

MANAGEMENT INFORMATION CIRCULAR

LINAMAR CORPORATION ANNUAL MEETING MAY 15, 2012

This document contains

- Notice of meeting
- Information Circular



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APRIL 8TH, 2011

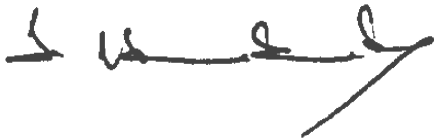
INVITATION TO SHAREHOLDERS

Fellow Shareholder:

It is my pleasure to invite you to the Annual Meeting of Shareholders, which will be held on Tuesday, May 15, 2012, at 2:00 p.m. (local time), at The Frank Hasenfratz Centre of Excellence in Manufacturing, 700 Woodlawn Road, Guelph, Ontario. The Notice of Annual Meeting of Shareholders and related materials are enclosed. This Management Information Circular describes the business to be conducted and other important matters to be discussed at the meeting. It is important that you exercise your vote, either in person at the meeting or by completing and sending in your proxy form.

We hope you will be able to join us.

Yours very truly,

A handwritten signature in black ink, appearing to read 'F. Hasenfratz', with a long horizontal line extending to the right and a diagonal line at the end.

Frank Hasenfratz
Chairman of the Board
Linamar Corporation

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The 2012 Annual Meeting of Shareholders of Linamar Corporation will be held on Tuesday, May 15, 2012, at 2:00 p.m. (local time), at The Frank Hasenfratz Centre of Excellence in Manufacturing, 700 Woodlawn Road, Guelph, Ontario, Canada, for the following purposes:

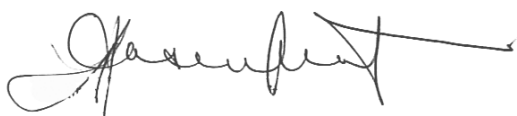
1. to receive the consolidated financial statements for the financial year ended December 31, 2011, and the auditors' report thereon;
2. to appoint the auditors and authorize the directors to fix their remuneration;
3. to elect the directors;
4. to consider, and if thought advisable, pass a resolution to approve a new stock incentive plan for the Corporation;
5. to consider, and if thought advisable, pass a resolution to confirm the repeal of the Corporation's prior corporate by-law and its replacement with a new corporate by-law relating generally to the affairs of the Corporation; and
6. to transact such other business as may properly be brought before the Annual Meeting, or any adjournment thereof.

Shareholders of record at the close of business on March 19, 2012, are entitled to vote at the Annual Meeting. Shareholders are entitled to vote at the Annual Meeting either in person or by proxy. Any shareholder who is unable to attend the Annual Meeting in person is requested to either complete, date, sign and return the enclosed form of proxy in the envelope provided for that purpose to the Corporation's transfer agent, Computershare Investor Services Inc., or vote via the Internet.

The Management Information Circular and form of proxy accompany this Notice of Annual Meeting of Shareholders.

Dated at Guelph, Ontario, this 8th day of March, 2012.

BY ORDER OF THE BOARD OF DIRECTORS,

A handwritten signature in black ink, appearing to read 'L. Hasenfratz', with a long horizontal stroke extending to the right.

Linda Hasenfratz
Chief Executive Officer

VOTING INFORMATION

This Management Information Circular is furnished to the shareholders of Linamar Corporation (“Linamar” or the “Corporation” or the “Company”) in connection with the solicitation by and on behalf of the management of the Corporation of proxies at the annual meeting of shareholders of the Corporation called for Tuesday, May 15, 2012 (the “Meeting”) or any adjournment thereof for the purposes and at the time and place set forth in the attached Notice of Annual Meeting of Shareholders (the “Notice”).

This circular, the Notice, the accompanying form of proxy and Linamar’s 2011 Annual Report to Shareholders (collectively, the “meeting materials”) are being mailed, on or about April 5, 2012, to shareholders of record of the Corporation as of the close of business on March 19, 2012. The Corporation will bear all costs associated with the preparation and mailing of the meeting materials, as well as the costs of the solicitation of proxies. The solicitation will be primarily by mail; however, officers and regular employees of the Corporation may also solicit proxies (but not for additional compensation) personally, by telephone, telefax or other means of electronic transmission. Banks, brokerage houses and other custodians and nominees or fiduciaries will be requested to forward proxy solicitation material to their principals and to obtain authorizations for the execution of proxies, and will be reimbursed for their reasonable expenses in doing so.

All dollar amounts referred to in this Circular are in Canadian dollars. The information contained in this Circular is given as at March 8th, 2012, except as otherwise noted.

Appointment and Revocation of Proxies

The persons named in the form of proxy accompanying this Circular are officers of the Corporation. A shareholder has the right to appoint a person (who need not be a shareholder of the Corporation) as nominee to attend and act for and on behalf of such shareholder at the Meeting, other than the management representatives named in the accompanying form of proxy. This right may be exercised by registered shareholders by either striking out the names of the management representatives where they appear on the front of the form of proxy and by inserting in the blank space provided the name of the other person whom the shareholder wishes to appoint, or by completing and submitting another proper form of proxy naming such other person as proxy.

A shareholder who was given a proxy may revoke it by depositing an instrument in writing signed by the shareholder or by the shareholder’s attorney, who is authorized in writing, in accordance with the instructions given below. A shareholder may also revoke a proxy in any other manner permitted by law.

Registered shareholders wishing to be represented at the Meeting by proxy and shareholders wishing to revoke a proxy previously given, must deposit their form of proxy or revocation of proxy, addressed to the Secretary of the Corporation, at one of the following locations: (i) the principal executive offices of the Corporation at 287 Speedvale Ave., W., Guelph, Ontario, Canada

VOTING INFORMATION CONTINUED...

N1H 1C5; or (ii) the offices of Computershare Trust Company of Canada, 100 University Avenue, Toronto, Ontario, M5J 2Y1, in each case, at any time up to 2:00 p.m. (Toronto time) on May 11, 2012, or any adjournment(s) thereof, at which time the proxy is to be used, or on the day of the Meeting with the Secretary of the Corporation or the Chairman of the Meeting prior to the start of the Meeting or any adjournment(s) thereof.

Special Instructions for Non-Registered Holders

Only registered shareholders, or the persons that they appoint as their proxies, are permitted to attend and vote at the meeting. However, in many cases, shares beneficially owned by a holder (a “**Non-Registered Holder**”) are registered either:

- (a) in the name of an intermediary that the Non-Registered Holder deals with in respect of the shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of registered plans; or
- (b) in the name of a depository (such as CDS Clearing and Depository Services Inc.) of which the intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer, the Corporation will be distributing copies of the meeting materials to the intermediaries for further distribution to Non-Registered Holders. Intermediaries are required to forward the meeting materials to Non-Registered Holders and receive voting instructions from them unless a Non-Registered Holder has waived the right to receive the meeting materials. Intermediaries often use service companies (such as Broadridge Investor Communications Solutions) to forward the meeting materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive the meeting materials will either:

- (a) be given a voting instruction form which must be completed and signed by the Non-Registered Holder in accordance with the directions set out on the voting instructions form (which may, in some cases, permit the completion of the voting instruction form by telephone); or
- (b) less typically, be given a proxy which has already been signed by the intermediary (usually by way of a facsimile, stamped signature) which is restricted as to the number of shares beneficially owned by the Non-Registered Holder, but which is otherwise uncompleted. In this case, the Non-Registered Holder who wishes to submit the proxy should otherwise properly complete and deposit it with the Corporation or Computershare Trust Company of Canada, as described above. This proxy need not be signed by the Non-Registered Holder.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own. Should a Non-Registered Holder who receives a proxy signed by the intermediary wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the name of the Non-Registered Holder (or

VOTING INFORMATION CONTINUED...

such other person) in the blank space provided. A Non-Registered Holder who receives a voting instruction form should follow the corresponding instructions on the form.

If you are a beneficial shareholder of the Corporation, you may revoke voting instructions which have been given to an intermediary at any time by written notice to the intermediary. If you are a beneficial shareholder of the Corporation, please submit your voting instructions to your intermediary or broker in sufficient time to ensure that your votes are received by the Corporation or Computershare Trust Company of Canada on or before 5:00 p.m. (Toronto time) on the last business day preceding the day of the Meeting.

Non-Registered Holders should carefully follow the instructions of their intermediaries and their intermediaries' service companies on the request for instructions or proxy form provided to them.

Voting of Proxies

The shares represented by any valid proxy in favour of the persons designated by management in the accompanying form of proxy will be voted for or withheld from voting (abstain) on the election of directors of the Corporation ("Directors") and the re-appointment of the auditors and the resolution authorizing the Directors to fix the remuneration of the auditors, in accordance with any specific instructions given by a shareholder on the form of proxy. **In the absence of such specific instructions, such shares will be voted by the persons named in the enclosed form of proxy as follows: FOR the election as Directors of the proposed nominees named in this Circular; FOR the re-appointment of PricewaterhouseCoopers LLP as the auditors of the Corporation and the resolution authorizing the Directors to fix the auditors' remuneration; FOR the adoption of a new stock incentive plan; and FOR the repeal and replacement of the corporate By-Law.**

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to such other business or matters which may properly come before the Meeting or any adjournment(s) thereof. As of the date of this Circular, the Corporation is not aware of any amendment or variation or other business or matters to be raised at the Meeting.

Record Date

The Board of Directors of the Corporation (the "Board") has fixed the close of business on March 19, 2012 as the record date (the "Record Date") for the Meeting. Only holders of record as of the close of business on the Record Date are entitled to receive notice of and to attend and vote at the Meeting.

VOTING INFORMATION CONTINUED...

Voting Shares and Principal Holder

Many large Canadian publicly held companies are controlled by a family, a parent company or a group of shareholders through their holdings of common shares. Effective equity control can come from holding 20% or more of the common shares of a widely held company.

Linamar Corporation was founded by Mr. Frank Hasenfratz in 1966 as a privately held Canadian corporation. It was converted to a public corporation in 1986, with Mr. Hasenfratz continuing to hold a dominant minority shareholder position. Due to the number of shares he owns as a percentage of all outstanding voting common shares, he may be considered a “controlling shareholder” and is deemed to be a “control person” under applicable Canadian securities laws.

A controlling shareholder, such as Mr. Hasenfratz, has a legitimate interest in being actively involved in the Board of Directors of the Corporation and by virtue of his equity holdings has substantial influence over the strategic direction of the Company, the appointment of Directors and executive compensation. That said, Mr. Hasenfratz’s leadership and focus is very long-term oriented.

As at the date hereof, the Corporation had 64,701,876 outstanding voting common shares (the “Common Shares”), each carrying the right to one vote per share.

To the knowledge of the management of the Corporation, the following persons, as of March 8th, 2012, are the only persons beneficially owning directly or indirectly, or exercising control or direction over, shares representing more than 10% of the voting rights attached to any class of the issued and outstanding shares of the Corporation.

	Class of Shares	Number of Shares	Percentage
Frank J. Hasenfratz ⁽¹⁾	Common	15,243,800	23.56%

In the best interests of the Corporation, Mr. Hasenfratz has advised the Corporation that he intends to vote his common shares for the election of the proposed nominees named in the Circular as Directors of the Corporation and for the re-appointment of PricewaterhouseCoopers LLP as the auditors of the Corporation and the resolution authorizing the Directors to fix the auditors’ remuneration. He also intends to vote in favour of adopting the new stock incentive plan and the new corporate by-law.

⁽¹⁾ Of the Common Shares noted above, 37,500 are owned directly by Frank Hasenfratz. The remaining Common Shares of the Corporation noted above are owned, directly or indirectly, by 975904 Ontario Inc. (“975904”). In particular, 975904 owns 5,124,800 Common Shares of the Corporation directly, and owns all of the outstanding shares of Hasenfratz Investments Ltd., an investment company, which owns 10,081,500 Common Shares of the Corporation. Frank Hasenfratz, Chairman of the Corporation, controls 975904. Mr. Hasenfratz and a Hasenfratz family trust own all of the outstanding securities of 975904.

BUSINESS TO BE TRANSACTED AT THE MEETING

1. Receiving Financial Statements and Report from Auditors

Management, on behalf of the Board, will submit to the shareholders at the Meeting the audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2011 and the report of the Auditors thereon. The audited consolidated financial statements and Auditors' report form part of the Corporation's 2011 Annual Report to Shareholders which is being mailed to Shareholders with the notice, the proxy and this circular. Additional copies of Linamar's 2011 Annual Report to Shareholders may be obtained from the Investor Relations Department of the Corporation and will be available at the Meeting.

2. Re-Appointment of Auditors

At the Meeting, shareholders will be asked to re-appoint PricewaterhouseCoopers LLP as the auditors of the Corporation, to hold office until the next annual meeting of shareholders or until a successor is appointed. PricewaterhouseCoopers LLP have been the auditors of the Corporation since January 30, 1986. **The persons named in the accompanying form of proxy will, in the absence of specific instructions to the contrary, vote for the re-appointment of PricewaterhouseCoopers LLP as the auditors of the Corporation and the resolution authorizing the Directors to fix the auditors' remuneration.**

Please refer to the section entitled "External Auditor Service Fees" in the Corporation's Annual Information Form dated March 6th, 2012, filed on SEDAR (www.sedar.com), for the fees charged by PricewaterhouseCoopers LLP for the fiscal years 2010 and 2011.

3. Election of Directors

In December 2010, the Corporation's Board of Directors (the "**Board**") adopted a majority voting policy. Under this policy, if a nominee for Director (the "**Subject Director**") receives a greater number of votes "withheld" from his or her election than votes "for" such election, the Human Resources and Governance Committee of the Board will, within 90 days after such vote, make a recommendation to the Board as to whether the Subject Director should be asked to resign his or her position as a Director. The Board will consider that committee's recommendation and determine appropriate actions to be taken with respect to the Subject Director. If, as a result of the Board's decision on the recommendation, the Subject Director resigns as a Director, the Corporation will issue a press release announcing the resignation and may determine to fill or leave unfilled (until the next annual shareholder meeting) the vacancy in the Board resulting from the resignation (see Appendix A for a copy of the policy).

The Subject Director will not participate in the deliberations by the Human Resources and Governance Committee or the Board as to whether to request his or her resignation. The majority voting policy applies only in circumstances involving an uncontested election of Directors, meaning an election in which the number of nominees for Director is equal to the number of Directors to be elected.

BUSINESS TO BE TRANSACTED AT THE MEETING CONTINUED...

The adoption of this policy aims at addressing shareholder concerns and is considered part of the Board's continuous review and improvement process. Majority voting is an aspect of governance that is important to our shareholders. The Corporation strives to achieve a good balance of customer, employee and shareholder satisfaction.

Under the Corporation's articles of incorporation, the Board must consist of a minimum of three (3) and a maximum of ten (10) Directors. The number of Directors is currently fixed at six (6). While this is a smaller board, the Corporation feels that it is effective for a company Linamar's size. The Board of Directors is large enough to allow for meaningful and substantial discussion and debate over the Company's strategic direction and any other issues. But it is small enough not to bureaucratize decision making and making it inefficient, allowing the Company to be nimble in being able to act quickly to seize key opportunities in the marketplace.

The persons named in the accompanying form of proxy will (in the absence of specific instructions to the contrary) vote FOR the election as Directors of the proposed nominees whose names are set forth below:

Frank Hasenfratz

Mark Stoddart

David Buehlow

Linda Hasenfratz

Terry Reidel

William Harrison

The nominees will be voted on individually. All nominees are currently Directors of the Corporation. All nominees have established their eligibility and willingness to continue to serve as Directors. Management does not believe that any of the nominees will be unable to serve as a Director, but if that should occur for any reason prior to the Meeting, the persons designated in the accompanying form of proxy may vote for another nominee at their discretion. Each Director elected will hold office until the close of the next annual meeting of the shareholders of the Corporation or until his or her respective successor is elected or appointed, unless such office is earlier vacated in accordance with applicable law and the Corporation's by-laws. More information on each of the six proposed nominees for election as Director is set forth below under the heading "Nominees for Election to the Board of Directors".

NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS



Frank Hasenfratz, 77
Guelph, Ontario, Canada

Chairman of the Board

Linamar Board Details
Director since 1966
Controlling shareholder

As founder of Linamar, Mr. Hasenfratz has held this position since 1966. Born in Hungary in 1935, Mr. Hasenfratz attended trade and engineering technical schools while working as a toolmaker and machinist. He immigrated to Canada in 1957 and was a supervisor at Sinterings Ltd. until the formation of Linamar in 1966. Mr. Hasenfratz founded the Company as a one-man machine shop in the basement of his home in 1964.

