3) members appointed annually by the Board of Directors from among the Company's directors.

2.2 All the Committee members shall be unrelated within the meaning of the applicable requirements of the Toronto Stock Exchange.

2.3 No officer or employee of the Company or of a subsidiary of the Company shall be a member of the Committee.

2.4 All the Committee members shall have a “basic knowledge of financial matters” in that they shall have the ability to read and understand financial statements, a balance sheet, an income statement and a cash-flow statement.

At least one Committee member shall have “related accounting or financial expertise” acquired either through previous work experience in finance or accounting, through the required professional certification in accounting, or through any other comparable experience or training giving him financial sophistication, such as being or having been a chief executive officer or chief financial officer of a company, or having held another position with a company as a senior executive with financial oversight responsibilities. This member shall have the ability to analyze and interpret a complete set of financial statements, including the accompanying notes, in accordance with Canadian generally accepted accounting principles.

3. CHAIRPERSON

3.1 The chair of the Committee is appointed by the Board of Directors. Where the chair is absent or unable to attend a meeting, the meeting shall be chaired by a member chosen by the Committee.

3.2 Subject to a contrary decision by the Board of Directors, members who have sat on the Committee for two years are eligible for appointment as Committee chairperson.

3.3 Subject to a contrary decision by the Board of Directors, the mandate of the Committee chairperson granted to a Committee member shall not exceed five years.

3.4 The Committee chairperson may make suggestions to the Chairman of the Board concerning the content of the agendas of certain meetings of the Board of Directors, where he considers it appropriate or necessary to do so.

4. SECRETARY

The Corporate Secretary, an assistant secretary or any other person appointed by the Secretary shall act as Committee secretary.

5. HOLDING AND CALLING OF MEETINGS

5.1 The Audit Committee meets at least once per quarter and the Committee's meetings are held on the dates and at the time and place fixed by the Board of Directors. The Committee members shall be notified annually in writing of the dates, times and places of the Committee meetings, without any other notice being required.

5.2 An off-schedule meeting may be called at any time by the Committee chairperson, the Chairman of the Board, the President and Chief Executive Officer, one of the members of the Committee, the Executive Vice-President and Chief Financial Officer, the Corporate Secretary or an assistant corporate secretary of the Company, and by the external auditors and auditors in charge of the internal audit function.

A notice stipulating the purpose, place, date and time of every off-schedule meeting shall be sent to each of the Committee members by mail or by any other means of telephone or electronic communication at least twenty-four (24) hours before the scheduled time and date of the meeting.

Off-schedule meetings of the Committee may be held without notice when all Committee members are present or when absent members give written waiver of notice of such meeting.

5.3 The Committee meetings may be held by telephone or by any other means enabling all members to communicate adequately and simultaneously with each other. In such case, the persons participating in a meeting by telephone or by any other means of communication are deemed to be present at the meeting.

5.4 The external auditors are entitled to receive the notices of the Committee’s meetings and to be heard at such meetings.

5.5 The Committee may call a meeting of the Board of Directors to study issues of interest to the Committee.

5.6 The Committee members shall meet in closed sessions, at least once a year, under the direction of the Committee chairperson.

6. QUORUM

6.1 Quorum for the Committee shall be a majority of the Committee members.

6.2 There shall be a quorum at every meeting in order for the Committee members to validly conduct proceedings and make decisions.

6.3 Subject to sections 6.1 and 6.2 above, the subjects submitted for consideration to every Committee meeting requiring a decision shall be approved by a majority of votes of the members present.

7. MINUTES

7.1 The secretary shall keep the minutes of every Committee meeting, duly approved by it, in a register specially for this purpose.

7.2 The minutes of every Committee meeting, duly approved by it, shall be attached to the agenda of a subsequent meeting of the Board of Directors for its information. The Committee chairperson shall make a verbal report of the proceedings of every Committee meeting at a subsequent meeting of the Board of Directors.

8. VACANCY

Vacancies on the Committee shall be filled by the Board of Directors, where it considers appropriate. A failure to fill a vacancy shall not invalidate the Committee's decisions provided that there is a quorum.

9. HIRING OF EXTERNAL ADVISORS

The Audit Committee has the authority to retain the services of expert advisors at the Company's expense. In case of an emergency, this responsibility is vested in the Committee chairperson. The Committee may request any officer or employee of the Company, its outside legal counsel or its internal or external auditors to attend an Audit Committee meeting or meet any of its members or advisors.

The Audit Committee shall notify the Board of Directors on the extent of the financing required to pay for the compensation of the independent expert advisors retained to advise the Committee.

