



HUMAN RESOURCES AND CORPORATE GOVERNANCE COMMITTEE CHARTER

I. Mandate and Objectives

The Human Resources and Corporate Governance Committee of the Board of Directors (the “**Committee**”) of Héroux-Devtek Inc. (the “**Corporation**”) is responsible for:

- a) reviewing the composition and contribution of the Board of Directors and its members and recommending Board of Directors’ nominees, overseeing the orientation program for new Directors and helping to maintain an effective working relationship between the Board of Directors of the Corporation and management;
- b) reviewing and making recommendations to the Board of Directors of the Corporation for the appointment of senior executives of the Corporation and for determining terms of employment of senior executives; it shall also perform functions such as reviewing succession planning and matters of compensation as well as such other matters the Committee may consider suitable with respect to compensation or as may be specifically directed by the Board of Directors of the Corporation from time to time;
- c) developing the Corporation’s approach to corporate governance issues; reviewing corporate governance practices observed within the Corporation (including Board of Directors’ practices and performance) and making recommendations with respect to such matter to the Board of Directors;
- d) recommending and overseeing the Corporation’s approach to the work environment (occupational health, safety and training matters), the human environment (corporate social responsibility matters) and the physical environment (environmental matters).

II. Composition

The Committee is composed of at least three (3) Directors, each of whom the Board of Directors has determined to be independent as contemplated by the laws, regulations and listing requirements to which the Corporation is subject, appointed by the Board of Directors. The President and Chief Executive Officer (the “**CEO**”) of the Corporation takes part in the work of the Committee as a non-voting member and removes himself where the Committee decides on his remuneration.

The Board of Directors appoints one of the independent Directors as Committee chairman. If the chairman does not attend a meeting, the members choose a chairman from among themselves to chair the meeting.

III. Meetings and Procedures

- a) Committee meetings take place when called by the Committee chairman or by the CEO, but at least once a year;
- b) the Committee may exercise its powers during a meeting at which there is quorum; said quorum must not be less than the majority of Committee members;
- c) notice of each Committee meeting is given to each member, to the CEO and to the Secretary of the Corporation;
- d) the Committee is entitled to appoint any independent advisors it may deem necessary or expedient for its purposes;
- e) the Committee may, where it deems expedient, invite persons to attend meetings and take part in discussions about the Corporation's business and affairs;
- f) the Corporation's Secretary will serve as secretary at all Committee meetings and will keep the minutes of all Committee meetings and decisions; in his absence, the members of the Committee appoints a secretary who will serve as secretary of the meeting;
- g) the Committee reports to the Board of Directors after each of its meetings on its proceedings, revisions that it has undertaken and all related recommendations.

IV. Duties and Responsibilities

1. Human Resources Responsibilities

The Committee is responsible for establishing a process for identifying, recruiting, appointing and providing ongoing development for management and Board of Directors members, overseeing the evaluation of the CEO, the chairman of the Board of Directors and the Board of Directors, and overseeing succession planning for executive management.

Without limiting the generality of the foregoing, the Committee is responsible for:

- a) reviewing criteria pertaining to the composition of the Board of Directors and committees of the Board of Directors, such as the size, proportional number of inside, outside and independent Directors, and making recommendations to the Board of Directors from time to time as to changes that the Committee believes to be desirable to the size of the Board of Directors or any committee thereof;