Board Meeting Attendance	5/5 (100%)
Annual General Meeting	1/1 (100%)
Director Fees	(none)

Share ownership	Total Value of Share Ownership as of March 8th, 2012	Options (vested)
15,243,800	\$285,821,250	446,750

- Areas of Expertise:
- Leadership in a large organization
 - M&A
 - Manufacturing
 - Automotive sector (Canada and Europe)
 - Large public board experience

Current Board & Council Memberships: none

Former Public Board Memberships: Linamar Hungary RT⁽¹⁾ – (1997-2010), ComDev (1999-2007) and EMJ Data Systems (2002-2004)



Linda Hasenfratz, 45
Guelph, Ontario, Canada

Director & Chief Executive Officer

Linamar Board Details
Director since 1998
Non-Independent Director

Ms. Hasenfratz was named Chief Executive Officer ("CEO") of Linamar Corporation in August 2002. She had been President of Linamar Corporation from April 1999 to August 2004. From September 1997 to September 1999 Ms. Hasenfratz was also Chief Operating Officer of the Company. Ms. Hasenfratz joined Linamar Corporation in July 1990 and embarked on an extensive training program to gain familiarity with all aspects of the business. Positions held in the Corporation range from machine operator to Operations Manager. Ms. Hasenfratz has been on the Linamar Board of Directors since 1998. Ms. Hasenfratz completed an Executive MBA from the Ivey School of Business at the University of Western Ontario in June 1997.

Board Meeting Attendance	5/5 (100%)
Annual General Meeting	1/1 (100%)
Director Fees	(none)

Ms. Hasenfratz is required to have equity ownership worth at least three times her base salary and has more than met this requirement.

Share ownership	Total Value of Share Ownership as of March 8th, 2012	Options (vested)	Options (unvested)	Share grant (unvested)
3,731,399	\$69,974,981	114,350	332,401	20,000

- Areas of Expertise:
- Leadership in a large organization
 - Strategy
 - Manufacturing
 - Automotive sector (International)
 - Large public board experience

Current Board and Council Memberships: CIBC Board of Directors – Spring of 2004; Board of Governors, Royal Ontario Museum – Spring 2002; Catalyst; Original Equipment Suppliers Association (OESA) Board of Directors – November 2005; Canadian Council of Chief Executives Board of Directors – October 2010; Faurecia Board of Directors – Spring 2011.

Former Public Board Memberships: Linamar Hungary RT⁽¹⁾ – (1997-2010)

NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS CONTINUED...



Mark Stoddart, 48
Guelph, Ontario, Canada

Director & Chief Technology
Officer and Executive Vice
President of Marketing

Linamar Board Details
Director since 1999
Non-Independent Director

Mr. Stoddart joined Linamar Corporation in November 1985 working as a general machinist in the then newly opened Hastech Manufacturing facility. Since July of 2003, he has headed up the marketing and product development activities for the Company. He brings to this position his background in business and twenty years' experience with Linamar and the automotive industry. Prior to his current position, he was Vice President Sales, Marketing & Product Development. Prior to that, he was General Manager of the Hastech Manufacturing facility. Before that position, Mr. Stoddart worked as an Estimating Engineer at the Corporate Marketing Department and in production control at the Roxel Manufacturing facility. He attended Sheridan College in 1982 in the Business Computer Systems program. Mr. Stoddart has been a Director of Linamar Corporation since 1999.

Board Meeting Attendance 5/5 (100%)
Annual General Meeting 1/1 (100%)
Director Fees (none)

Share ownership	Total Value of Share Ownership as of March 8th, 2012	Options (vested)	Options (unvested)	Share grant (unvested)
10,041	\$187,500	0	20,000	734

Areas of Expertise:

- Sales and marketing
- Strategy
- Automotive sector (International)

Current Board and Council Memberships: Automotive Parts Manufacturer's Association (APMA) – 2005 (currently Vice-Chair); Integrated Manufacturing Technologies Institute Advisory Board, which is part of the National Research Council of Canada; Initiative for Automotive Manufacturing Innovation (IAM) Advisory Board; CANMET Materials Technology Laboratory (CANMET-MTL) Strategic Advisory Committee; Original Equipment Suppliers Association (OESA) Product Development Council.



William Harrison, 72
Puslinch, Ontario, Canada

Director

Linamar Board Details
Director since 1990
Independent Director

Mr. Harrison attended the University of Guelph and the University of Toronto, receiving degrees in Honours Science and Mechanical Engineering. Bill then joined the Allis Chalmers Corporation working in Canada, the United States and Europe as a General Manager and Vice President. He attended York University's Faculty of Business post graduate studies. Bill then spent 21 years as President and Chief Executive Officer of Kenhar Corporation, a global supplier of components to the Materials Handling and Industrial Mobile Equipment Industry, with operations in North America, Europe, China, Korea and Japan. Bill then took on the responsibilities of Executive Vice President and Director of Cascade Corporation in 1997 and 1998 and from 1999 to 2008 was Chairman and CEO of Lift Technologies Inc, manufacturers of masts and attachments for the Material Handling and Container Handling Industries, with operations in North America, Italy, Germany and Sweden. Currently, Bill involves himself in business activities through his investment company, Rahnek Ltd. His other interests include; fundraising for the Guelph General Hospital, the University of Guelph and Sunrise Equestrian Centre.

Board Meeting Attendance 5/5 (100%)
Annual General Meeting 1/1 (100%)
Board Committee Memberships:
Audit Committee 4/4 (100%)
Human Resources and Corporate Governance Committee 4/4 (100%)
Director Fees \$54,075

Equity ownership (shares)	Equity ownership (\$) as of March 8th, 2012
19,000	\$356,250

Areas of Expertise:

- M&A
- Manufacturing
- Industrial/Commercial sector (International)

Current Board and Council Memberships: None

Former Public Board Memberships: Cascade (1997-1999)

NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS CONTINUED...



David Buehlow, 75
Bright, Ontario, Canada

Director

Linamar Board Details
Director since 1998
Independent Director

Mr. Buehlow attended the University of Western Ontario, where he received a Bachelor of Arts in Economics in 1957. Following the completion of this undergraduate degree, Mr. Buehlow earned his CA designation from Queen's University in 1961. Mr. Buehlow spent the next thirty-seven years of his career at PricewaterhouseCoopers (formerly Coopers & Lybrand), and was a partner for twenty-seven years. Mr. Buehlow has been a Director of Linamar Corporation since May 1998 and has been the Chair of the Audit Committee and a member of the Human Resources and Corporate Governance Committee since 1998.

Board Meeting Attendance	5/5 (100%)
Annual General Meeting	1/1 (100%)
Board Committee Memberships:	
Audit Committee (Chair)	4/4 (100%)
Human Resources and Corporate Governance Committee	4/4 (100%)
Director Fees	\$55,650

Equity ownership (shares)	Equity ownership (\$) as of March 8th, 2012
7,000	\$131,250

Areas of Expertise:

- Financial
- Legal/regulatory
- Large public board experience

Current Board & Council Memberships: none

Former Public Board Memberships: Dalsa Corporation⁽²⁾ – March 2003



Terry Reidel, 68
Kitchener, Ontario, Canada

Director

Linamar Board Details
Director since 2003
Independent Director

Mr. Reidel was President and Chief Operating Officer of Kuntz Electroplating Inc. ("Kuntz"), a Kitchener – Waterloo company founded in 1948. Mr. Reidel joined Kuntz in March of 2001 as Vice President – finance. Prior to joining Kuntz, Mr. Reidel spent 39 years with the accounting firm of Ernst & Young and was Office Managing Partner of their Waterloo Region Office. Ernst & Young is an international professional service firm offering services to all industry sections in the areas of accounting, auditing, advisory, tax and corporate finance. Mr. Reidel earned his CA designation from Queen's University in 1967. Mr. Reidel retired during 2008. Kuntz does not currently supply services to Linamar Corporation and has not done so in the past five years. Mr. Reidel has been a Director of Linamar Corporation since 2003 and has been the Chair of the Human Resources and Corporate Governance Committee and a member of the Audit Committee since 2003.

Board Meeting Attendance	5/5 (100%)
Annual General Meeting	1/1 (100%)
Board Committee Memberships:	
Audit Committee	4/4 (100%)
Human Resources and Corporate Governance Committee (Chair)	4/4 (100%)
Director Fees	\$57,225

Equity ownership (shares)	Equity ownership (\$) as of March 8th, 2012
3,250	\$60,938

Areas of Expertise:

- Financial
- Manufacturing
- Automotive sector (US/Canada)
- Large public board experience

Current Board and Council Memberships:

ComDev International Ltd. Board of Directors (appointed Chair from May 2009) – September, 2007; Board of Governors, Grand River Conservation Foundation – February 2010; Director, Guarantee Company of North America - 2010; and Chair, Board of Directors, Cowan Holdings - 2010.

DIRECTOR COMPENSATION

The Company reviews general compensation surveys on an annual basis to compare the Corporation's Director-compensation policies and considers generally accepted practices for publicly traded companies. During the last financial year, the annual compensation of Independent Directors was as follows.

For 2011, each Director who was not an employee of the Corporation was paid as remuneration for his services as a Director of the Corporation the amounts as set out below:⁽¹⁾

Annual Board Retainer	\$31,500
Annual Committee Chair Retainer	\$ 2,625
Annual Committee Retainer	\$ 1,050
Board Meeting – Personal Attendance	\$ 1,575
Board Teleconference	\$ 630
Committee Meeting – Personal Attendance	\$ 1,575
Committee Teleconference	\$ 630

In alignment with wage cuts experienced by all Linamar salaried employees the Board of Directors incurred a 10% reduction to their fees in 2009. Fees were restored as of the beginning of 2010. The Directors who are executives of the Corporation (“non-Independent Directors”) receive no remuneration for serving as Directors.

The Corporation does not have a retirement plan for Directors. There are no other arrangements in the Existing Share Option Plan under which Directors were compensated in their capacity as Directors by the Corporation or its subsidiaries during the most recently completed financial year.

⁽¹⁾ Director compensation for Linamar Corporation is within the range of compensation for its comparator group, which is discussed at page 40.

DIRECTOR COMPENSATION CONTINUED...

The Board of Directors adopted a policy requiring Independent Directors and the CEO to invest in and own shares in the Corporation with a value equal to three times the amount of the annual retainer paid to them (or \$90,000 for Independent Directors only). Rather than receiving shares as part of their overall remuneration, Independent Directors invest in the Company using their own personal financial resources (outside of blackout periods). This demonstrates their commitment to Linamar's future value. New and existing Directors have five years to reach that level of shareholding.

Director	Shares Owned (\$)	Required Ownership	Value as at March 8th, 2012	Requirement
David Buehlow	7,000	\$90,000	\$131,250	Yes
William Harrison	19,000	\$90,000	\$356,250	Yes
Terry Reidel	3,250	\$90,000	\$60,938	No
Linda Hasenfratz	3,731,399	\$1,638,630	\$69,974,981	Yes

The Independent Directors' retainer is commensurate with some other mid-sized capitalization companies. The existing slate of Directors considers itself fairly compensated for a company of Linamar's size. Directors' contribution to Linamar's growth, along with the leadership provided during a very severe economic down cycle throughout most of 2009, have provided solid shareholder value.

4. Adoption of a New Stock Incentive Plan

The Corporation is proposing to adopt a new stock incentive plan (the "2012 Plan") to assist the Corporation in retaining and attracting key talent to the Corporation and to grow its business. A description of the reasons for adopting the 2012 Plan and a summary of the 2012 Plan are set out below. A copy of the full text of the 2012 Plan is attached as Appendix J.

Reasons for Adopting the 2012 Plan

The Existing Share Option Plan was adopted over 25 years ago, at the time of the Corporation's initial public offering and listing on the TSX, and has not been generally updated to reflect principles relating to equity-based compensation arrangements as they have evolved over the years. Given the time that has passed since inception of the Existing Share Option Plan, the pool of shares under the Existing Share Option Plan is almost exhausted, with only 30,998 Common Shares currently available for option grants under the Existing Share Option Plan. The Board has proposed that the Existing Share Option Plan be amended to eliminate the 30,998 shares remaining available for issuance thereunder if the 2012 Plan is adopted.

It is important for the Corporation to be able to continue to promote the long-term success of the Corporation by providing equity-based incentive awards to eligible employees and consultants of the Corporation. It is also important for the Corporation to be able to offer equity incentives to assist in attracting and retaining individuals with superior experience and ability.

Rather than amending the Existing Share Option Plan to increase the pool of shares available for award and to incorporate guidelines adopted by certain proxy advisory firms with respect to equity-based compensation arrangements, the Corporation is proposing to adopt the 2012 Plan, which broadly incorporates such guidelines.

Awards and Shares Reserved for Issuance

Under the 2012 Plan, stock options (“**Options**”) and tandem stock appreciation rights (“**Tandem SARs**”) may be granted to eligible employees and consultants. A Tandem SAR is a right to receive, upon the exercise of the Tandem SAR (and corresponding cancellation of the Option to which it relates), payment for the amount by which the market value of a Common Share at the time of exercise exceeds the exercise price of the Option/Tandem SAR. See the section entitled “Grant of Tandem SARs” below.

An aggregate of 4,650,000 Common Shares (subject to adjustment for capital reorganizations) are reserved for issuance under the 2012 Plan, representing approximately 7.2% of the currently outstanding number of Common Shares. Any Common Shares subject to an Option or a Tandem SAR will again be available for grant under the 2012 Plan (i) if such Option or Tandem SAR has expired or is forfeited, surrendered, cancelled or otherwise terminated prior to the issuance of such Common Shares or (ii) if and to the extent such Tandem SAR is settled in cash in lieu of settlement in Common Shares.

Eligible Participants

The individuals who are eligible to receive Options and Tandem SARs (“**Awards**”) under the 2012 Plan are limited to selected full-time and part-time employees and consultants of the Corporation and its subsidiaries, including directors of the Corporation but only if they are full-time employees of the Company or its subsidiaries. Participation of an individual under the Plan will be voluntary.

Insider Participation Limit

The number of Common Shares issuable to insiders (as defined in the rules of the TSX) under the 2012 Plan and all other security-based compensation arrangements (as defined in the rules of the TSX) of the Corporation may not exceed 10% of the issued and outstanding Common Shares. The number of Shares issued to Insiders within any one year under all security-based compensation arrangements of the Corporation may not exceed 10% of the issued and outstanding Common Shares. Note that options are not used to compensate Independent Directors.

Administration

The 2012 Plan will be administered and interpreted by the Human Resources and Corporate Governance Committee of the Board (the “**Committee**”), or any successor committee. The Committee is comprised of independent directors.

Subject to and consistent with the terms of the 2012 Plan, the Committee will have full and complete authority, among other things, to:

- i. interpret and administer the 2012 Plan and documents evidencing Awards;
- ii. determine those employees and consultants of the Corporation who may be granted Awards, and grant one or more Awards to such employees and consultants;
- iii. determine the terms and conditions of Awards granted to any participant under the 2012 Plan;
- iv. determine whether and the extent to which any performance criteria or other conditions applicable to the vesting of an Award have been satisfied or will be waived or modified;
- v. amend the terms of any instrument of grant or other documents evidencing Awards; and
- vi. determine whether, and the extent to which, adjustments shall be made as a result of a capital reorganization of the Corporation and the terms of any such adjustments.

The Committee may delegate its powers, rights and duties under the 2012 Plan, in whole or in part, to another committee or persons as the Committee may determine, subject to certain limitations as set out in the 2012 Plan.

Stock Option Grants

The Committee may from time to time grant one or more Awards of Options to eligible employees and consultants of the Company on such terms and conditions, consistent with the 2012 Plan, as the Committee determines.

The exercise price for Options may not be less than 100 percent of the Market Value of a Common Share on the effective date of the grant of the Option. The “**Market Value**” of a Common Share is the volume weighted average trading price of the Common Shares on the TSX (or other applicable exchange) for the five consecutive trading days immediately preceding the date of grant. However, (i) if the Common Shares did not trade on any of those trading days, the Market Value will be the average of the bid and ask prices for the Common Shares at the close of trading on all of such trading days and (ii) if the Common Shares are not listed and posted for trading on any stock exchange, the Market Value shall be the fair market value of the Common Shares as determined by the Board in its sole discretion.

Vested Options may be exercised in accordance with such procedures as may be established by the Committee and the documents relating to the grant of the Option. The exercise price is payable on exercise of a vested Option and may be paid in cash

or such other form as and to the extent, if any, permitted by the Committee. In addition, the Option holder is required to satisfy or pay any withholding amounts for withholding taxes relating to the Option exercise.

The maximum term of an Option under the 2012 Plan is ten years.

Tandem SAR Grants

The Committee may from time to time grant one or more Awards of Tandem SARs to eligible employees and consultants of the Company on such terms and conditions, consistent with the 2012 Plan, as the Committee determines.

Tandem SARs may be granted at the same time or after the effective date of the related Options and will be subject to the same terms and conditions as the related Options, including the exercise price. Tandem SARs may be exercised only if and to the extent the related Options are vested and exercisable. Unexercised Tandem SARs terminate when the related Option is exercised or terminates.

On the exercise of a Tandem SAR, the related Option will be cancelled and, subject to the payment or satisfaction of any withholding tax obligations, the participant will be entitled to an aggregate amount in settlement of the Tandem SAR calculated as the product of:

- (i) the excess of the Market Value of a Common Share on the date of exercise over the exercise price under the applicable Tandem SAR (being the same as the exercise price of the related Option),
multiplied by
- (ii) the number of Tandem SARs exercised.

