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 Thursday, September 5, 2002, for the following purposes:

1. to receive the Consolidated Financial Statements of the Company for the year ended March 31, 2002 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 Wednesday, September 4, 2002.

Dated at Longueuil, Québec, Canada this 17th day of July 2002.

By order of the Board of Directors,

" *Réal Bélanger* "
Réal Bélanger, Executive Vice-president, Chief Financial Officer and 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 5, 2002 (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 17, 2002, the following:

Name	Number of Common Shares	Percentage of Outstanding Common Shares
Gilles Labbé	4,658,500(1)	19,06%
Capital d'Amérique CDPQ inc.	2,898,000	11,85%

(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 17, 2002, 24,443,937 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 29, 2002 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. Upon recommendation of the Human Resources and Corporate Governance Committee, the Board has, by resolution, reduced from 11 to 7 the number of Directors on the Board further to the up coming Meeting. Therefore, a total of seven nominees is 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 17, 2002. 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	4,658,500[(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, Camoplast Inc.	1998	3,400
Alain Cousineau	Chairman, 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 55319 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, on the one hand, 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, on the other hand, to promote a greater alignment of interests between the Company's non-employee directors and its shareholders.

The SAR Plan is administrated 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 September 5, 2001, the Committee granted 2,500 SARs to each non-employee director of the Company then in office.

Executive Compensation

The total amount of the attributed remuneration to the executive officers by the Company and its subsidiaries in exchange of the services rendered during the year ended March 31, 2002 is $2,807,422.

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 ($)**	**Bonus[1] ($)**	**Securities Under Options (#)**	**All Other Compensation[2] ($)**
Gilles Labbé President and Chief Executive Officer	2001/02	320,000	328,804	25,000	-
	2000/01	302,500	234,500	-	-
	1999/00	280,000	120,175	80,000	-
Réal Bélanger Executive Vice-president and Chief Financial Officer	2001/02	220,000	225,000	20,000	-
	2000/01	206,250	168,500	-	-
	1999/00	195,000	83,423	70,000	-
Alvin Cook[3] President of the Gas Turbine Division	2001/02	207,308 US	143,739 US	10,000	51,997 US
	2000/01	197,308 US	66,264 US	-	51,811 US
	1999/00	189,327 US	66,185 US	-	51,707 US

	Annual Compensation			Long-Term Compensation	
Name and Principal Position	**Year**	**Salary ($)**	**Bonus[1] ($)**	**Securities Under Options (#)**	**All Other Compensation[2] ($)**
Farrell Campbell[4] President of the Aerostructure Division	2001/02	189,666	51,450	-	-
	2000/01	183,750	50,000	-	10,020
	1999/00	90,000	-	100,000	
Jean Guilbault[5] President of the Landing Gear Division	2001/02	250,000	-	65,000	-

(1) Bonus amounts are paid in the year following the financial year in which they were earned. See explanation under the heading "Incentive Plan."

(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) All amounts paid to M. Cook were paid in US dollars.

(4) M. Campbell joined the Company in October 1999.

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

Incentive Plan

Under the Company's Incentive Plan, bonuses may be paid to the Named Executives upon the achievement of predetermined financial and related objectives for the Company. Achievement of these objectives, combined with individual performance, is considered by the Human Resources and Corporate Governance Committee in determining the level of bonus to be authorized. When targeted performance levels approved by the Human Resources and Corporate Governance Committee are achieved or exceeded, the Named Executives may be eligible for an annual bonus of up to 125% of base salary depending on the individual's performance and position held.

Stock Option Plan

Under the Company's Stock Option Plan (the "Plan") established in 1986, as amended thereafter, 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 under the Plan, within a one-year (1) 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 under the Plan, within a one-year (1) 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 outside Directors under the Plan shall not exceed one percent (1%), or one quarter of one percent (0.25%) within a one-year (1) period, of the total number of Common Shares outstanding at each date of such issue of Common Shares; (v) the number of Common Shares issued or which could be issued to any one beneficiary under the Plan is limited to a maximum of 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 certain vesting limitations. 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 one board lot of Common Shares of the Company traded on the Toronto Stock Exchange on the preceding day of grant 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, 2002, the Company granted options toward 192,500 Common Shares.