- b) reviewing criteria pertaining to directorship, such as fields of competence, expertise, retirement age, the number of times a Director may be re-elected in order to maintain the composition of the Board of Directors in a way that ensures optimum sampling of qualifications and experience to orient long-term strategy and the continuity of the Corporation's business operations. These criteria will aim to add value to the Corporation and to the functioning of the Board of Directors and its committees and will include:
 - (i) the benefits of maintaining a reasonable diversity of qualifications and experience and special criteria such as age, sex, geographical origin, etc. among the Directors as well as the customary principal criteria required for effective participation on the Board of Directors;
 - (ii) the provisions of any investor's agreement entered into from time to time between a shareholder of the Corporation and the Corporation according to which the Corporation agreed, under certain conditions, to include in its list of nominees for election at a shareholder meeting the name of the nominee to be suggested by such particular shareholder with whom the Corporation entered into the investor's agreement or any other agreement to the same effect.
- c) reviewing criteria for retention of Directors unrelated to age or tenure, such as attendance at meetings of the Board of Directors and committees, health and assumption of responsibilities that are incompatible with the status of Board of Directors' member;
- d) developing and recommending to the Board of Directors standards to be applied in making determinations as to the presence or absence of material relationships between the Corporation and a Director;
- e) examining, annually, the relationships between outside Directors and the Corporation that may be construed in a way to compromise the designation of any Director as being independent in order to ensure that the composition of the Board of Directors remains such that the majority of Directors are independent and, where there are relationships, ensuring that the particular Director acts appropriately.
- f) recommending, on an annual basis, the appointment and compensation of the Chairman of the Board of Directors, a duly elected or appointed independent member of the Board of Directors.
- g) recommending nominees for election as Directors of the Corporation at the annual meeting of shareholders, taking into the established criteria pertaining to directorship as well as the Investor Agreement;
- h) identifying, in consultation with the CEO and on an annual basis, Board of Directors members qualified to become members and chairmen of each committee of the Board of Directors, taking into consideration the factors set out in the charter of the particular

committee, as well as any other factors it deems appropriate, and recommending that the Board of Directors appoints the identified member or members to the respective committee;

- i) recommending candidates to the Board of Directors to fill vacancies on the Board of Directors that occur between the annual meetings of shareholders;
- j) recommending to the Board of Directors the removal of a Director under exceptional circumstances;
- k) authorizing, where circumstances warrant, a Director to retain external financial, legal or other advisors at the Corporation's expense;
- l) overseeing an orientation and education program for new Board of Directors members and reviewing from time to time the value and benefit of such program;
- m) recommending structures and relevant procedures to ensure that the Board of Directors can operate independently of management and, to this end, providing that at least one annual meeting of outside Directors without the presence of management is held, said meeting to be chaired by the chairman of the Committee;
- n) assessing the Board of Directors' relationship with management and recommending, where necessary, limits on management's authority to act without explicit Board of Directors approval;
- o) recommending the appointment and compensation of the CEO and senior management.
- p) ensuring that the Corporation has in place the proper human resource management processes to deal with the development and succession of senior executive officers, with special emphasis on the succession of the CEO, and by including specific developmental and career planning programs for potential successors;
- q) approving the CEO'S succession plan that provides for the orderly succession of senior management including the recruitment, training and development required;
- r) establishing procedures for the Committee to exercise oversight of the evaluation of the Board of Directors, its committees and the contributions of individual Directors;
- s) conducting an annual assessment of the overall performance of the Board of Directors, committees of the Board of Directors, including time commitments, conflicts of interest and continuing qualifications of Board of Directors members, and submitting a report thereon to the Board of Directors;
- t) consulting, in coordination with the Chairman of the Board of Directors, the Board of Directors members for their input regarding the performance of the CEO, requesting

input and comments from the CEO and other executive officers as he/she may see fit and conducting a performance discussion with the CEO;

- u) reviewing periodically the effectiveness of the Corporation's overall management organization structure and the CEO's proposals for changes;
- v) receiving from the CEO an annual assessment of the senior management of the Corporation and providing feedback and training as appropriate; and
- w) performing such other human resources duties as may from time to time be assigned to it by the Board of Directors.

2. Compensation Responsibilities

The Committee has the duty to generally develop the Corporation's philosophy and guidelines on executive management and Directors' compensation, and review and administer the Corporation's equity-based incentive plans.

The responsibilities of the Committee include the following:

- a) establishing, in consultation with management and external independent consultants, the Corporation's general compensation philosophy and overseeing the development and implementation of compensation policies and programs;
- b) reviewing and approving annually the corporate goals and objectives relevant to the compensation of the CEO based on the Board of Directors' evaluation of the CEO's performance and the competitive compensation paid to CEO in the relevant comparator group, and making recommendations to the Board of Directors with respect to the CEO's compensation level based on this evaluation;
- c) reviewing and approving the general compensation structures of the Corporation and its subsidiaries, consisting of base salary, annual incentive and long-term incentive programs applicable to senior executives, including the approval of special conditions applying to senior executive officers such as change of control agreements and supplementary executive retirement agreements;
- d) making recommendations to the Board of Directors on any new equity-based compensation plan, on any material change to an existing plan and/or in respect to any new or material change to the Corporation's short-term and long-term incentive plans and discharging any responsibilities imposed on the Committee by any of these plans;
- e) reviewing and approving the level and/or changes in the compensation of individual senior executive officers in regard to all elements of their compensation (cash

compensation, pension and benefits), taking into consideration individual performance and competitive compensation practices;