The amount owed on the exercise of a Tandem SAR may be settled by payment in cash, the issuance of Common Shares or any combination thereof, as determined by the Committee.

Consequences of Termination of Employment or Consultancy

Unless otherwise determined by the Committee, when a participant holding Options and/or Tandem SARs ceases employment or consultancy with the Corporation or its subsidiaries (a “**Termination**”), the Options and Tandem SARs will be subject to cancellation or a period of exercise following the Termination, depending on the circumstances of the Termination. These circumstances are described below, but in all cases subject to the following limitations:

- (i) the period for exercise of Options or Tandem SARs may not exceed the maximum term of ten years and

- (ii) any outstanding Options or Tandem SARs that are subject to vesting conditions based in whole or part upon the satisfaction of performance criteria and that have not become vested prior to the participant's date of Termination will immediately be cancelled and forfeited for no consideration.

Where the employee's Termination is due to retirement, the employee's Options and/or Tandem SARs that have become vested prior to the employee's date of Termination will continue to be exercisable for the balance of their term. Those Options and/or Tandem SARs that have not vested will be forfeited and cancelled as of the date of Termination.

Where the employee's Termination is due to death, the employee's Options and/or Tandem SARs that have become vested prior to the participant's date of Termination will continue to be exercisable for the period ending on the earlier of (i) the second anniversary of the date of Termination and (ii) the end of the option period of the applicable Options and/or Tandem SARs. Those Options and/or Tandem SARs that have not vested will be forfeited and cancelled as of the date of Termination.

Where the employee's Termination is a termination by the Corporation without cause, the employee's Options and/or Tandem SARs that have become vested prior to the employee's date of Termination will continue to be exercisable for 90 days following the date of Termination. Those Options and/or Tandem SARs that have not vested will be forfeited and cancelled as of the date of Termination.

Where the employee's Termination is due to resignation, the employee's Options and/or Tandem SARs that have become vested prior to the employee's date of Termination will continue to be exercisable for 30 days following the date of Termination. Those Options and/or Tandem SARs that have not vested will be forfeited and cancelled as of the date of Termination.

Where the participant is a consultant, all Options and Tandem SARs granted to such consultant will terminate in accordance with the terms of the agreement relating to the Options and Tandem SARs between the Corporation and the consultant, subject to the following limitation: the termination of the Options and Tandem SARs may not occur any later than the earlier of (i) the original expiry date of the Options and Tandem SARs and (ii) the first anniversary of the termination of the consultant's engagement.

Where an employee's Termination is due to a termination for cause by the Corporation, any and all outstanding Options and Tandem SARs granted to the employee, whether or not vested, will be immediately forfeited and cancelled, without any consideration, as of the commencement of the day that notice of such termination is given

Options and/or Tandem SARs that are not exercised prior to the expiration of the exercise period following the Termination (to the extent there is such an exercise period), will automatically expire on the last day of such period.

Transferability

Options and Tandem SARs are not be transferable (except through inheritance), and are exercisable during the participant's lifetime only by the participant.

Adjustments for Recapitalizations

In the event that:

- (i) a dividend is declared on the Common Shares or other securities of the Corporation payable in Common Shares or other securities of Linamar;
- (ii) the outstanding Common Shares are changed into or exchanged for a different number or kind of shares or other securities of the Corporation or of another corporation or entity, whether through an arrangement, plan of arrangement, amalgamation or other similar statutory procedure or a share recapitalization, su division, consolidation or otherwise;
- (iii) there is change (other than as described in (i) and (ii) above) in the number or kind of outstanding Common Shares or securities of the Corporation; or
- (iv) there is a distribution of assets or securities to shareholders of the Corporation out of the ordinary course of business;

and, if the Board determines that an adjustment should be made in the number or kind of securities authorized but not yet covered by Awards, covered by outstanding Awards or generally available for Awards, or that such other adjustment as may be appropriate should be made, such adjustment will be made to the 2012 Plan and the Common Shares and Awards subject to the 2012 Plan.

Change of Control

In the event of a Change in Control, the Committee may:

- (i) irrevocably commute any Option that is still capable of being exercised, upon 30 days' written notice, and during such period of notice, the Option, to the extent that it has not been exercised, may, notwithstanding whether such Option is vested or any provisions in the 2012 Plan, be exercised by the Participant. On the expiry of such period of notice, the unexercised portion of the Option shall terminate and be cancelled; or
- (ii) substitute for any Options an entitlement to cash or such securities into which Common Shares are changed or are convertible or exchangeable, on a basis proportionate to the number of Common Shares under option or some other appropriate basis.

For the purposes of the 2012 Plan, a Change of Control is:

- (i) any transaction (or series of transactions) where the Common Shares outstanding immediately prior to the transaction represent, after conversion or exchange into securities of the entity with, or into which the Corporation is consolidated, amalgamated or merged, less than 50% of the voting securities of such corporation or entity following such transaction;
- (ii) any transfer, sale, lease or exchange of the Corporation or a subsidiary of all or substantially all of the property of the Corporation (on a consolidated basis) to any third party;
- (iii) the lawful acquisition (directly or indirectly) by an person or group of persons acting jointly or in concert, other than any members of the Hasenfratz Group (as defined in the 2012 Plan), of Common Shares representing 50% or more of the votes attached to Common Shares the issued and outstanding immediately after such acquisition; or
- (iv) the Board by resolution deems that a Change of Control has occurred or is about to occur.

Amendments to the 2012 Plan

The Board may, from time to time, without shareholder approval, add to or amend any of the provisions of the 2012 Plan or suspend or terminate the 2012 Plan or amend the terms of any then outstanding Award granted under the 2012 Plan or its related instrument of grant, subject to the following limitations:

- (i) except as expressly provided in any provision of the 2012 Plan, no such amendment, suspension or termination may be made at any time to the extent such action would materially adversely affect the existing rights of a participant with respect to any then outstanding Award without his or her consent in writing; and
- (ii) the Corporation must obtain shareholder approval of any amendment that would:
 - (a) require shareholder approval under the requirements of the TSX or any applicable law;
 - (b) increase the maximum number of Common Shares for which Awards may be granted under the 2012 Plan;
 - (c) reduce the exercise price at which Options or Tandem SARs may be granted pursuant to the 2012 Plan;
 - (d) extend the term of Options granted under the 2012 Plan;
 - (e) change the class of persons eligible for grants of Awards under the 2012 Plan;
 - (f) allow Awards granted under the 2012 Plan to be transferable or assignable other than for estate settlement purposes; or
 - (g) amend any of the amendment provisions of the 2012 Plan.

Resolution to Approve Adoption of the 2012 Plan

Appendix K sets forth a resolution (the “**2012 Plan Resolution**”) approving the adoption by the Corporation of the 2012 Plan. To pass, the 2012 Resolution must be approved by a simple majority of 50% plus one vote of the votes cast by the shareholders at the meeting.

The Board recommends approval and adoption of the 2012 in order to attract and retain key officers, employees and consultants to the Corporation by providing such persons with the opportunity to acquire or increase their proprietary interest in the Corporation, aligning their interests with those of the shareholders.

In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote in favour of the 2012 Plan Resolution, unless the shareholder who has given the proxy has directed that the Common Shares represented thereby be voted against such resolution.

5. Repeal and Replacement of the Corporation's By-Law

Shareholders will also be asked at the Meeting to consider and, if thought advisable, pass a resolution confirming the repeal and replacement of By-Law No. 6 of the Corporation relating generally to the affairs of the Corporation (the “Prior By-Law”). The Prior By-Law was originally passed by the Board on December 5, 1985 and confirmed by shareholders October 30, 1986.

The Corporation has recently undertaken a review of the Prior By-Law, particularly in light of amendments made to the Business Corporations Act (Ontario) (the “OBCA”) and new legislation, and determined that it would be in the best interests of the Corporation to implement a new by-law (the “New By-Law”) in order to reflect the amendments made to the OBCA and implement certain other desirable changes to update the Prior By-Law.

The making of the New By-Law and the repeal of the Prior By-Law were approved by the Board of Directors on March 6, 2012. The full text of the New By-Law is set out as Appendix L to this management information circular.

Selected changes to the Prior By-Law as contained in the New By-Law are summarized below:

- the New By-Law addresses provisions of the Securities Transfer Act (Ontario) (the “STA”), including a requirement that all transfers of securities of the Corporation be made in accordance with the OBCA and the STA;
- the New By-Law reflects changes to the Canadian residency requirements for directors under the OBCA;
- the New By-Law includes updated provisions regarding potential conflicts of interest with respect to directors and officers of the Corporation, reflecting requirements of the OBCA;
- the New By-Law, consistent with amendments to the indemnification provision of the OBCA, expands the scope

of the Corporation's indemnification obligations to include individuals acting, at the request of the Corporation, as a director or officer, or in a similar capacity, of another entity;

- the New By-Law amends the quorum for any meeting of shareholders to be two persons present in person, who together hold or represent by proxy shares of the Corporation having not less than 25% of the total number of the outstanding votes entitled to be cast at the meeting of shareholders;
- the New By-Law removes the second or casting vote that the chair of the Corporation was entitled to cast in certain circumstances under the Prior By-Law.

Resolution to Approve New By-Law

Appendix M sets forth a resolution (the "By-Law Resolution") approving and adopting the New By-Law and repealing any previous by-laws. To pass, the By-Law Resolution must be approved by a simple majority (50% plus one vote) of the votes cast by the shareholders at the meeting.

In the absence of a contrary instruction, the persons named in the enclosed form of proxy intend to vote in favour of the By-Law Resolution, unless the shareholder who has given the proxy has directed that the Common Shares represented thereby be voted against such resolution.

CORPORATE GOVERNANCE

The Human Resources and Corporate Governance Committee (“HRCG Committee”) is responsible for developing and monitoring Linamar’s approach to corporate governance issues. The HRCG Committee reviews continuously the Corporation’s corporate governance practices and created a detailed action list of recommendations to the management.

Corporate Governance Practices

For a description of the Corporation’s corporate governance practices as compared to the guidelines and requirements set out in National Policy 58-201 - Corporate Governance Guidelines and National Instrument 58-101 - Disclosure of Corporate Governance Practices of the Canadian Securities Administrators, please see the chart set out in Appendix B.

Independent Directors

Directors of corporation have a fiduciary obligation to act honestly and in good faith with a view to the best interests of the corporation. Directors who fulfill this fiduciary obligation with utmost competence and diligence will ultimately benefit the shareholder.

Linamar’s corporate governance philosophy is and generally has been to keep an even balance of Independent Directors and non-Independent Directors to force consensus on issues, rather than subscribe to a model of governance where one class of Directors can impose its view on the other simply because it carries more votes. Therefore, the Company has three (3) Independent Directors and three (3) non-Independent Directors. Its Independent Directors are ably qualified and do not hesitate to engage in lively debates concerning various corporate issues and challenges.

The Board takes several measures to facilitate the exercise of independent judgment. The two Committees of the Board are comprised entirely of Independent Directors and, at every Committee meeting, as well as at every Board meeting, “in camera” sessions are held. The Board has set out its roles and responsibilities in formal charters as well as adopting a Code of Governance Practices and Charter of Expectations for Directors. These documents are reviewed annually to ensure they reflect best practices and are in compliance with applicable regulatory requirements.

Therefore, given the entrepreneurial nature of Linamar and its strategic plans, the Board does not believe that the quality of decisions or the implementation thereof would be improved or affected by altering its current composition. The Board feels that its size is appropriate for a Corporation of Linamar’s size and complexity. This number of Directors permits the Board to operate in a prudent and efficient manner, while being nimble enough to make quick and informed strategic decisions. The key capabilities of each Director derived from this matrix are outlined in the “Nominees” section above.

CORPORATE GOVERNANCE CONTINUED...

Director Qualifications and Continuing Education

In developing a strategy for Board composition, the HRCG Committee uses a skills matrix (see Appendix C) to evaluate Director capabilities and experience around specific targeted competencies. At Linamar, the key focus includes enterprise leadership, functional capabilities, global experience, knowledge of all key industry sectors in which the Company operates, public board experience and financial acumen.

The Corporation has an orientation and education program in place for new Directors. All new Directors receive an Orientation Manual containing a record of historical public information about the Corporation, as well as the charters of the Board and committee mandates, copies of all Board governance documents and other relevant corporation and business information. The orientation also includes a thorough review of key issues facing the Corporation, a review of Corporate strategy and plans, a snapshot of current performance, a familiarization with Board documents and information sources and a tour of the Corporation's various facilities.

A Director-Peer Feedback process was implemented in 2003. The HRCG Committee, comprised entirely of Independent Directors, surveys all six (6) Directors to provide feedback on the effectiveness of the Board and individual Directors. The Chair of the HRCG Committee compiles the results and the Committee assesses the operation of the Board and the Committees, the adequacy of information given to Directors, communication between the Board and management, the Director-Peer Feedback information results and the strategic direction and processes of the Board and Committees. If concerns are raised, the Chair reviews the Peer-Feedback individually with each Director on a confidential basis to encourage the Directors to develop action plans to continue to hone and improve their contribution to the Board. The full Board discusses the Peer-Feedback survey results in order to identify improvements to address any areas requiring attention. The Committee also assesses the performance of the Chairman of the Board as well as the CEO.

In 2011, a new process was implemented to improve the peer-feedback review. Specifically, the Chair of the HRCG Committee began one-on-one interviews with each director in order to qualitatively assess the board's effectiveness. This qualitative feedback allowed the Board to access better information about its processes, with a view to implementing those improvements in 2012.

In addition, each year, outside experts are brought in to various Board meetings for continuing education on topics related to the Corporation and the industries within which it operates. In November 2011, the Board of Directors conducted an education session focused on the automotive and industrial sectors and outlook for such, as well as bringing in an economic expert who presented valuable information discussing matters of interest to the Company. All directors were present for this education session. Monies are also set aside for Directors to attend conferences and seminars as they deem appropriate to further their knowledge and ability to carry out their responsibilities. Messrs. Reidel, Buehlrow and Harrison attended the annual Automotive Parts Manufacturers Association ("APMA") conference in June 2011. Mr. Reidel is also the Co-Chair of the South Western

CORPORATE GOVERNANCE CONTINUED...

Ontario Chapter of the Institute of Corporate Directors and attended its annual conference in 2011. The Company also pays for industry publication subscriptions for the Independent Directors to keep abreast of auto sector trends.

Training provided in 2011	Director attendance
Automotive industry outlook education session	100%
Industrial sector outlook education session	100%
Economic outlook education session	100%
APMA conference	67% (all of the Independent Directors attended)

Mandate of the Board

The mission of the Board of Directors is to be a strategic asset of the Corporation measured by the contribution the Directors make, both individually and collectively, to the long-term success of the Corporation. The Board of Directors has a dual role to all shareholders of oversight and advisory. As such, the Board of Directors has several policies/guidelines in place to assist in discharging their duty, including the Board of Directors Mandate (attached as Appendix D), a Code of Governance Practices (attached as Appendix E) and a Charter of Expectations (attached as Appendix F).

The Board oversees the business and affairs of the Corporation, establishes or approves overall corporate policies where required and involves itself jointly with management in the creation of shareholder value, the preservation and protection of the Corporation's assets and the establishment of the Corporation's strategic direction. For these purposes, the Board holds regularly scheduled meetings on a fiscal quarterly basis, with additional meetings held as required. Separate annual strategic planning and business plan review meetings initiated in and held since 2002 provide the Board the opportunity for a detailed discussion of strategy with management. Bi-annually, the Board meets separately to review governance practices and processes to ensure their relevance and effectiveness. In addition, there is continued communication between senior management and Board members on an informal basis and through Committee meetings.

Term of Office

In accordance with the Code of Governance Practices, Directors of the Corporation are nominated for election on an annual basis for a one year term of office. Nomination for election or re-election is determined in consultation with the Chairman of the Board and the HRCG Committee, and is based on the expected contribution of each Director to Board effectiveness. The Board has established a retirement date for Directors which is the date of the Annual Meeting of the Corporation following the

CORPORATE GOVERNANCE CONTINUED...

Director's 70th birthday. Note that this age threshold was set many years ago, prior to the changes in employment legislation striking all mandatory retirement provisions.

In today's society, it is not uncommon for men and women to continue making meaningful, active contributions to thriving businesses, and society generally, well into their 70s and even 80s. Each individual Director's role, contribution and participation are evaluated in consultation with the Chairman, Chief Executive Officer and HRCG Committee annually. If it is determined that a Director continues to provide clear, informed and strategic guidance to the Company and s/he is willing to continue serving, then s/he will be nominated for election as a Director at the Annual General Meeting, despite their being over 70 years of age.

Directors whose principal employment changes materially from that which they held when elected to the Board (including retirement from their principal employment), must tender a written offer to resign to the Chairman of the Board, who in consultation with the HRCG Committee will make a recommendation for acceptance or rejection by the Board. The Board is not of the view that Directors in such circumstances must always leave the Board, however, an opportunity should be given to the Board to review the continued appropriateness of Board membership under the revised circumstances.