OPTIONS GRANTED TO NAMED EXECUTIVES DURING THE FISCAL YEAR ENDED MARCH 31, 2002

Name	Common Shares under Options granted (#)	% of total options granted to employees in fiscal year	Exercise price ($Can/title)	Trading value of securities on the date of grant ($Can/title)	Expiration date
Gilles Labbé	25,000	13.0	9.65	9.65	June 5, 2008
Réal Bélanger	20,000	10.4	9.65	9.65	June 5, 2008
Alvin Cook	10,000	5.2	9.65	9.65	June 5, 2008
Farrell Campbell	-	-	-	-	-
Jean Guilbault	65,000	33.8	7.65	7.65	April 17, 2008

AGGREGATED OPTIONS EXERCISED BY NAMED EXECUTIVES DURING THE FISCAL YEAR ENDED MARCH 31, 2002 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	-	-	48,000	57,000	134,400	89,600
Réal Bélanger	7,250	18,488	34,750	48,000	97,300	78,400
Alvin Cook	51,000	178,950	-	64,000	-	199,200
Farrell Campbell	20,000	95,000	-	30,000	-	142,500
Jean Guilbault	-	-	-	65,000	-	71,500

OPTIONS EXERCISED DURING FISCAL YEAR ENDED MARCH 31, 2002 BY EXECUTIVE OFFICERS (1) AND KEY EMPLOYEES

Date of exercise	Exercised (#)	Exercise price ($)
June 15, 2001	2,000	5.95
July 6, 2001	4,500	5.95
July 6, 2001	4,500	5.95
July 6, 2001	3,000	5.95
July 10, 2001	3,000	5.95
November 14, 2001	4,500	5.95
November 14, 2001	6,000	5.95
November 14, 2001	20,000	4.00
November 14, 2001	3,000	5.95
November 19, 2001	18,000	5.95
November 21, 2001	7,250	5.95
December 6, 2001	36,000	5.95
February 20, 2002	6,000	5.95
March 7, 2002	3,000	5.95
March 7, 2002	4,500	5.95
March 8, 2002	3,000	5.95
March 11, 2002	9,000	5.95
March 12, 2002	15,000	4.35
Total	**152,250**	

(1) Executive Officers include the "Named Executives"

OPTIONS GRANTED DURING FISCAL YEAR ENDED MARCH 31, 2002 TO EXECUTIVE OFFICERS AND KEY EMPLOYEES OF THE COMPANY

Date of grant	Number of options	Exercise price ($)	Expiry date
April 18, 2001	65,000	7.65	April 17, 2008
June 6, 2001	102,500	9.65	June 5, 2008
August 24, 2001	25,000	9.43	August 23, 2008
Total	**192,500**		

The following options, for a total of 866,350 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, 2002.

Date of grant	Number of options	Exercise price ($)	Expiry date
June 16, 1998	289,750	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
February 10, 1999	30,000	4.35	February 9, 2004
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	166,600	4.96	June 11, 2007
June 22, 2000	55,000	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	100,000	9.65	June 5, 2008
August 24, 2001	25,000	9.43	August 23, 2008
Total	**866,350**		

During the fiscal year ended March 31, 2002, a total of 25,500 options were cancelled. The aggregate number of shares reserved for issuance under the Plan is 2,277,118 of which 466,750 remain available for future grants.

Pension Plan

Defined Benefit Pension Plan

The Company offers to the President and Chief Executive Officer and to the Executive Vice-President and Chief Financial Officer a contributive and defined benefit pension plan. The contribution of each employee payable under this pension plan represents 5% of the annual base salary subject to the defined 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 pension plan registered under the Income Tax Act are assumed directly by the Company.

Named Executive	% of Final Average Base Salary (1)	Credited years of service	Maximum Defined Pension Benefits
Gilles Labbé	2.000	20 years (from 1982)	-
Réal Bélanger	2.965	9 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.

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 eligible under the income tax regulations.

Other Employment – Related Agreements

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 as Chairman of the Board of the Company. Mr. Hofmann will serve as Chairman of the Company until September 2002 and will serve 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") was composed of the following four Directors as at March 31, 2002: Claude Boivin (Chair), Jacques M. Brault, 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.

During the fiscal year ended March 31, 2002, the Compensation Committee had 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, fringe benefits programmes, and the nomination 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 compensation which is competitive and attractive and helps retain executive officers thus promoting the achievement of the Company's short and long-term objectives;

- assess the positions held by the executive officers in order to determine the respective value of such positions for the Company, the complexity, the level of responsibility as well as the impact of the position on the Company's overall financial performance;

- undertake a prudent but flexible approach as concerns the three components of the executive compensation: a base salary generally constituting the main element of the compensation, bonuses linked to qualitative as well as quantitative objectives, which may represent up to 125% of the annual base salary, and a long-term compensation under the form of stock options; and

- proceed to adjustments following the annual review of the Company's results and the evaluation of individual performance and achievement.