- f) making recommendations to the Board of Directors with respect to any employment or termination arrangements for senior management, including loans to senior management, and with respect to any severance or similar termination payments proposed to be made to any current or former senior executive officer of the Corporation;
- g) reviewing periodically trends and developments in the pension area and making recommendations to the Board of Directors on pension policy and with respect to the adoption of new, or significant modifications to, pay and benefit plans;
- h) making recommendations on the remuneration for members of the Board of Directors and committees thereof, including adequacy and form of compensation realistically reflecting the responsibilities and risks of effective directorship and recommending changes where applicable;
- i) preparing and issuing an annual report of the Committee on Executive Compensation for inclusion in the Corporation's Management Proxy Circular;
- j) retaining and replacing any independent firm to advise on executive compensation, including fixing such firm's fees and terms of retention;
- k) reviewing executive compensation disclosure before the Corporation publicly discloses this information; and
- l) performing such other compensation-related responsibilities as may from time to time be assigned to it by the Board of Directors.

3. Corporate Governance Responsibilities

The Committee is also responsible for developing and recommending to the Board of Directors a set of corporate governance principles applicable to the Corporation, reviewing those principles at least once a year, monitoring disclosure of such principles and making recommendations to the Board of Directors that are deemed relevant in the context of compliance with corporate governance guidelines in force from time to time.

Without limiting the generality of the foregoing, the Committee is responsible for:

- a) implementing and maintaining sound corporate governance practices in adopting principles, policies and procedures applicable to the Corporation;
- b) advising the Board of Directors on the disclosure to be contained in the Corporation's public disclosure documents, such as the Corporation's annual management proxy

circular or annual report, on matters of corporate governance as required by the Toronto Stock Exchange or any other applicable exchange or regulator;

- c) ensuring that the Corporation and, in particular, its Directors and Officers, comply with applicable laws;
- d) reviewing, and if appropriate, amending, and approving the Corporation's policies and procedures at least annually;
- e) reviewing, at least annually, and making recommendations to the Board of Directors with respect to the Corporation's Code of Conduct, including the disclosure of the adoption of such Code;
- f) monitoring adherence to the Code of Conduct and reviewing potential situations related thereto brought to the attention of the Committee by the Secretary of the Corporation in order to recommend or not in certain circumstances to the Board of Directors to grant or not waivers from compliance with the Code of Conduct for Directors and Officers; and ensuring that when such waivers are granted, the Board of Directors shall disclose same in due time and specify the circumstances and rationale for granting the waiver;
- g) reviewing at least once every year, or as the Committee decides, the President and Chief Executive Officer Position Description and recommending updates to the Board of Directors for consideration;
- h) reviewing at least once every year, or as the Committee decides, the Chairman of the Board of Directors Position Description and recommending updates to the Board of Directors for consideration;
- i) reviewing proposed amendments to the Corporation's by-laws before recommending them to the Board of Directors;
- j) reviewing this Charter at least annually and recommending any changes to the Board of Directors; and
- k) carrying out any other corporate governance duties or responsibilities expressly delegated to the Committee from time to time by the Board of Directors.

4. Health, Safety and Environment Responsibilities

The Committee is, among other things, responsible for analyzing issues pertaining to the work environment (occupational health, safety and training matters), the human environment (corporate social responsibility matters) and the physical environment (environmental matters).

Without limiting the generality of the foregoing, the Committee is responsible for:

- a) evaluating the Corporation's overall performance with respect to the work environment, the human environment and the physical environment as well as how the work, human and physical environments affect the Corporation; and
- b) making relevant recommendations to the Board of Directors with respect to the work environment, the human environment and the physical environment and overseeing the implementation and administration thereof.

V. Miscellaneous

1. Delegation

The Committee may, in its discretion and as appropriate, delegate part of its duties and responsibilities to a member or to a subcommittee of the Committee.

2. Resources and Authority of the Committee

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to retain counsel or other experts, as it deems appropriate, without seeking approval of the Board of Directors or management.

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