Succession Planning and Nomination of Directors

A key responsibility of the Board lies in succession planning particularly for the CEO position and also for other key senior executive roles. To fulfill this responsibility the Board reviews succession candidates in depth on an annual basis both in the HRCG committee and in the broader Board meeting as well. Identified candidates are reviewed for strengths, career history and experience and required areas of development as well as timeframes around which they would be deemed ready to take the next step in their careers and key development goals and plans in place to allow them to reach that target.

Succession candidates are brought to Board meetings or Board social functions at various points during the year to allow the Board members to see these candidates "in action" making presentations and interacting with Board members to better inform them as to the candidate's potential for the various positions being considered. This process has proven to be an effective way to identify and educate the Board about the Company's senior executives and their potential and allow them to develop a clear strategy specifically with respect to CEO succession. The Board is also kept informed about the Company's broader succession planning process designed to identify and develop individuals throughout the organization for succession into critical positions. The Company has approximately 30 critical positions identified at this time and approximately 150 individuals are being considered as formal succession candidates for those key positions.

The HRCG Committee is also responsible for assisting the Board in identifying qualified individuals who would be suitable nominees for election to the Board. To accomplish this duty, the Committee and the full Board:

CORPORATE GOVERNANCE CONTINUED...

- (i) assesses the composition and size of the Board and, in doing so, reviews the breadth and diversity of experience of the Directors by having created and updated, on a yearly basis, a competency matrix that sets out the current areas of expertise of the Board;
- (ii) identifies the challenges facing the Corporation; and
- (iii) approaches competent nominees.

Prior to agreeing to join the Board, new Directors are given a clear indication of the workload and time commitment required. The HRCG Committee is composed exclusively of Directors who are independent and acts as the nominating committee when Board positions are required to be filled.

Board Committees

The Board has established two standing committees, the Audit Committee and the Human Resources and Corporate Governance Committee, and has prescribed the responsibilities and mandates of both Committees. From time to time, the Board has established special committees composed entirely of Independent Directors (within the meaning of National Policy 58-201 – Corporate Governance Guidelines) to review and make recommendations on specific business matters. Each such committee operates pursuant to written guidelines or the mandate set out in their respective authorizing resolutions. The Corporation does not have an executive committee.

CORPORATE GOVERNANCE CONTINUED...

Audit Committee

The Audit Committee operates under the Corporation's by-laws and applicable law, and, in accordance with the Audit Committee Mandate, the text of which is attached as Appendix G to this Circular.

<p>MANDATE</p> <p>Additional information regarding the Audit Committee is set out in the section entitled "Audit Committee" in the Corporation's Annual Information Form, dated March X, 2011 filed on SEDAR (www.sedar.com).</p>	<p>The Audit Committee has general authority in relation to the Corporation's financial affairs as well as the specific responsibility to: review all fees paid to the auditors; review the Corporation's quarterly and annual financial statements (including management's discussion and analysis of financial condition and results of operations) and report thereon to the Board; and make recommendations to the Board as to the annual appointment or re-appointment of the auditors for the Corporation. The Audit Committee also has certain additional responsibilities relating to internal and external audits, oversight of management reporting on internal controls and procedures, the application of significant accounting principles, financial reporting and integrity, relations with the Auditors and other matters. To assist in fulfilling its responsibilities, the Audit Committee has the authority to retain external legal counsel and other advisors. Effective March 5, 2003, the Board adopted an Audit Committee Mandate. The Board agreed to adopt the Audit Committee Mandate, recommended by the Audit Committee, to enhance the Corporation's existing corporate governance structures and practices.</p> <p>The Audit Committee oversees:</p> <ul style="list-style-type: none"> (i) the review of procedures (financial reporting/process); (ii) external auditors; (iii) internal audit department and compliance; and (iv) other responsibilities (such as succession planning for key accounting personnel).
<p>2011 KEY MILESTONES</p>	<ul style="list-style-type: none"> • Full conversion to International Financial Reporting Standards (IFRS) and ongoing implementation Linamar wide. • Industrial Financial System in 9 facilities ("IFS")/Enterprise Resource Planning ("ERP") system implementation (several Linamar plants operate from the same financial platform, with continued implementation throughout the remaining plants).
<p>MEMBERSHIP</p>	<p>During fiscal 2011, the Audit Committee was comprised of three Directors: Messrs. Buehlow (Chairman), Reidel and Harrison.</p>
<p>100% INDEPENDENT</p>	<p>All member Directors of the Audit Committee are Independent Directors within the meaning of National Instrument 52-110- "Audit Committees".</p>

CORPORATE GOVERNANCE CONTINUED...

Human Resources and Corporate Governance Committee

Effective October 4, 2003, the Board adopted a HRCG Committee Mandate, the text of which is set out in Appendix H to this Circular.

MANDATE	<p>The HRCG Committee ensures that the Corporation employs solid Corporate Governance practices, compensates its employees fairly and creates a healthy working environment for the Corporation's employees, including overseeing development and succession for key roles and ensuring that critical health, safety and environmental policies in place are adhered to.</p> <p>The HRCG Committee also reviews and approves the disclosure relating to the compensation of Directors and officers of the Corporation contained in this Circular (or other documents prior to their distribution to Linamar's shareholders), prepares the Report on Executive Compensation contained herein, administers the Linamar Stock Option Plan and performs such other functions as requested or delegated by the Board. In addition, the Committee also assists the Board by reviewing the effectiveness with which the Corporation meets its obligations pertaining to the policies and legal requirements of human resources and corporate governance; environmental; health and safety; and capital accumulation plans.</p> <p>The HRCG Committee oversees:</p> <ul style="list-style-type: none"> (i) corporate governance; (ii) executive compensation; (iii) environmental, health & safety; (iv) succession planning and organizational change; and (v) capital accumulation plans governance. <p>The HRCG Committee met four times in 2010 to review and make recommendations to the Board with respect to all direct and indirect compensation, benefits and perquisites (cash and non-cash) for the Chairman of the Board and the Chief Executive Officer.</p>
2011 KEY MILESTONES	<ul style="list-style-type: none"> • Oversight of executive compensation (see Chair's letter to shareholders). • Oversight of organizational realignment in 2011. • Continuing educational updates on governance matters and emerging governance trends globally. • Revision of the Director Peer Feedback process, which included individual Director interviews with the Committee Chair, and a new emphasis on qualitative and not just quantitative feedback.
MEMBERSHIP	<p>During 2011, the HRCG Committee was comprised of three Directors: Messrs. Reidel (Chairman), Harrison and Buehlow.</p>
100% INDEPENDENT	<p>All member Directors of the HRCG Committee are Independent Directors within the meaning of National Policy 58-201.</p>

CORPORATE GOVERNANCE CONTINUED...

Meetings Independent from Management

Directors hold “in camera” sessions, in the absence of non-Independent Directors or senior executives of the Corporation, at every regularly scheduled Board and committee meeting. For fiscal 2011, the Board held five regularly scheduled meetings, each having an agenda which specifically provided for an “in camera” session.

The two Committees of the Board are composed entirely of Independent Directors and, as with the Board meetings, each Committee meeting has an agenda which specifically provides for an “in camera” session. In fiscal 2011, four such Audit Committee meetings were held and four such HRCG Committee meetings were held.

COMPENSATION DISCUSSION AND ANALYSIS

Letter from Chair of HRCG Committee

Fellow Shareholder:

As Chair of the HRCG Committee ("Committee") and also a shareholder, it is my pleasure to present the Compensation Discussion and Analysis for Linamar Corporation for 2011. This discussion includes insight into executive compensation as a key aspect of the overall stewardship and governance of the Corporation and will assist in understanding how decisions about executive compensation are made by the Committee.

Linamar enjoyed a record year in 2011 and the Company's goal continues to be a focused pursuit of becoming the company of choice for all stakeholders yielding \$10 billion in sales and netting \$1 billion in operating profits by 2020. Linamar's core purpose is to do what we do best better, to the benefit of all stakeholders. This can only be accomplished by being able to attract, retain and motivate the best people at all levels of the organization. The objective of Linamar's compensation program is to do just that.

Compensation Principles Align Pay to Performance

The compensation program is designed to reward an individual's alignment with, and advancement of, the Corporation's goals, core purpose, core values and leadership behaviours. The Corporation believes that by aligning these things, the Corporation will continue to grow, enhance shareholder value through increased earnings and higher stock price, and make Linamar the company of choice for employees, customers and shareholders.

Some key principles of Linamar's compensation philosophy include that compensation should be:

- a) Fair and commensurate with comparator organizations;
- b) Merit-based and performance linked;
- c) Reflect increasing levels of variable (performance based) vs. fixed compensation at increasing levels of responsibility;
- d) Create pay linkage to increasingly broad levels of company performance at increasing levels of responsibility;
- e) Target compensation at median of the market for the average of a comparator group; and
- f) Build flexibility in compensation programs and bonus plans to exceed top quartile compensation for outstanding performance (subject to appropriate approvals).

Overall compensation to the Chairman, CEO and other Named Executive Officers ("NEO") is achieved by the following mix which, in the view of the Board through the Committee, best achieves the objectives discussed at the outset of this analysis:

- a) a relatively low base salary as compared to salaries paid by manufacturers of similar size;
- b) higher annual incentive bonuses based on actual performance against specific quantitative targets; and
- c) stock options or share grants as appropriate.

In general, the amount of variable (or performance-based) compensation versus fixed-pay increases at higher levels of seniority in the Company.

High levels of performance-based pay ensure compensation alignment with both personal performance objectives and overall corporate results. This was exemplified in 2009, when the dramatic market downturn in late 2008 resulted in depressed financial performance for the Company for the first time in its history. As a result, and in line with the Company's compensation strategy, average NEO compensation in 2009 declined from prior year by almost 70%. In 2010, financial performance improved substantially and executives were rewarded accordingly. Note that in

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both 2009 and 2010, executives worked at exceedingly high levels. That effort was demonstrated in the swift and effective measures taken to work through the global economic disaster at hand and then, within one year, executing a rapid recovery back to profitability and record results in 2011.

CEO Compensation in Line with Performance

CEO compensation is based primarily on objective criteria. The Company has established various incentive programs, which are exclusively formula based, and systematically calculate annual cash bonuses for all senior executives. The Committee sets the percentages, with periodic re-assessments through general comparison to industry and comparator company standards, and those percentages apply directly to Company results. Therefore, there is no room for discretion on those bonuses. Note that there are deferred-incentive awards such as stock options or share grants that vest over time and are awarded at the discretion of the HRCG Committee.

In 2011, sales were up 28%, adjusted operating earnings up 25% and net earnings up 12% relative to 2010. The largest share of the increase flowed directly from improved profit performance for the Company. After careful review and analysis of stated performance objectives in 2011, the Committee calculated a success rate of 87% implemented. Therefore, the CEO's overall performance from the Company's STAR³ evaluation system was 88%, an exceptional result. So, commensurate with these record-setting results, CEO compensation increased by approximately 25% in 2011.

Key CEO objectives in 2011 included:

- a) Globalization of the company's footprint into targeted markets;
- b) Driving key succession and people development programs throughout the organization;
- c) Develop and implement a new organizational structure; and
- d) Driving improvements in financial performance in sales, earnings and returns.

The Committee was satisfied with the CEO's overall performance in these key areas as well as other more specific objectives.

Key CEO objectives for 2012 include:

- a) Managing and driving growth in balance with financial performance;
- b) Driving increased levels of process and product innovation in the company;
- c) Driving continued people development and leadership training; and
- d) Driving continued growth in sales, profit and returns.

Though discussed in more detail in the Compensation Discussion & Analysis, in summary the CEO pay is comprised of:

- a) Base Rate – Set based on comparative industry data both of like-sized companies in the area and comparative companies in like industries in North America.

COMPENSATION DISCUSSION AND ANALYSIS

Letter from Chair of HRCG Committee

CONTINUED...

b) Annual Cash Bonus:

- Growth Bonus – Potential 25% of base rate based on Net Earnings Growth of 20% or more;
- Stepping Stool Bonus – Potential 15% of base rate based on achievement of a series of quantitative goals reflecting Customer, Employee and Shareholder satisfaction (Stepping Stool objectives) such as Quality Performance, Absenteeism or Profitability; and
- Profit Bonus – 1.25% of unadjusted pre-tax profit (note: the Company does not adjust profit for unusual items prior to calculating the CEO bonus).

c) Deferred Incentive Awards – These awards are periodic (share options or share grants, vesting over time) and reflect exceptional performance measured against Company strategy and goals and personal performance. In setting these awards the HRCG Committee considers performance to stated personal objectives (set with the Board on an annual basis), the level of sustained performance aligned to long-term Company objectives and actual results from the Company's STAR[®] employee evaluation system.

Ultimate responsibility for executive compensation at Linamar rests with the entire Board of Directors, but it receives significant support and recommendations from the Committee which is made up entirely of Independent Directors. Outlined in the following pages is the Corporation's compensation philosophy, a breakdown and explanation of each component of executive compensation for the five NEOs and a summary compensation table.

On behalf of the Committee and the full Board of Directors, thank you for your continued support of Linamar Corporation.

Sincerely,



Terry Reidel
Chair, HRCG Committee

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Governance

The role of risk oversight

The HRCG Committee (“**Committee**”) is responsible for setting executive compensation levels.

The Senior Executive Group (“**SEG**”) perform a risk-based evaluation for the Company each year and all of these risks are factored into the strategic planning process and form part of the SEG’s and management’s personal objectives on which executive compensation is partially based. SEG understands that if risks are not adequately managed, its personal objectives and commensurate compensation would be negatively impacted.

It’s important to state that the largest part of executive compensation relates to bottom-line profit performance. Profit performance is immediately and directly impacted if risk is not properly managed. Therefore, if undue risk is taken there will certainly be an impact on profitability, thereby affecting executive compensation.

Key risks are considered during the process of setting CEO objectives each year to ensure areas of potential risk are being adequately and appropriately addressed. Performance to these objectives is considered in establishing CEO base rate and discretionary long term equity based compensation annually.

Finally, a portion of executive compensation is paid in deferred compensation, specifically stock options or share grants. Inattention to risk would also impact future performance which would negatively impact these compensation elements based on future earnings/risk and therefore share performance. This is the extent to which risk is factored into Linamar’s compensation formula.

Further, it is important to state that Linamar’s executive officers count among them one controlling shareholder and one other shareholder with substantial equity positions in the Company that form a substantial part of their personal wealth. Therefore, by nature, the management of the Company is risk-averse and moves very prudently with any decision that might impact share price.

This was evidenced in 2009, when the market plummeted and Linamar was able to shore up its resources and keep a strong balance sheet, without once breaking any of its credit covenants – despite two of its sizeable customers declaring bankruptcy. In that time period, the Company generated \$88.4 million in operational cash flow, \$61.7 million of which was from reductions in working capital. At June 30, 2009 the amount available under the Company’s syndicated revolving credit facility was \$201.5 million, down \$48.1 million from March 31, 2009. On April 16, 2009 the company withdrew \$100 million CAD from the syndicated revolving credit facility that were held in short-term investments until June 5, 2009, at which time, the company used these funds to repay the Series A Private Placement Notes that were due in October 2009. As a result, net debt decreased by \$81.2 million since March 31, 2009.

STATEMENT OF EXECUTIVE COMPENSATION CONTINUED...

Despite the toll that excessive production shutdowns took on sales and earnings throughout 2009, the Company generated an excellent level of cash, indicative of its ability to aggressively reallocate capital from existing lines to new programs and continue to grow despite low cash investment. These prudent management moves allowed the Company a speedy recovery and set the stage for record earnings growth numbers in 2010 and 2011.

Responsibilities of the Committee

With respect to matters of compensation of the Chair and the CEO, the Committee:

- a) Reviews and approves periodically, but no less frequently than annually, the Company's goals and objectives relevant to compensation of the Chair and the CEO, including the balance between short-term compensation and long-term incentives;
- b) Establishes specific performance objectives for the CEO;
- c) Evaluates the performance of the Executive Chair of the Board and the CEO in light of those goals and objectives; and
- d) Determines and approves the compensation level of the Chair and the CEO based on such evaluations, which include actual quantitative performance on key metrics.

In determining compensation, the Committee shall consider, among other factors it deems appropriate from time to time, the Company's performance and operating criteria during such periods as the Committee may deem appropriate, the value of similar compensation levels to persons holding comparable positions at comparable companies and the compensation levels given to the CEO in prior years. The Chair shall be responsible for communicating to the CEO the evaluation of the performance and the level of compensation approved for the CEO.

The Committee is also responsible for the following:

- a) Review, approve, and recommend to the Board the adoption of a compensation strategy for the company.
- b) Annually review, approve and recommend to the Board of Directors, the Report on Executive Compensation for inclusion in the management proxy circular for the annual general meeting of Shareholders.
- c) Review, approve, and recommend to the Board any stock option issue proposed by management.
- d) Administer the Stock Option Plan.