Components of the Executive Compensation

Base Salary
The annual base salary of the executive officers is determined according to the level of responsibility attached to the position held by the executive officer and to the relative importance of such position in the Company. It is also determined by taking into account the individual’s performance and the Company's results. The Company’s remuneration policy offers base salaries in the mid market range, composed principally of companies in the aerospace components industry. This sector is a good reflection of the markets within which the Company operates.

Annual Incentive Compensation
The Company offers to executive officers and key employees of the Company and its business units annual bonuses in order to reward their personal contribution to the achievement of the Company's corporate and financial objectives. The Company’s Incentive Plan, approved in June 1999, provides that the bonus is calculated based on three major elements: the individual performance based on predetermined criteria, the business unit performance based on operating income and the Company's performance based on net earnings per share. Such bonuses may represent up to 125% of the annual base salary of the executive officer.

Long-term 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 allowing

the granting of options to officers and certain key employees of the Company and its business units.

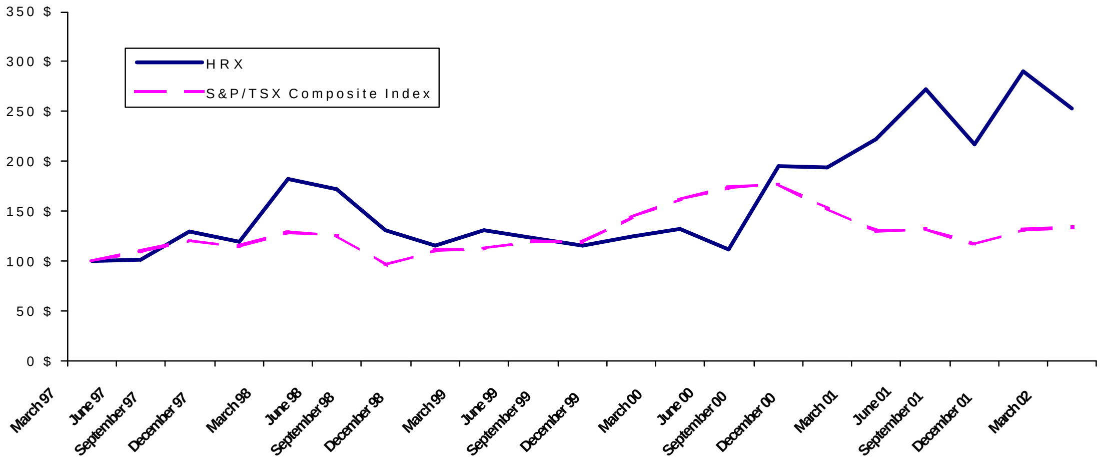
In general, the Board of Directors determines the number of options granted by multiplying the base salary of the employee by a multiple which is established according to the level of responsibility and authority of such employee in the Company or in the business unit. The use of this formula is flexible and the Board of Directors may decide to take into consideration other pertinent factors in the determination of the number of options to be granted to each officer or key employee.

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

Claude Boivin, President
Jacques M. Brault
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, 1997 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.



	1997	1998	1999	2000	2001	2002
Héroux-Devtek	$100	$182.61	$130.43	$131.88	$221.74	$253.62
S&P/TSX Composite Index	$100	$129.20	$112.78	$161.74	$130.05	$134.21

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 of Auditors

The persons named in the enclosed proxy intend to vote for the appointment of Deloitte & Touche LLP, Chartered Accountants, as Auditors of the Company to hold office until the next Annual Meeting of Shareholders at a remuneration to be fixed 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 17, 2002

" *Réal Bélanger* "
Réal Bélanger
Executive Vice-president,
Chief Financial Officer and
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 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.

CORPORATE GOVERNANCE GUIDELINE	COMMENTS
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. Nine directors qualify as "unrelated directors" and two directors, Messrs. H. Hofmann and G. Labbé, are related directors. 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.	Helmut Hofmann related - he is Chairman of the Board of the Company Gilles Labbé related - he is President and Chief Executive Officer of the Company Jacques M. Brault unrelated Claude Boivin unrelated Alain Cousineau unrelated George S. Dembroski unrelated Jean-Louis Fontaine unrelated Donald M. Green unrelated Pierre Marcouiller unrelated Jacques Paquin 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 three outside Directors, all of whom are "unrelated", and of one member of Management, being the Chairman of the Board of the Company.
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.