10. DUTIES AND RESPONSIBILITIES

The Committee's duties are as follows:

10.1 INTERNAL CONTROL

10.1.1 review the mandate of the internal audit function on an annual basis and ensure that it has the resources necessary to fulfill its mandate and the responsibilities set for it;

10.1.2 if the internal audit function has been outsourced in whole or in part to an external consulting firm, make recommendations to the Company's Board of Directors on the appointment of such consultants and their compensation;

10.1.3 require management to set up and maintain appropriate internal control policies and mechanisms, and review, evaluate and approve such policies and mechanisms;

10.1.4 evaluate the effectiveness of the Company's internal control policies and mechanisms with the Executive Vice-President and Chief Financial Officer, or any other officer or employee of the Company exercising responsibility for the internal audit function;

10.1.5 review the report(s) of the internal audit group on a quarterly or annual basis and ensure that the necessary measures are taken to follow up on the suggestions arising from such report(s);

10.1.6 review the recommendations of the Company's management and recommend to the Board of Directors the appointment or removal of an officer responsible for the internal audit function of the Company;

10.1.7 review and approve the annual internal audit plan and ensure the independence and effectiveness of this function;

10.1.8 require that the internal audit function be free of any influence which could interfere with its ability to carry out its responsibilities in an objective manner and, to this end, obtain disclosure from management of the services other than internal auditing provided to the Company by the consultants to whom this function has been outsourced;

10.1.9 evaluate the overall performance of the external consultants to whom the internal audit function has been outsourced, whether in whole or in part, including the other services rendered by these consultants, and analyze the effect of such services on their independence;

10.1.10 ensure that there is effective cooperation between internal auditing and the external auditors of the Company;

10.1.11 meet, in the absence of management, with the Company’s officer in charge of the internal audit function, or the external consultant to whom this function has been outsourced;

10.1.12 review any management representation letters on the internal financial systems and controls addressed to the external auditors;

10.1.13 review and comment to the Board of Directors on all related-party transactions;

10.1.14 review any change in the Company’s code of ethics for senior financial officers;

10.1.15 review the recommendations made by the regulatory bodies or external or internal auditors and report to the Board of Directors;

10.2 EXTERNAL AUDITORS

10.2.1 submit recommendations to the Company’s Board of Directors for the appointment and compensation of the external auditors;

10.2.2 review and discuss the external auditors' detailed report on all the factors influencing their independence and objectivity; make recommendations for measures to be taken by the Board of Directors to ensure the independence of the external auditors;

10.2.3 review the nature and scope of the work of the Company’s external auditors and recommend to the board their compensation;

10.2.4 meet with the external auditors and management to discuss the annual financial statements or transactions which may be detrimental to the sound financial situation of the Company;

10.2.5 discuss with the external auditors not only the acceptability but also the quality of the accounting principles followed by the Company in its financial reports;

10.2.6 review the Company's guidelines for awarding professional services contracts to the external auditors outlining the criteria and levels of authorization required for types of services other than auditing which the external auditors are authorized to offer the Company;

10.2.7 review the annual letter of recommendation on internal control by the Company's external auditors and follow up on the measures subsequently taken by management;

10.2.8 meet the Company's external auditors on a regular basis, in the absence of the management; and

10.2.9 evaluate the overall performance of the external auditors, including the auditing services and non-auditing services, and analyze the effect of these services on the auditors' independence;

10.3 FINANCIAL INFORMATION

10.3.1 review the Company's quarterly and annual consolidated financial statements after the review or audit thereof by the external auditors, and recommend their approval to the Company's Board of Directors; review the unaudited financial statements of certain subsidiaries as appropriate;

10.3.2 obtain an annual report from management, which may be in either oral or written form, on the accounting principles used in the preparation of the Company's financial statements, including those policies for which management is required to exercise discretion or judgment regarding the implementation thereof;

10.3.3 annually review separately with each of management, the external auditors and the internal audit group (a) any significant disagreement between management and the external auditors or the internal audit group in connection with the preparation of the financial statements, (b) any difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information and (c) management's response to each;

10.3.4 annually or periodically, as appropriate, review any significant changes to the Company's accounting principles and financial disclosure practices as suggested by the external auditors, management or the internal audit group; review with the external auditors, management and the internal audit group, at appropriate intervals, the extent to which any changes or improvements in accounting or financial practices, as approved by the Audit Committee, have been implemented;

10.3.5 review all the investments and transactions which may be detrimental to the Company's sound financial situation, when they are brought to its attention by the external auditors or an officer;

10.3.6 review and recommend the approval to the Board of Directors of the informational documents containing financial information, whether audited or unaudited, in particular, management's analysis of the financial situation and operating results, the annual information form and the press releases concerning the publication of the Company's quarterly and annual consolidated financial statements;

10.3.7 review and discuss with management all material off-balance sheet transactions, arrangements, obligations (including contingent obligations) commitments and other relationships of the Company or any of its subsidiaries with unconsolidated entities or other persons, that may have a material current or future effect on the financial condition, changes in the financial condition, results of operations, liquidity, capital resources or significant components of revenues or expenses;

10.3.8 enquire with management concerning any significant changes adopted by bodies such as the stock exchanges or securities commissions, as well as changes to accounting standards that may have an effect on the preparation or disclosure of the financial statements of the Company or its subsidiaries, and inform the Board of Directors thereof where appropriate; and

10.3.9 review the report of management on any dispute, notice of assessment or any other claim of a similar nature which may have a material effect on the Company's financial situation, and ensure that these material claims are correctly disclosed in the financial statements;

10.4 MISCELLANEOUS

exercise any other function entrusted to it by the Board of Directors and make such recommendations to it as it considers appropriate on the subjects within its competence.

Adopted on February 15, 1996.
Modified on April 20, 2000.
Revised on November 15, 2002.
Approved on February 18, 2003.