STATEMENT OF EXECUTIVE COMPENSATION CONTINUED...

Qualifications of Committee

The Committee is made up of the three Independent Directors of the Board.

As Chair of the Committee with direct oversight of executive compensation for over eight years at Linamar, Mr. Reidel's additional experience is as follows:

- 1) Managed a professional services organization with 150 professionals and in that capacity helping to design and implement a variable compensation package and ensure that it operated effectively.
- 2) Led an automotive parts supplier with 1,000 employees of varying skills and experience and coordinated establishment of a comprehensive remuneration and performance evaluation process.
- 3) Acted as a member of many Boards and Human Resources and Compensation committees with complex and varied compensation packages and processes in academia, the military, commercial and civil space industry, automotive and insurance industries.

Mr. Harrison has overseen executive compensation at Linamar for over 20 years, both as a director and as a member of the Committee. His additional outside experience includes:

- 1) Responsible for ensuring that the senior executives were compensated competitively and were properly incented through various bonus structures, in his position as President and CEO, major shareholder and director of Kenhar Inc.
- 2) Set salaries and bonus payout schemes for senior engineering personnel, as well as operations and accounting executives in Canada during a long career in the industrial sector.
- 3) Oversaw the administration of long-term retention objectives and ensuring that senior executives participated in a share-purchase plan thus became owners of the company (Lift Technologies).

Mr. Buehlow has overseen executive compensation at Linamar for over 13 years, both as a director and as a member of the Committee. His additional outside experience includes:

- 1) Acted as a director and member of the executive compensation committee at Dalsa Corporation, which included oversight over the realignment of the entire executive compensation scheme, working with outside consultants.
- 2) Set compensation standards as a former partner at Price Waterhouse Coopers
- 3) Consulted on executive compensation schemes in his role as consultant.

Overall Compensation Philosophy

Linamar believes in balancing employee and customer needs with financial results. Therefore, its compensation philosophy seeks to provide a fair and equitable compensation within the framework of a competitive structure which makes sense to its shareholders and customers.

STATEMENT OF EXECUTIVE COMPENSATION CONTINUED...

Fundamental to the success of any organization is its human capital. The key elements of the Company's compensation strategy: ensure fairness, link merit bonus programs to individual performance, increase levels of variable (performance-based) compensation with increasing levels of responsibility and link compensation to overall corporate performance. The Company targets its overall compensation to be at the median of an average group of companies in the market. It also endeavours to build flexibility to reward outstanding performance with commensurate top-quartile compensation.

Elements of the Company's compensation program for senior executives include:

- a) Base salary
- b) Cash-based annual incentive plans
 - Growth Bonus
 - Stepping Stool Bonus
 - Profit Bonus
 - Performance-based Discretionary Bonus (Non-Operational Executives only)
- c) Deferred Incentive Awards
 - Performance-based Discretionary Bonus (Share Options or Share Grants)

Fair compensation means compensation in line with like-sized and like-focused companies. The Company prepares comparisons for executives based on broad industry surveys of like-sized companies as well as assessing specific compensation for publically traded companies in Canada and with similar capitalization and focused in similar industries in Canada and the US. Comparisons are made both for total cash compensation and total direct compensation as well as levels of fixed pay versus performance-based pay. Performance pay programs to incent executives of these companies and broader industry trends are also evaluated when setting executive compensation at Linamar.

Linamar Corporation is somewhat unique in Canada, for its size in automotive parts manufacturing and the fact that it is publicly traded. Its closest likeness in the Canadian market would likely be Magna Corporation, which is 10 times its size. Therefore, the Committee had to develop a broader comparator group among Canadian (and some US) publicly traded companies in order to make meaningful comparisons with respect to executive compensation.

Therefore, when selecting comparator companies, the Company tries to find other publicly-traded companies within the same sector and at the same (or greater) capitalization levels. These comparators are used to ensure the amount and mix of compensation are commensurate with the position held by the NEO in order to attract and retain the best people for the Corporation.

STATEMENT OF EXECUTIVE COMPENSATION CONTINUED...

The following companies were selected for comparative purposes:

1. American Axle & Manufacturing Holdings, Inc.
2. Shaw Communications Inc.
3. ATS Automation Tooling Systems Inc.
4. Bell Aliant Inc.
5. Dorel Industries Inc.
6. Manitoba Telecom Services Inc.
7. Transcontinental Inc.
8. Kingsway Financial Services Inc.
9. Transat A.T. Inc.
10. IGM Financial Inc.
11. Cinram International Inc.
12. Canadian Utilities Limited
13. Russell Metals Inc.
14. Martinrea International Inc.
15. Wescast Industries Inc.
16. The Woodbridge Group
17. BorgWarner Inc.
18. Meritor, Inc.
19. Superior Industries
20. Tenneco, Inc.
21. Johnson Controls, Inc.
22. Metaldyne (formerly Masco Tech.)

General survey data for like-sized companies in Canada is also considered in establishing NEO compensation packages.

Base Salary

The Company pursues a compensation strategy that enables it to attract, retain, develop and motivate high-caliber people who share its values and contribute to its success. It maintains rates that are competitive at the minimum with comparator organizations in the primary labour market. This is defined as: automotive parts manufacturers, general manufacturers within the geographic location of operation and the local market. From time to time, national or international comparators may be used where information from the primary market is insufficient to attract and retain certain positions.

COMPENSATION DISCUSSION AND ANALYSIS

The Company assesses base salary, total cash compensation and total direct compensation. As a general rule, the minimum base salary rates are set at the 25th percentile of the survey base rates. Minimum and maximum base salary levels may be adjusted from these levels to ensure appropriate comparative compensation levels within a team or within a discipline in the organization.

NEO	Year	Base Salary
Frank Hasenfratz	2011	\$414,225
	2010	\$338,000
	2009	\$313,000
Linda Hasenfratz	2011	\$546,210
	2010	\$520,200
	2009	\$482,603
Jim Jarrell	2011	\$414,225
	2010	\$384,375
	2009	\$347,596
Dale Schneider ⁽⁴⁾	2011	\$203,654
	2010	\$185,000
	2009	\$171,481
Ken McDougall	2011	\$250,000
	2010	\$240,000
	2009	\$195,734

Due to a severe market downturn in late 2008 that impacted corporate performance for 2009, all salaried employees (at management level) incurred a 10% reduction to base rate in 2009 (non-management employees' salaries were reduced by 5%). This salary cut also applied to the NEOs, who along with all other salaried employees saw their prior salary level restored in November 2009.

Organizational Alignment

Linamar recognizes that to maximize attainment of any compensation strategy's objectives, they should be aligned with the business strategies and goals. Therefore, the Company provides variable pay plans and packages (with varying incentive targets) for different levels of employees. It ensures that this variable compensation is designed to reward financial and operational performance to goals, as well as collective and individual achievements.

⁽⁴⁾ Mr. Schneider has held various senior accounting positions at Linamar Corporation (Corporate Controller, 2008-2010; Vice President, Finance and Executive Vice President Finance, 2010/11 and Chief Financial Officer as of November 2011).

COMPENSATION DISCUSSION AND ANALYSIS CONTINUED...

Compensation is comprised in all cases as a combination of base salary (fixed pay) coupled with a bonus (variable or performance-based pay). Depending on the position, bonuses will be comprised of cash or a combination of cash and equity instruments (i.e. stock options or share grants). The portion of performance-based or variable pay is applied throughout the organization, but increases with levels of responsibility. See chart below for the percentage distribution for all senior employees within the organization.

Position	Base (Fixed Salary) as a % of total compensation	Performance-based (Variable Compensation) as a % of total compensation
General Managers	40%	60%
VPs & Directors	55%	45%
Group Presidents	30%	70%
Senior Executive Group	40%	60%
Chairman/CEO and President	20%	80%

Variable pay is weighted to both collective and individual performance with increasing emphasis on collective performance the more senior the role in the organization. Please refer to the following chart for percentage breakdowns.

	Variable Salary Weighting			
Position	Individual	Plant level results	Group level results	Corporate level results
General Managers	0%	80%	0%	20%
VP & Directors	20%	0%	0%	80%
Group Presidents	0%	0%	50%	50%
SEG	20%	0%	0%	80%
Chairman, CEO and President	0%	0%	0%	100%

Bonuses are directly tied to performance and aligned with Company goals, objectives, values and valued behaviour. Performance drivers include productivity, various indicators of customer and financial satisfaction, profit, return on investment, performance related to the Company's core values and leadership behaviour, personal objective attainment, approach to the job and attitude or achievement of growth goals.

The Company allows for deviations from its compensation program guidelines only when responding to business-critical, market-based attraction and retention needs supported by valid and timely data and relating to such situations as: out-of-country hires and singular, specialized skills which are scarce in the marketplace.

COMPENSATION DISCUSSION AND ANALYSIS CONTINUED...

Elements of Variable or Performance-based Compensation

Annual incentive plans: Corporate/Group Profit Bonus Program

Annual incentives, or bonuses for the Profit Bonus Programs, are based on formulae.

The Corporate Profit Bonus payment is made quarterly and is based on a set formula that is derived from net earnings of the Corporation before provisions for (recovery of) income taxes. Both net earnings and provisions for (recovery of) income taxes are presented in the consolidated financial statements of the Corporation. Pre-tax earnings was chosen as a driver for this significant portion of the variable compensation package as it accurately captures both earnings from operations and the financing cost of creating those earnings. Pre-tax profit is the key driver of earnings per share and ultimately the share price itself, and as such directly links executive compensation to shareholder satisfaction (the “Corporate Profit Bonus Program”).

The Board, through the recommendations of the Chairman and the Committee, sets the percentage incentive for the Chairman and the CEO. The CEO’s current annual incentive is equal to 1.25% for the Corporate Profit Bonus Program and the Chairman’s is 1.5%. The Corporate Profit Bonus Program is applied to senior executives at corporate level with the bonus percentage varying dependent on position.

NEO	Year	Corporate Profit Bonus Program
Frank Hasenfratz	2011	\$1,776,506
	2010	\$1,571,934
	2009	\$0
Linda Hasenfratz	2011	\$1, 479,422
	2010	\$1,253,778
	2009	\$0
Jim Jarrell	2011	\$1,184,338
	2010	\$1,006,622
	2009	\$0
Dale Schneider	2011	\$0
	2010	\$0
	2009	\$0

A similar bonus program, the “Group Profit Bonus Program”, is established for senior executives at the group level and also paid on a quarterly basis. Their annual incentive is a return on adjusted asset calculation. It compares their group’s earnings before interest and taxes (“EBIT”)⁽⁶⁾ to a threshold percentage return on the group’s adjusted asset base, represented by the

COMPENSATION DISCUSSION AND ANALYSIS CONTINUED...

level of capital assets and working capital of their group. The NEO receives 1% of the amount by which EBIT exceeds the threshold percentage of the adjusted asset base for the group. This Program incents executives to minimize use of cash in their operations as higher levels of net assets result in a higher threshold level of EBIT required before “bonusable” earnings are payable.

NEO	Year	Group Profit Bonus Program
Ken McDougall	2011	\$208,195
	2010	\$120,000
	2009	\$0

There are no minimum targets to reach for the Profit Bonus Programs (other than the above noted threshold for the Group Profit Bonus Program), Bonus is paid at the indicated percentages for all levels of bonusable earnings.

Annual incentive plans: Stepping Stool Program

The second annual incentive plan is the Linamar Stepping Stool Program. The calculation of this incentive is the same for every employee of the Corporation and is a balance of measurements reflecting performance in three key areas: employee, customer, and financial satisfaction. See Appendices N for specific Stepping Stool Program targets and achievement levels in 2011.

Payout levels for successful attainment of stepping stool goals depend on position, with management entitled to up to 15% of base salary for attaining such goals. All of the NEOs are entitled to a bonus of up to 15% of their base wages under this Program. Performance is assessed by leg with a potential score of 15 points and a potential payout of 5% for each leg for acceptable performance to goals. Acceptable performance leads to a green rating and full 5% payout, fair performance to a yellow rating and 40% of potential or 2% payout and unacceptable performance a red rating and no payout. This variable compensation program was designed to ensure that executives and all employees pay close attention to key customer and employee satisfaction metrics, as well as overall financial results.

NEO	Year	Stepping Stool Bonus Program
Frank Hasenfratz	2011	\$38,399
	2010	\$22,972
	2009	\$19,455
Linda Hasenfratz	2011	\$47,801
	2010	\$58,954
	2009	\$14,110

⁽⁵⁾ EBIT is calculated based on the net income of the consolidated company before deduction of interest expense and taxes made during such period in accordance with GAAP.

COMPENSATION DISCUSSION AND ANALYSIS CONTINUED...

NEO	Year	Stepping Stool Bonus Program
Jim Jarrell	2011	\$36,638
	2010	\$43,336
	2009	\$10,201
Dale Schneider	2011	\$14,268
	2010	\$11,876
	2009	\$9,354
Ken McDougall	2011	\$18,667
	2010	\$12,063
	2009	\$12,187

Annual incentive plans: Growth Bonus Program⁽⁶⁾

The third plan is the Linamar Growth Bonus Program. Under this program in 2011, a bonus of 25% of base salary was payable to an individual based on attainment of an annual growth of 20% or more on net earnings for Mr. Hasenfratz and Ms. Hasenfratz and an annual growth of 20% on operating earnings for Mr. Jarrell, Mr. Schneider and Mr. McDougall. There were no payments made under this Program during 2009 and 2010 because annual growth of 20% was not met in 2008 or 2009, but payments were made in 2011 for 2010 results where the Company recorded Net Earnings Growth of 260% and Operating Earnings Growth of 289%.

NEO	Year	Stepping Stool Bonus Program
Frank Hasenfratz	2011	\$100,000
	2010	\$0
	2009	\$0
Linda Hasenfratz	2011	\$130,050
	2010	\$0
	2009	\$0
Jim Jarrell	2011	\$96,094
	2010	\$0
	2009	\$0
Dale Schneider	2011	\$46,250
	2010	\$0
	2009	\$0

⁽⁶⁾ See Appendix N for Stepping Stool Program objectives and pay out percentage results for 2011.

COMPENSATION DISCUSSION AND ANALYSIS CONTINUED...

NEO	Year	Stepping Stool Bonus Program
Ken McDougall	2011	\$60,000
	2010	\$0
	2009	\$0

Each of the Corporate and Group Profit, Stepping Stool and Growth Bonus Programs are based on a preset percentage related to a calculated number based on actual results. The Stepping Stool and Growth Bonus Programs have specific targets, and when met, trigger the bonus payment. Note that the Profit Bonus does not have a target and simply drives off of bonusable earnings achieved. The resultant bonus payouts are simply the amount of that calculation. These are viewed as true performance-based incentives. There is no discretion in the amounts earned as they are tied directly to the performance achieved by the Corporation during the period for which the incentives are earned.

The HRCG Committee believe that it is truly a pay-for-performance reward system whereby the increase in incentives paid are the direct result of increased company performance that benefits all stakeholders – shareholders, customers and employees. Establishment of the various incentive programs and associated targets, as well as base rate and benefit levels are more subjective and allow the Committee added discretion to evaluate and reward executive performance.

Performance-Based Discretionary Bonus Program

Cash-Based and Share Grant Incentive Awards

Some NEOs are eligible for a discretionary bonus based on performance that could represent up to 40% of base salaries depending on position and performance to individual objectives (“**Objective Bonus Program**”). Performance is assessed both quantitatively and in terms of attainment of specific goals and objectives and overall approach to the job. If eligible, these NEO bonuses are paid as a combination of cash and share grants. The percentages of cash and long-term compensation vary by position. The Objective Bonus Program is intended to focus executives on attainment of committed individual goals and overall Company goals, as well as overall performance in overcoming challenges associated with their responsibilities and leadership aligned with Company culture. Performance-Based Discretionary Bonus programs are focused on non-operational executives such as the SEG (excluding the CEO and President), VPs and Directors.

There have been only three cash-based Objective Bonus Program payments made over the past three years. These were paid to Mr. Dale Schneider and are included in the table setting forth a summary of his compensation.

Deferred Incentive Awards

Deferred Incentive Awards are periodic and reflect exceptional performance to company strategy and goals and personal performance. In setting these awards the HRCG Committee considers performance to stated personal objectives, the level of

COMPENSATION DISCUSSION AND ANALYSIS CONTINUED...

sustained performance aligned to longer term company objectives and results from the company's STAR employee evaluation system. Deferred Incentive Awards can take the form of either stock options or share grants.

This form of compensation is designed to continue to promote the long-term success of the Corporation by providing equity-based incentive awards to eligible employees and consultants of the Corporation. It is also important for the Corporation to be able to offer equity incentives to assist in attracting and retaining individuals with superior experience and ability.⁽¹⁾

Description of Option or Share Grants

The Chairman generally approaches the Committee with a recommendation on the issuance of options under the Existing Share Option Plan. This may occur at the end of a fiscal year as part of the normal review process or it may occur at other times as business circumstances dictate. Through discussion with the Chairman, the Committee will decide upon a recommendation regarding the issuance or non-issuance of options and make a recommendation to the full Board. Any previous grants of options are taken into account when considering new grants.