CORPORATE GOVERNANCE GUIDELINE	COMMENTS
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 11 members and has decided, in anticipation of the next general shareholders meeting to be held on September 5, 2002, to reduce its size to 7 members with a view of improving its effectiveness as a decision-making body.
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.

CORPORATE GOVERNANCE GUIDELINE	COMMENTS
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

CORPORATE GOVERNANCE GUIDELINE	COMMENTS
	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 a majority 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

The Board of Directors creates an Audit Committee made up of at least three outside unrelated directors who have sound financial knowledge. The Board also names the Chairman of the Committee. Quorum is the majority of the Committee members.

The Committee members remain in office until the first meeting of the Board of Directors that follows the annual general meeting of shareholders following their election or until their resignation or replacement. Any member of the Committee who ceases to be a director ceases to form part of the Committee and, furthermore, may be removed from office at any time by the Board of Directors. The Chairman of the Board, the President and Chief Executive Officer and the Executive Vice-President and Chief Financial Officer will attend meetings of the Committee upon invitation by the Committee Chairman.

Committee meetings take place at least four times a year when called by the Chairman of the Committee or by the President and Chief Executive Officer. The Company's Secretary is the Committee's Secretary. Committee members will meet at least once a year with the outside auditors without the presence of the Company's officers.

This Committee has all the powers and duties conferred upon it by laws governing the Company.

In carrying out its duties, the Committee is entitled to examine the books, registers and accounts of the Company and of its operating divisions and to discuss such, as well as any other question pertaining to the financial situation of the Company and of its divisions with other officers and outside auditors of the Company and of its divisions.

The Committee is entitled to appoint independent advisors that it might deem necessary or useful for its purposes. It may also ask persons whom it deems appropriate to attend its meetings and take part in the Committee's deliberations.

The outside auditors attend all Committee meetings. Upon request by the outside auditors, the Committee Chairman must call a meeting of the Audit Committee.

The Audit Committee must report to the Board of Directors at the meeting following the one at which it met.

The Committee's duties are to:

1. recommend to the Board of Directors a chartered accounting firm with regard to the appointment of outside auditors by the shareholders of the Company;

2. recommend to the Board of Directors the remuneration to be paid to outside auditors;

3. consider the annual financial statements of the Company and, if appropriate, recommend the approval thereof by the Board of Directors;

4. consider, before their disclosure, the quarterly financial statements of the Company and, if appropriate, recommend approval thereof by the Board of Directors;

5. accept and consider the outside auditors' reports further to their interim and final audit as well as the letter they subsequently address to management, and gather the observations of the outside auditors on the reasonable degree of the accuracy of the financial information set out in the financial statements, on the evaluation of the accounting principles adhered to and material estimates made by management as well as on the presentation of all financial statements;

6. examine all other financial statements or reports that might require consideration by the Audit Committee pursuant to applicable laws or which the Board requests.;

7. review with the outside auditors the approach and the scope of their audit program and report to the Board of Directors any material matters that the Audit Committee may have or that the outside auditors may have expressed with regard to their work;

8. generally, at least once a year, keep abreast of any service of importance and not related to the audit provided by the outside auditor or by the legal persons of its group and examine the effect on the independence of the outside auditors;

9. review, with the Company's outside auditors, the following observations, as the case may be, ensuing from their audit and report to the Board of Directors on the following points:

   9.1. the efficiency of the records and the accounting and internal control systems of the Company and to what extent the records are kept appropriately and its systems are uniformly applied;

   9.2. the ability and efficiency of the staff assigned to accounting and internal control of the activities of the Company;

   9.3. recommendations submitted by outside auditors and recommendations by the internal auditor, where there is a possibility of having one person assigned to the audit or where the Committee entrusts the outside auditors with a special mandate; and

   9.4. the safeguard of the Company's assets by the consideration of internal controls and insurance coverage policies so that they are adequate;

10. study any other question or carry out any other work that the Board of Directors will deem expedient to entrust to it;from time to time, examine its own mandate to ensure that it continues to be relevant and to make the requisite recommendations to the Board of Directors to improve it.

Adopted on February 15, 1996
Modified on April 20, 2000