Both the share-based awards and option-based awards are designed to align executives' focus with long-term shareholder value. Awards vest over time to ensure that future performance of the Company results in an impact to compensation awarded today. This helps to ensure that executives make decisions that benefit both present and future value.

Description of Existing Share Option Plan

The individuals who are eligible to receive options under the Existing Share Option Plan are limited to selected employees of the Corporation and its subsidiaries and affiliates (including directors only if they are full-time employees of the Corporation or its subsidiaries or affiliates).

The exercise price of options under the Existing Share Option Plan is equal to the "Fair Market Value" of the Common Shares as of the date of the grant. The "Fair Market Value" is the average of the daily high and low of the board lot trading prices of the Common Shares for the five trading days prior to the date of grant of the options on a nationally recognized securities exchange on which the Common Shares are listed and posted for trading; provided that, during the time that the Common Shares are listed and posted for trading on TSX the Fair Market Value shall not be less than the Fair Market Value of the Shares calculated in respect of the TSX (being the five day volume weighted average trading price of the Common Shares ending on the date immediately preceding the option grant).

The Existing Share Option Plan also allows the granting of tandem stock appreciation rights ("**Tandem SARs**") along with options. Each Tandem SAR entitles the participant to surrender to the Corporation, unexercised, the right to subscribe for the Common Share pursuant to the related option and to receive from the Corporation either, at the option of the Corporation, (i) a cash payment equal to the Fair Market Value less the exercise price provided in the related option or (ii) the number of Com-

⁽¹⁾ See discussion of Linamar's proposed new Stock Incentive Plan at pages 90 to 104 (Appendix J) for the full text of the proposed Stock Incentive Plan.

COMPENSATION DISCUSSION AND ANALYSIS CONTINUED...

mon Shares equal in value to the Fair Market Value less the exercise price provided in the related option. Each exercise of a Tandem SAR terminates the related option. Unexercised Tandem SARs terminate when the related option is exercised or such option terminates.

The timeframe and conditions to vesting of stock options granted under the Existing Share Option Plan is determined by the HRGC Committee. Options are not transferable (other than by will or by the laws of descent and distribution) and are exercisable during the participant's lifetime only by the participant. The maximum term of options under the Existing Share Option Plan is ten years, except in the case where a participant has died before exercising options granted to the participant (or dies after retirement before exercising such options), as further described below.

Except in the case of a death of a participant, if a participant ceases to be an employee of the Corporation or a subsidiary or affiliate, for any reason whatsoever including retirement, resignation or termination with or without cause, the option may continue for period as the Board may approve (but in no event may the option be exercised for more than the number of Common Shares for which the participant could have exercised the option immediately prior to the participant's termination of employment). A leave of absence granted to a participant does not constitute termination of employment for the purposes of the Existing Share Option Plan.

As noted above, if a participant dies while employed and at a time when he has not fully exercised any then outstanding option, or if participant dies after retirement, without having fully exercised any then outstanding option, the option will be exercisable by the participant's executors or personal representatives within six months after the participant's death notwithstanding the expiration date of the option (but for not more than that number of Common Shares for which the participant could have exercised the option immediately prior to the participant's death), and except as it may then have been exercised, the option will terminate at the expiration of such six-month period.

Subject to receipt of any necessary regulatory or other approval, the Board may, by resolution, amend or terminate the Existing Share Option Plan or amend the terms of options granted thereunder at any time; provided, however, that (except in the case of adjustments for capital reorganizations) the Board may not:

- (a) without approval by the holders of a majority of the outstanding Common Shares, increase the maximum number of Common Shares that may be issued under the Existing Share Option Plan, reduce the option price per Share below the Fair Market Value, extend the term of an option held by an insider (as defined in the applicable rules of the TSX for this purpose) or change the class of participants eligible to participate in the Existing Share Option Plan and
- (b) without the consent of the holder of the option, amend, alter or impair any option previously granted under the Existing Share Option Plan except as expressly authorized under such plan.

COMPENSATION DISCUSSION AND ANALYSIS CONTINUED...

The vesting period for the options granted under the Existing Share Option Plan is in the discretion of the Board. The following sets out the vesting schedules for the stock options that have been granted under the Existing Share Option Plan:

Position	Vesting period
Chair	50% (immediate) and 50% (following year)
CEO and President	10% (immediate) and 10% each year thereafter (over a period of 10 years)
All other positions	20% (after 12 months) and 20% each year thereafter (over a period of five years)

Grants under the Existing Share Option Plan

The following table sets out information concerning the number and price of securities to be issued under equity compensation plans to employees and others as of December 31, 2011.

Plan Category	Number of Securities to be Issued upon Exercise of Options, Warrants and Rights	Weighted – Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity Compensation Plans Approved by Securityholders			
Equity Compensation Plans Not Approved by Securityholders	1,787,002	15.46	30,998
Total	1,787,002	15.46	30,998

COMPENSATION DISCUSSION AND ANALYSIS

CONTINUED...

The following table sets forth a summary as at December 31, 2011, of the compensation awarded to the NEOs under compensation plans under which option-based and/or share-based awards of the Corporation are authorized for issuance.^{(1) (2)}

	Option-based Awards				Share-based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$) ⁽³⁾	Option expiration dates	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Frank Hasenfratz <i>Chairman of the Board</i>	446,750	15.72	Aug 26, 2019 Aug 27, 2020	277,500	-	-
Linda Hasenfratz <i>Chief Executive Officer</i>	446,751	15.72	Aug 26, 2019 Aug 27, 2020	277,500	19,949	\$302,028
Jim Jarrell <i>President & Chief Operating Officer</i>	446,751	15.72	Aug 26, 2019 Aug 27, 2020	277,500	19,949	\$299,718
Dale Schneider	20,000 ⁽²⁾	14.70	December 14, 2018	-	-	-
Ken McDougall	20,000 ⁽²⁾	14.70	December 14, 2018	-	-	-

- (1) There were no option-based awards granted to Mr. Hasenfratz, Ms. Hasenfratz or Mr. Jarrell in 2011. However, Ms. Hasenfratz and Mr. Jarrell each used the after-tax amount of their bonuses given in 2011 under the Objective Bonus Program for the purchase of 19,949 shares pursuant to this Program. These shares were purchased on the market in January 2012 through a broker and are being held in accounts at the Company's brokerage firm and will be released to Ms. Hasenfratz and Mr. Jarrell as they vest. These share grants vest at a rate of 20% per year, with the first tranche vesting in December 2012.
- (2) In December 2011, Mr. Schneider and Mr. McDougall each received a grant of 20,000 share options as part of the grant of share options to 90 key employees described below. These options vest at a rate of 20% per year, with the first tranche vesting in December 2012.
- (3) This is a weighted-average option price.

In 2011, the Board of Directors determined that option grants in 2009 and 2010 were inconsistent with the Board's intention, for the purpose of attracting, retaining and incentivizing employees, to achieve a wider participation by key employees of the Corporation in the shares remaining available for grant under the Existing Share Option Plan. Accordingly: i) on August 23, 2011, Mr. Hasenfratz, Ms. Hasenfratz and Mr. Jarrell surrendered a portion of their vested and non-vested options awarded to them in 2009 and 2010; and ii) on December 14, 2011, the HRCG Committee of the Board identified a total of 90 other key employees of the Corporation for purposes of grants of options under the Existing Share Option Plan and the Board awarded to them a total of 446,750 options. Such options vest at a rate of 20% per year over a period of five years. Following such option grants in 2011, 30,998 shares remain available for grant under the Existing Share Option Plan. In order to provide the Corporation with the continuing ability to attract, retain and incentivize key employees with share options and to have a stock incentive plan with terms that are consistent with current corporate governance standards, the Board has proposed that the

COMPENSATION DISCUSSION AND ANALYSIS

CONTINUED...

Existing Share Option Plan be amended to eliminate the 30,998 shares remaining available for issuance thereunder and that a new Stock Incentive Plan be adopted, as described on pages 16-23 above.

The following table sets forth a summary as at December 31, 2011, of the compensation plans under which any incentive plan awards vested or were earned during the year by the NEOs.

Name	Option-based awards – Value vested during the year (\$) ^{(1) (2)}	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Frank Hasenfratz <i>Chairman of the Board</i>	480,000	-	-
Linda Hasenfratz <i>Chief Executive Officer</i>	133,776	-	-
Jim Jarrell <i>President & Chief Operating Officer</i>	133,776	-	-
Dale Schneider	-	-	-
Ken McDougall	-	-	-

(1) This represents the value of option-based awards that vested in 2011 that were in-the-money.

(2) There were no option-based awards granted to Mr. Hasenfratz, Ms. Hasenfratz or Mr. Jarrell in 2011. However, Ms. Hasenfratz and Mr. Jarrell each used the after-tax amount of their bonuses given in 2011 under the Objective Bonus Program for the purchase 19,949 shares pursuant to this Program. These shares were purchased on the market in January 2012 through a broker and are being held in accounts at the Company's brokerage firm and will be released to Ms. Hasenfratz and Mr. Jarrell as they vest. These share grants vest at a rate of 20% per year, with the first tranche vesting in December 2012.

A maximum of 14,156,250 Common Shares were authorized for issuance under the Existing Share Option Plan, representing 21% of the Company's currently outstanding common shares. A total of 12,338,250 Common Shares have been issued over the life of the Existing Share Option Plan, representing 19% of the Company's currently outstanding Common Shares. A total of 1,787,002 options are currently outstanding, leaving 30,998 shares available for options grants under the Existing Share Option Plan. Note that none of the outstanding options have been exercised to date.

COMPENSATION DISCUSSION AND ANALYSIS CONTINUED...

Basic earnings per share are calculated by dividing the net earnings attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding throughout the year. Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding during the year to assume conversion. There were 1,787,002 options outstanding as at December 31, 2011.

	Year Ended December 31 2011	Year Ended December 31 2010
	\$	\$
Net earnings attributable to shareholders of the Company	101,397	90,535
Weighted average common shares	64,701,876	64,701,876
Incremental shares from assumed conversion of stock options	120,930	148,003
Adjusted weighted average common shares for diluted earnings per share	64,822,806	64,849,879
Net earnings per share:		
Basic	1.57	1.40
Diluted	1.56	1.40

COMPENSATION DISCUSSION AND ANALYSIS CONTINUED...

Pension Value

The corporate pension plan is a defined contribution plan. The following table sets forth a summary as at December 31, 2011, of the contributions to, and value of, the pension plan applicable to the NEO's.

Name	Accumulated value at start of year (\$)	Compensatory (\$)	Non-Compensatory (\$)	Accumulated value at year end (\$)
Frank Hasenfratz <i>Chairman of the Board</i>	-	-	-	-
Linda Hasenfratz <i>Chief Executive Officer</i>	\$86,751	3,500	-	\$95,571
Jim Jarrell <i>President & Chief Operating Officer</i>	\$92,457	3,500	-	\$98,340
Dale Schneider	\$74,375	3,500	-	\$75,637
Ken McDougall	\$18,850	3,500	-	\$19,709

The Corporation's pension plan is a defined contribution plan. The Corporation pays 10% of an NEO's wages, up to a maximum of \$3,500 per year, into the pension plan. The NEO designates where the money is to be invested within the options offered by the Plan. No contributions are made by the Corporation beyond the age of 65. When an individual retires, whatever amount is in their pension account is transferred by the individual to an appropriate individual retirement vehicle, such as an annuity, LIRA or LIF/LRIP and the Corporation has no liability other than to transfer the existing amount over to the individual's account.

All Other Compensation

Vacation Pay

According to the Employment Standards Act (ON), employees are entitled to take their vacation as a paid leave and/or receive vacation pay. At Linamar, all employees in the organization enjoy the greater right or benefit, and amounts paid depend on salary levels and years of services. The overall corporate policy at the Company is to allow the employee the greater benefit of either paid vacation or salary continuance, calculated as a percentage of total annual amount of compensation earned including bonuses ("Vacation Pay"). The Company pays the difference (if any) between paid leave and Vacation Pay as an annual lump sum payment in June of each fiscal year.

COMPENSATION DISCUSSION AND ANALYSIS CONTINUED...

NEO	Year	Vacation Pay
Frank Hasenfratz	2011	\$150,303
	2010	\$47,378
	2009	\$69,714
Linda Hasenfratz	2011	\$133,714
	2010	\$33,016
	2009	\$57,758
Jim Jarrell	2011	\$106,193
	2010	\$26,775
	2009	\$46,341
Dale Schneider	2011	\$5,437
	2010	\$2,750
	2009	\$787
Ken McDougall	2011	\$11,788
	2010	\$2,888
	2009	\$19,295

Perquisites

Linamar offers very few perquisites to its NEOs. Of the few perquisites offered, none are above an aggregate of \$50,000 for an NEO or above 10% of the NEO's total base salary (except for those outlined below in the Summary Compensation Table).

COMPENSATION DISCUSSION AND ANALYSIS

CONTINUED...

Summary Compensation Table

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽⁸⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other Compensation ⁽²⁾ (\$)	Total compensation (\$)
					Annual incentive plans ⁽¹⁾	Long-term incentive plans			
Frank Hasenfratz <i>Chairman of the Board</i>	2011	414,225	-	-	1,914,905	-	-	229,218 ⁽³⁾	2,558,348
	2010	338,000	-	3,329,997	1,594,906	-	-	153,827 ⁽⁴⁾	5,416,730
	2009	313,300	-	2,026,665	19,455	-	-	69,714	2,429,134
Linda Hasenfratz <i>Chief Executive Officer</i>	2011	546,210	302,028	-	1,657,273	-	3,500	207,196 ⁽⁵⁾	2,716,207
	2010	520,200	-	3,329,997	1,312,732	-	3,500	99,462	5,265,891
	2009	482,603	-	2,026,665	14,110	-	3,500	61,658	5,587,996
Jim Jarrell <i>President & Chief Operating Officer</i>	2011	414,225	299,718	-	1,317,070	-	3,500	166,489 ⁽⁶⁾	2,201,002
	2010	384,375	-	3,329,997	1,049,958	-	3,500	31,226	4,799,056
	2009	348,014	-	2,026,665	10,201	-	3,500	50,241	2,438,621
Dale Schneider	2011	203,654	-	124,000	79,018 ⁽⁷⁾	-	3,500	5,285	415,457
	2010	185,000	-	-	35,576 ⁽⁷⁾	-	3,500	7,057	231,133
	2009	171,481	-	-	29,354 ⁽⁷⁾	-	3,500	5,285	209,620
Ken McDougall	2011	250,000	-	124,000	286,862	-	3,500	18,744	683,106
	2010	240,000	-	-	132,063	-	3,500	3,417	378,980
	2009	195,734	-	-	12,187	-	3,500	26,595	238,016

(1) This column includes the Corporate/Group Profit Bonus, Growth Bonus and Stepping Stool Bonus Programs (out lined above).

(2) This column includes: Vacation Pay (as discussed above) and other corporate perquisites.

(3) This amount includes personal use of the corporate jet, valued at \$74,989.

(4) This amount includes personal use of the corporate jet, valued at \$43,030.

(5) This amount includes personal use of the corporate jet, valued at \$69,126.

(6) This amount includes personal use of the corporate jet, valued at \$48,903.

(7) This amount includes cash-based payments made under the Objective Bonus Program (discussed above).

(8) In 2011, Mr. Hasenfratz, Ms. Hasenfratz and Mr. Jarrell voluntarily surrendered 25% of their vested and non-vested options. Therefore, reflecting this surrender, amounts reported in the Option-based Awards column should be:

NEO	2009	2010
Frank Hasenfratz	\$1,519,999	\$2,497,498
Linda Hasenfratz	\$1,519,999	\$2,497,498
Jim Jarrell	\$1,519,999	\$2,497,498

None of the options granted to the NEOs in 2009, 2010 and 2011 have been exercised.

COMPENSATION DISCUSSION AND ANALYSIS CONTINUED...

Director Compensation

See discussion of Director Compensation in the section on Election of Directors above.

Termination and Change of Control Benefits

None of the NEOs have any written employment or other agreements or arrangements with the Corporation that provide for payment on resignation or termination.

Indebtedness of Directors and Executive Officers and Senior Officers

None of the Directors, executive officers or senior officers of the Corporation or any of their associates were indebted to the Corporation or its subsidiaries, and no guarantee, support agreement, letter of credit or similar arrangement was provided to the Directors, executive officers, senior officers of the Corporation or any of their associates by the Corporation or its subsidiaries during the financial year ended December 31, 2011, nor as of March 8th, 2012.

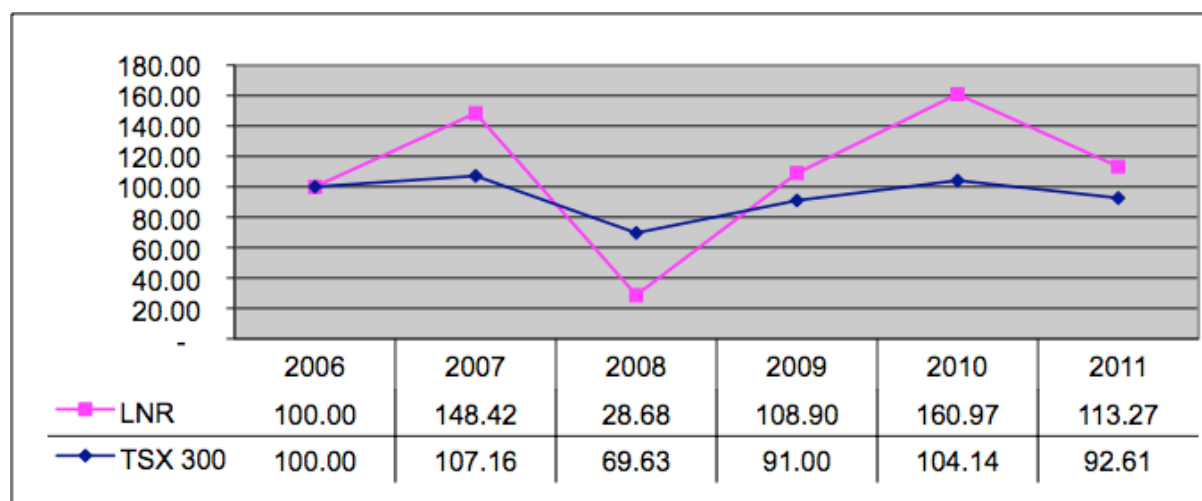
Directors and Officers Liability Insurance

The Corporation has purchased Directors' and Officers' liability insurance. The premium paid by the Corporation for this policy in 2011 was approximately \$62,225. The policy provides coverage for up to \$15,000,000 per policy period, subject to a deductible of \$500,000 per occurrence to be paid by the Corporation.

Performance Graph

The following graph compares the yearly percentage change in the cumulative total shareholder return on the Common Shares (TSX symbol: LNR) over the last five years with the cumulative total return of the S&P/TSX Composite Total Return Index (formerly the TSX 300 Stock index), assuming reinvestment of all dividend

From 2008 to 2011, Linamar's cumulative total return has increased by 295% and has remained above the TSX 300 Stock Index in four out of the last five years. In light of Linamar's overall financial performance, the NEOs are reasonably compensated.



GENERAL INFORMATION

Shareholders' Feedback and Additional Information

Interested investors and analysts are invited, after all significant public announcements, including the release of interim and annual financial information, to discuss with senior management the impact on the Corporation of such information. The CEO of the Corporation is available to discuss matters of concern to shareholders, and she can be reached at:

Linamar Corporation Office

287 Speedvale Avenue West

Guelph, Ontario, CANADA, N1H 1C5

Telephone: (519) 836-7550

Facsimile: (519) 836-9175

Email: investorrelations@linamar.com

Additional information relating to the Corporation is available on SEDAR at www.sedar.com, including financial information, which is provided in the Corporation's comparative financial statements and MD&A for the most recently completed financial year. Copies of the annual financial statements and MD&A for the most recently completed financial year may also be obtained by contacting the Company Secretary at the address, phone number, fax number or email address noted above.

Expectation of Management

The Board expects management to act in the best interests of the Corporation. To this end, the Board must have confidence in the quality of the reports provided to it. The Board will continue to monitor the adequacy of the information requested by and provided to the Board.

INTEREST OF MANAGEMENT, NOMINEES AND OTHERS IN MATERIAL TRANSACTIONS

During the year ended December 31, 2011, other than as described below, no Director, senior officer or principal shareholder of the Corporation, nor any associate or affiliate thereof, has had any material interest, direct or indirect, in any transaction which has materially affected or will materially affect the Corporation or any of its shareholders.

Included in the costs of property, plant and equipment is the construction of buildings, building additions and building improvements in the aggregate amount of \$14.8 million (2010 - \$1.8 million) paid to a company owned by the spouse of an officer and director. Included in sales is \$0.02 million (2010 - \$0.02 million) related to equipment and services sold to the same company. Included in cost of sales is maintenance costs of \$0.7 million (2010 - \$0.4 million) paid to the same company. The maintenance and construction costs represent general contracting and construction activities related to plant construction, improvements, additions and maintenance for a number of facilities.

GENERAL INFORMATION CONTINUED...

The Corporation has designed an independent process to ensure building construction and improvements are transacted at fair value.

DIRECTORS' APPROVAL

The Board has approved the contents of this Information Circular and the sending of it to shareholders.

DATED as of March 8th, 2012.

ON BEHALF OF THE BOARD OF DIRECTORS



Linda Hasenfratz
Chief Executive Officer

APPENDICES

Appendix A	-	Linamar Corporation's Majority Voting Policy (Election of Directors)
Appendix B	-	Corporate Governance Practices
Appendix C	-	Board of Directors' Skills Matrix
Appendix D	-	Board of Directors' Mandate
Appendix E	-	Code of Governance Practice
Appendix F	-	Charter of Expectations
Appendix G	-	Mandate of the Audit Committee (Schedule)
Appendix H	-	Mandate of the Human Resources and Corporate Governance Committee
Appendix I	-	Employee Code of Conduct
Appendix J	-	New Stock Incentive Plan (2012)
Appendix K	-	Resolution to adopt the New Stock Incentive Plan
Appendix L	-	New Corporate By-Law (2012)
Appendix M	-	Special Resolution Approving New By-Law and Repeal of Prior By-Laws
Appendix N	-	Stepping Stool 2011 Management Payout & Percentage Results

APPENDIX A

MAJORITY VOTING POLICY

In this policy, an “uncontested election” shall mean an election in which the number of nominees for Director shall be equal to the number of Directors to be elected. In a contested election, this policy shall not apply and nominees shall be elected by plurality voting.

In an uncontested election of Directors, where a nominee for Director (the “Subject Director”) receives a greater number of votes “withheld” from his or her election than votes “for” such election (such voting result, a “Majority Withhold Vote”), the Human Resources and Governance Committee of the Board shall, within [90] days after the Majority Withhold Vote, make a recommendation to the Board as to whether the Subject Director should be asked to resign his or her position as a Director.

In considering whether to recommend that the Subject Director be asked to resign as a Director, the Human Resources and Governance Committee is authorized to consider all factors it deems relevant to the best interests of the Corporation, including without limitation:

- (a) all of the circumstances surrounding the vote, including (i) any stated reasons why shareholders withheld their vote with respect to the Subject Director, (ii) what the Human Resources and Governance Committee believes to be the underlying reasons for the Majority Withhold Vote, including whether these reasons relate to the Subject Director’s performance as a Director (if the Subject Director is an incumbent Director), whether these reasons relate to the Corporation or another company, and whether these reasons are curable and alternatives for effecting any cure and (iii) the percentage of outstanding shares represented by votes cast and withheld from voting on the election of the Subject Director;
- (b) the tenure and qualifications of the Subject Director;
- (c) the Subject Director’s past and expected future contributions to the Corporation;
- (d) the other policies of the Corporation;
- (e) the overall composition of the Board, including whether requesting and accepting the resignation of the Subject Director would cause the Corporation to fail to meet any applicable corporate and securities laws and rules of the Toronto Stock Exchange; and
- (f) whether the resignation of the subject Director could result in the triggering of change in control or similar provisions under any contract by which the Corporation is bound or any benefit plan of the Corporation and, if so, the potential impact thereof.

As soon as practicable following receipt of the Human Resources and Governance Committee’s recommendation, the Board shall hold one or more meetings to consider and vote on the recommendation and the appropriate actions to be taken with respect to the nominee in question, having regard to the factors considered by the Human Resources and Governance Committee and such additional information and factors that the Board considers to be relevant. If, as a result of the Board’s decision on the recommendation, the Subject Director resigns as a Director:

APPENDIX A

MAJORITY VOTING POLICY

CONTINUED...

- (a) the Corporation shall issue a press release announcing the resignation, and
- (b) the Board may (i) leave the resultant vacancy in the Board unfilled until the next annual meeting of shareholders of the Corporation; (ii) fill the vacancy through the appointment of a Director whom the Board considers to merit the confidence of the shareholders of the Corporation; or (iii) call a special meeting of the shareholders of the Corporation to consider the election of a nominee recommended by the Board to fill the vacant position.

The Subject Director shall not participate in any meeting of the Human Resources and Governance Committee, if he or she is a member of that committee, or the Board, to consider whether to ask for his or her resignation. However, the Subject Director shall remain active and engaged in all other Human Resources and Governance Committee (if applicable) and Board and other applicable Board committee activities, deliberations and decisions during this process. If each member of the Human Resources and Governance Committee received a Majority Withheld Vote at the same election, then the Independent Directors who did not receive a Majority Withheld Vote shall appoint a committee amongst themselves to consider whether to recommend that the Board ask the Subject Directors to resign, provided that if the only Directors who did not receive Majority Withheld Votes in the same election constitute three or fewer Directors, all Directors may participate in the action regarding whether to seek resignation of the Subject Directors.

The Board may at any time in its sole discretion supplement or amend any provision of this policy in any respect, repeal the policy in whole or part or adopt a new policy relating to Director elections with such terms as the Board determines in its sole discretion to be appropriate. The Board will have the exclusive power and authority to administer this policy, including without limitation the right and power to interpret the provisions of this policy and make all determinations deemed necessary or advisable for the administration of this policy. All such actions, interpretations and determinations which are done or made by the Board in good faith will be final, conclusive and binding.

APPENDIX B

Corporate Governance Practices

As a Canadian reporting issuer with securities listed on the Toronto Stock Exchange (“TSX”), the Corporation has in place corporate governance practices that are consistent with the requirements of National Policy 58-201 Corporate Governance Guidelines and National Instrument 58-101 Disclosure of Corporate Governance Practices, which are the initiatives of the Canadian Securities Administrators (“CSA”) and which supplant the previous Toronto Stock Exchange corporate governance guidelines. The Corporation recognizes that its governance practices must evolve to respond to changes in the regulatory environment. Many regulatory changes have come into effect in the past years, including rules issued by the CSA relating to audit committees and disclosure of corporate governance practices. The Corporation is regularly adjusting its governance practices as regulatory changes come into effect and will continue to monitor these changes closely and consider amendments to its governance practice if need be.

Corporate Governance Disclosure

The following compares the Corporation’s governance practices against National Policy 58-201 and National Instrument 58-101 as required under Form 58-101 F1 Corporate Governance Disclosure.

1. Board of Directors

(a) Disclose the identity of Directors who are independent.	The Board of Directors is composed of 6 persons: of those persons, David Buehlow, William Harrison and Terry Reidel are independent
(b) Disclose the identity of Directors who are not independent, and describe the basis for that determination.	The Directors who are not independent are Frank Hasenfratz, Linda Hasenfratz and Mark Stoddart. Frank Hasenfratz, the Chairman of the Board is considered a related Director as he is an executive officer of the Corporation, a significant shareholder and the father of the Chief Executive Officer. Linda Hasenfratz is considered related as she is the Chief Executive Officer of the Corporation and daughter of the Chairman of the Board. Mark Stoddart is considered a related Director as he is the Chief Technology Officer and Executive Vice President of Marketing for the Corporation and the son-in-law of the Chairman of the Board.
(c) Disclose whether or not a majority of Directors are independent. If a majority of Directors are not independent, describe what the Board of Directors (the “Board”) does to facilitate its exercise of independent judgment in carrying out its responsibilities.	One half of Linamar’s Directors, three of six, are Independent Directors as defined in National Instrument 52-110 of the Canadian Securities Administrators. The Board takes several measures to facilitate the exercise of independent judgment. The two Committees of the Board are comprised entirely of Independent Directors and, at every Committee meeting, as well as at every Board meeting, “in camera” sessions are held. The Board has set out its roles and responsibilities in formal charters as well as adopting a Code of Governance Practices and Charter of Expectations for Directors. The full text of these can be promptly provided upon written request or found at Appendices B, C, D, E and F of this Management Information Circular. These documents are reviewed annually to ensure they reflect best practices and are in compliance with applicable regulatory requirements. In addition, outside experts are brought in to various Board meetings for continuing education on topics related to the Corporation. Monies are also set aside for Directors to attend conferences and seminars as they deem appropriate to further their knowledge and ability to carry out their responsibilities.
d) If a Director is presently a Director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the Director and the other issuer.	See the description of Directors’ tenure as members of other corporate boards at pages 12 to 14 of this Circular.

APPENDIX B

Corporate Governance Practices

CONTINUED...

<p>(e) Disclose whether or not the Independent Directors hold regularly scheduled meetings at which non-Independent Directors and members of management are not in attendance. If the Independent Directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the Independent Directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its Independent Directors.</p>	<p>Directors hold "in camera" sessions, in the absence of non-Independent Directors or senior executives of the Corporation, at every regularly scheduled Board and committee meeting. For fiscal 2011, the Board held five regularly scheduled meetings, each having an agenda which specifically provided for an "in camera" session.</p> <p>The two Committees of the Board are composed entirely of Independent Directors and, as with the Board meetings, each Committee meeting has an agenda which specifically provides for an "in camera" session. In fiscal 2011, four such Audit Committee meetings were held and four such HRCG Committee meetings were held.</p>
<p>(f) Disclose whether or not the Chair of the Board is an Independent Director. If the Board has a chair or lead Director who is an Independent Director, disclose the identity of the independent chair or lead Director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead Director that is independent, describe what the Board does to provide leadership for its Independent Directors.</p>	<p>The Chairman of the Board and founder of the Corporation, Frank Hasenfratz, is not an Independent Director. The Chairman of the two Board Committees, as well as the entire composition of the two Committees, are Independent Directors. In addition, "in camera" sessions are provided for at each regularly scheduled Board meeting and are always held in the absence of non-Independent Directors and management. Feedback from the "in camera" sessions is then brought to the attention of the Chairman of the Board and/or the Chief Executive Officer by one of the Independent Directors. A Director-Peer Feedback process was implemented in 2003. The HRCG Committee, comprised entirely of Independent Directors, surveys Directors to provide feedback on the effectiveness of the Board. The Committee assesses the operation of the Board and the Committees, the adequacy of information given to Directors, communication between the Board and management and the strategic direction and processes of the Board and Committees. The Committee also assesses the performance of the Chief Executive Officer.</p>
<p>(g) Disclose the attendance record of each Director for all Board meetings held since the beginning of the issuer's most recently completed financial year.</p>	<p>See the full attendance record of each Director for each of the Board and its Committees at pages 12 to 14 of this Management Information Circular.</p>

2. Board Mandate

<p>Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.</p>	<p>The Board, either directly or through Board committees, is responsible for management and supervision of the business and affairs of the Corporation with the objective of enhancing shareholder value.</p> <p>The roles and responsibilities of the Board and each of its committees are set out in formal written charters (the full text of which can be promptly provided upon written request or found at Appendices B, C and D of this Management Information Circular which Circular is available on SEDAR at www.sedar.com). These charters are reviewed annually to ensure they reflect best practices and are in compliance with applicable regulatory requirements.</p>
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APPENDIX B

Corporate Governance Practices

CONTINUED...

3. Position Descriptions

(a) Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.	The Board has developed written position descriptions for the Chairman of the Board and each Committee chair.
(b) Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.	The Board has developed a written position description for the Chief Executive Officer

4. Orientation and Continuing Education

a) briefly describe what measures the Board takes to orient new Directors regarding: <ul style="list-style-type: none"> (i) the role of the Board, its committees and its Directors, and (ii) the nature and operation of the issuer's business. 	The Corporation has an orientation and education program in place for new Directors. All new Directors receive an Orientation Manual containing a record of historical public information about the Corporation, as well as the charters of the Board and committee mandates, copies of all Board governance documents and other relevant corporation and business information. The orientation also includes a thorough review of key issues facing the Corporation, a review of Corporate strategy and plans, a snapshot of current performance, a familiarization with Board documents and information sources and a tour of the Corporation's various facilities.
b) Briefly describe what measures, if any, the Board takes to provide continuing education for its Directors. If the Board does not provide continuing education, describe how the Board ensures that its Directors maintain the skill and knowledge necessary to meet their obligations as Directors.	Time is allocated at various Board meetings throughout the year for continuing education on topics related to the business of the Corporation. On occasion, outside experts are brought in as part of that process. The Board meets in a retreat every second year to review its role, functionality, and any other topics related to its ability to fulfill its responsibilities to the Corporation. In addition, monies are set aside for members to attend conferences and seminars as they deem appropriate to further their ability to fulfill their roles as a Director of the Corporation.

5. Ethical Business Conduct

(a) Disclose whether or not the Board has adopted a written code for the Directors, officers and employees. If the Board has adopted a written code: <ul style="list-style-type: none"> (i) disclose how a person or company may obtain a copy of the code; (ii) describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a Director or executive officer that constitutes a departure from the code. 	<p>(i) The Board has adopted a Code of Governance Practices and Charter of Expectations for Directors. The full text of these can be promptly provided upon written request or found at Appendices B and F of this Management Information Circular.</p> <p>(ii) As well, Linamar's officers and employees are subject to the provisions of the Corporation's Code of Conduct (the full text of which can be promptly provided upon written request or found at Appendix I of this Management Information Circular).</p> <p>The Code of Governance Practices and Charter of Expectations for Directors, and Code of Conduct provide a framework for Directors, officers and employees on the conduct and ethical decision-making integral to their work. The Board, through its HRCG Committee, reviews the implementation and respect of these three documents throughout the Corporation.</p> <p>(iii) There have been no material change reports filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a Director or executive officer that constitutes a departure from the Code of Governance Practices, Charter of Expectations or Code of Conduct.</p>
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APPENDIX B

Corporate Governance Practices

CONTINUED...

b) Describe any steps the Board takes to ensure Directors exercise independent judgment in considering transactions and agreements in respect of which a Director or executive officer has a material interest.	The Corporation's Code of Governance Practices states clearly that Directors and executive officers should avoid any transaction or event that could potentially create a conflict of interest. Should an event or a transaction occur in respect of which a Director or executive officer has a material interest, full disclosure to the Board is required and such Director must abstain from voting on any such matter. In addition, every Board meeting agenda has a specific item requiring any Director at the outset of the meeting to declare a conflict of interest with any item existing on the agenda.
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6. Nomination of Directors

(a) Describe the process by which the Board identified new candidates for Board nomination.	The HRCG Committee is responsible for assisting the Board in identifying qualified individuals who would be suitable nominees for election to the Board. To accomplish this duty, the Committee and the full Board: (i) assesses the composition and size of the Board and, in doing so, reviews the breadth and diversity of experience of the Directors by having created and updated, on a yearly basis, a competency matrix that sets out the current areas of expertise of the Board; (ii) identifies the challenges facing the Corporation; and (iii) approaches competent nominees. Prior to agreeing to join the Board, new Directors are given a clear indication of the workload and time commitment required.
(b) Disclose whether or not the Board has a nominating committee composed entirely of Independent Directors. If the Board does not have a nominating committee composed entirely of Independent Directors, describe what steps the Board takes to encourage an objective nomination process.	The HRCG Committee is composed exclusively of Directors who are independent and acts as the nominating committee when Board positions are required to be filled.
(c) If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	The Mandate of the HRCG Committee, which describes the responsibilities, powers and operation of the nominating committee can be promptly provided upon written request or found at Appendix F of this Management Information Circular.

7. Compensation

(a) Describe the process by which the Board determines the compensation for the issuer's Directors and officers.	The HRCG Committee of the Board annually reviews the compensation paid to Directors, the Executive Chair of the Board and the Chief Executive Officer. In doing so, the Committee takes into account any factors it deems appropriate, such as the Corporation's performance and operating criteria, the value of similar compensation levels to persons holding comparable positions at comparable companies and the compensation levels given in prior years, as well as other factors that may be relevant from time to time. With respect to officers of the Corporation, the Committee reviews, approves and recommends to the Board the adoption of a compensation strategy for the Corporation.
(b) Disclose whether or not the Board has a compensation committee composed entirely of Independent Directors. If the Board does not have a compensation committee composed entirely of Independent Directors, describe what steps the Board takes to ensure an objective process for determining such compensation.	The HRCG Committee is composed entirely of Independent Directors.
(c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	The HRCG Committee's mandate, which describes the responsibilities, powers and operation of the compensation committee can be promptly provided upon written request or found at Appendix F of this Management Information Circular.

APPENDIX B

Corporate Governance Practices

CONTINUED...

<p>(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's Directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.</p>	<p>No such consultant was retained during the Corporation's most recently completed financial year.</p>
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8. Other Board Committees

<p>If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The Board has no other standing committees other than those of the Audit Committee and the HRCG Committee.</p>
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9. Assessments

<p>Disclose whether or not the Board, its committees and individual Directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual Directors are performing effectively.</p>	<p>A Director-Peer Feedback process was implemented in 2003. The HRCG Committee, comprised entirely of Independent Directors, surveys Directors to provide feedback on the effectiveness of the Board and individual Directors. The Committee assesses the operation of the Board and the Committees, the adequacy of information given to Directors, communication between the Board and management, the Director-Peer Feedback information results and the strategic direction and processes of the Board and Committees. The full Board discusses the Peer-Feedback survey results in order to identify improvements to address any areas requiring attention. The Committee also assesses the performance of the Chairman of the Board as well as the Chief Executive Officer.</p>
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APPENDIX C

Board of Directors' Skills Matrix

BOARD COMPETENCY MATRIX Director Self Assessment						
Categories of Self-Assessment						
N/A - no relevant training or experience (i.e. competency)						
1 - some training or experience						
2 - medium training and/or experience						
3 - a great deal of training and/or experience						
	Summary					
	FRANK HASENFRATZ	LINDA HASENFRATZ	MARK STODDART	DAVID BUEHLOW	TERRY REIDEL	BILL HARRISON
	Self Assessment					
Enterprise Leadership						
CEO/Large Unit						
Active						
Experience "Under Fire"						
Large Organization						
Functional Capabilities						
Financial						
Financial Expert						
Sales & Marketing						
Strategy						
Mergers & Acquisitions						
Manufacturing						
Human Resources						
Information Technology						
Legal/Regulatory						
Market Knowledge						
US						
Canada						
China						
Korea						
Mexico						
Europe						
South America						
Global						
Financial Services						
Retail/Consumer Products						
Industrial/Commercial						
Energy						
Aerospace						
Automotive						
IT/Telecom						
Public Sector						
Resources Sector						
Board Experience						
Large Public Board						
Committee Chair						
Board Chair						
Relationships						
NA Automotive Manufacturers						
Asian Automotive Manufacturers						
Commercial Vehicle Mfgs.						
Energy Customers						
Aerospace Customers						
Political Connections						
Canada						
US						
Europe						
Asia (specify)						
Other (specify)						
General						
Female						
Minority						
Canadian						
American						
European						
Other (specify)						
Independent						
Recognizable to Market						

APPENDIX D

Board of Directors Mandate

Mission

To be a strategic asset of the organization measured by the contribution the Directors make – individually and collectively – to the long-term success of the enterprise.

The Board of Directors has a dual role to all shareholders of oversight and advisory.

In discharging this duty, the Board has the following overall stewardship responsibilities.

Board

- Planning Board size and composition, establishing committees, determining Director compensation, evaluating and selecting candidates for election.
- Maintaining a formal orientation and education program for new Directors, and ongoing programs for all Directors.
- Assessing its own effectiveness and the effectiveness of individual Directors.

Senior Management

- Selecting and evaluating the performance of the Chief Executive Officer.
- Delegating to management powers to manage the Corporation.
- Overseeing succession planning for senior management positions.
- Approving the compensation of the Chairman and the Chief Executive Officer.
- Approve the compensation strategy and program of the management of the corporation.
- Advising and counselling the Chief Executive Officer.

Strategy

- Approving the Corporation's vision and mission statements.
- Reviewing the effectiveness of the strategic planning process, approving business objectives and strategic plans.
- Monitoring corporate performance against these statements, objectives and plans.

Risk Management, Capital Management and Internal Control

- Reviewing, approving and monitoring adherence to policies and procedures for the management and control of risk, including capital management, and the internal control and management information systems that provide reasonable assurance as to the reliability of the Corporation's financial information and the safeguarding of its assets.
- Reviewing compliance with legislative and regulatory requirements, and monitoring compliance with the Code of Business Conduct.

APPENDIX D

Board of Directors Mandate

CONTINUED...

Material Transaction

- Reviewing and approving material investments and transactions such as establishment and closure of plants, acquisitions and divestitures and establishment of joint.

Financial Reporting

- Reviewing and approving the annual and quarterly financial statements and management discussion and analysis.
- Appointment auditors.

Communication

- Reporting the financial results to shareholders and other stakeholders.
- Approving policies with regard to confidentiality of information and securities trading by employees, corporate communications and public disclosure.

Other

- Performing such other functions as prescribed by law or as assigned to the Board in the Corporation's governing documents

March 6th, 2012

APPENDIX E

Code of Governance Practices

1. Charter of Expectations

The Company has adopted a charter of expectations which sets out the specific responsibilities to be discharged by the Company's Directors, as well as the characteristics expected of Directors (attachment).

2. Term of Office

Directors of the Corporation are nominated and elected on an annual basis for a one year term of office. Nomination for election or re-election is determined in consultation with the Chairman of the Board and the Human Resources Corporate Governance Committee, and is based on the expected contribution of each Director to Board effectiveness. Contribution is assessed in part on a Director Peer Feedback Process conducted annually by the Human Resources Corporate Governance Committee of the Board.

The Board has established a retirement date for Directors which is the date of the Annual Meeting of the Corporation following the Director's 70th birthday. Exceptions to this rule will be evaluated in consultation with the Chairman, Chief Executive Officer and Human Resources Corporate Governance Committee.

3. Attendance at Board & Committee Meetings

Each Director is expected to attend all meetings of the Board, as well as all meetings of the Board Committees of which the Director is a member. The Board recognizes that additional meetings may need to be scheduled on short notice when participation by all Directors may not be possible. In addition, Directors may not be able to attend meetings from time to time for medical reasons or due to other unusual circumstances. The Human Resources Corporate Governance Committee reviews the attendance of Directors each year. Any Director who does not, in two consecutive years, attend at least 75% of the regularly scheduled meetings of the Board and the Committees to which he/she is assigned, must tender a written offer to resign to the Chairman of the Board, who in consultation with the Human Resources Corporate Governance Committee will make a recommendation for acceptance or rejection by the Board. It should be noted that it is our practice to report Director attendance in our yearly Management Information Circular.

4. Change of Occupation

Directors whose principal employment changes materially from that which they held when elected to the Board (including retirement from their principal employment), must tender a written offer to resign to the Chairman of the Board, who in consultation with the Human Resources Corporate Governance Committee will make a recommendation for acceptance or rejection by the Board. The Board is not of the view that Directors in such circumstances must always leave the Board, however, an opportunity should be given to the Board to review the continued appropriateness of Board membership under the revised circumstances.

APPENDIX E

Code of Governance Practices

CONTINUED...

5. Conflict of Interest

A Director's business or personal relationships may occasionally give rise to a material personal interest in a business matter or relationship of the Corporation that conflicts, or appears to conflict, with the interests of the Corporation. In such circumstances, the issue should be raised with the Chairman and the Chief Executive Officer. Appropriate steps will then be taken to determine whether an actual or apparent conflict exists, and in accordance with statutory requirements, determine whether it is necessary for the Director to be excused from discussions on the issue.

In addition, each Director must ensure that he/she 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 Corporation, other than interests and relationships arising from holding shares of the Corporation. Directors who are also members of management of the Corporation are recognized by statute as being "affiliated" Directors.

6. Orientation of New Directors

The Corporation has formal orientation and education arrangements for new members of the Board. This orientation begins with meetings with the Chief Executive Officer, followed by meetings or briefing sessions with selected company executives. A new Director will be provided with a range of written materials including those which outline the organization of the Board and its Committees, the powers and duties of Directors, the Board of Directors Mandate, the Charter of Expectations for Directors, the Committee Mandates and this Code of Governance Practices for Directors.

Management will also review the current corporate strategy with the new Director, and will arrange site visits as well as private meetings with members of management, as requested by the Director. The Director will also be provided the information on the products and services provided by the Corporation in each of the Territories in which it carries on business, as well as a review of the financial statements of the Corporation including a copy of current commentary on the Corporation from outside investment analysts.

7. Personal Liability of Directors

In discharging their duties, Directors of the Corporation are required by statute to act honestly and in good faith with a view to the best interests of the Corporation, and they may incur personal liability if they breach such duties. In addition, Directors may incur personal liability if they fail to meet certain standard of performance – the general requirement being that Directors must exercise the care, diligence and skill that reasonably prudent person would exercise in comparable circumstances. Directors also have potential liability under certain statutes in the various jurisdictions in which the Corporation carries on business.

To protect Directors who have discharged their duties within the law. The Corporation maintains Directors & Officers indemnity insurance on behalf of all Directors.

APPENDIX E

Code of Governance Practices

CONTINUED...

8. Share Ownership

Each outside Director of the Corporation is required to acquire and own common shares in the Corporation equal in value to three times the annual retainer paid to outside Directors by the Corporation. Furthermore, each outside Director will have five years from his or her initial appointment to the Board to attain that level of shareholdings.

9. Interaction with the Media

The Board believes that it is the responsibility of management, rather than members of the Board, to speak on behalf of the Corporation. From time to time, Directors may be requested by the media, or by institutional investors, shareholders, customers or policyholders, to discuss certain issues on behalf of the Corporation. Any Director to whom such a request is made should review the request with the Chairman and Chief Executive Officer of the Corporation before responding.

March 6th, 2012

APPENDIX F

Charter of Expectations for Directors

To execute the board's mandate, Directors must possess certain characteristics and traits:

Integrity and Accountability

- Directors must demonstrate high ethical standards and integrity in their personal and professional dealings, and be willing to act on – and remain accountable for – their boardroom decisions.

Informed Judgment

- The ability to provide wise, thoughtful counsel on a broad range of issues ranks high among the qualities required in Directors.
- Knowledge of local, national and international business issues is a key element in this regard.

Financial Literacy

- Directors must have a high level of financial literacy. They should know how to read financial statements, and they should understand the use of financial ratios and other indices for evaluating company performance.

Mature Confidence

- Teamwork
Directors who value Board and team performance over individual performance, and who possess respect for others, facilitate superior Board performance.
- Communication
Openness to others' opinions and the willingness to listen should rank as highly as the ability to communicate persuasively. Directors must approach others assertively, responsibly and supportively, and be willing to raise tough questions in a manner that encourages open discussions.

Track Record and Experience

- In today's highly competitive world, only companies capable of performing at the highest levels are likely to prosper. Directors must bring a history of achievement that reflects high standards for themselves and others.

March 6th, 2012

APPENDIX G

Mandate of the Audit Committee

Purpose of Audit Committee

The Audit Committee has been formed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:

- review and report to the Board on the financial statements, related MD&A and other financial disclosures of the Company;
- monitor the integrity of the financial reporting process and system of internal controls in respect of the Company's financial reporting and accounting compliance;
- monitor the management of the principal risks that could impact the financial reporting and related disclosure of the Company; and
- monitor the independence, qualifications and performance of the Company's external auditors and internal auditing department.
- monitor the Company's compliance with legal and regulatory requirements in all jurisdictions in which the Company carries on business.
- establish and monitor procedures for adherence to reporting requirements.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and has direct access to the external auditors as well as any officer or employee of the Company.

Audit Committee Composition, Meetings and Organization

Composition:

The Audit Committee members shall meet the requirements of the Business Corporations Act (Ontario) (the "OBCA") and National Instrument 52-110. The Audit Committee shall be comprised of three or more Directors as determined by the Board, a majority of whom must be resident Canadians (as defined in the OBCA), each of whom shall be Independent Directors (as defined in Schedule "A" to this Appendix E) and none of whom shall be officers or employees of the Company or its affiliates. All members of the Audit Committee shall be financially literate (as defined in Schedule "A"). A Director who is not financially literate may be appointed to the Audit Committee provided that such Director becomes financially literate within a reasonable period of time following his or her appointment.

APPENDIX G

Mandate of the Audit Committee

CONTINUED...

Appointment of Members and Chair:

Members of the Audit Committee shall be appointed by the Board on the recommendation of the HRCG Committee and shall serve at the pleasure of the Board, or until the close of the next annual meeting of shareholders of the Company. If the Chair of the Audit Committee is not designated or present at a duly called meeting of the Audit Committee, the members of the Audit Committee may designate a Chair by a majority vote of the Audit Committee membership.

Meetings:

The Audit Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Audit Committee Chair, any member of the Audit Committee, the external auditors or the Chairman of the Board may, with reasonable notice, call a meeting of the Audit Committee by notifying the secretary of the Board who will notify the members of the Audit Committee. The external auditors are entitled to receive notice of every meeting of the Audit Committee and to attend and be heard at such meetings. A majority of the members of the Audit Committee shall constitute a quorum. The Audit Committee Chair shall prepare and approve an agenda in advance of each meeting.

The Audit Committee should meet privately at least annually with management, the external auditors, and as a committee to discuss any matters that the Audit Committee or any of these groups believe should be discussed.

Access to Outside Advisors:

The Audit Committee shall have the authority to retain external legal counsel and other advisors to assist it in fulfilling its responsibilities. The Company shall provide appropriate funding, as determined by the Audit Committee, for the services of these advisors.

Audit Committee Responsibilities and Duties

The Audit Committee shall have the duties and responsibilities set out below as well as any other functions that are specifically delegated to the Audit Committee by the Board. In addition to these duties and responsibilities, the Audit Committee shall perform the duties required of the Audit Committee by the OBCA, binding requirements of the stock exchanges on which the securities of the Company are listed and all other applicable laws. The Audit Committee may designate a sub-committee to review any matter within this Mandate.

Review Procedures

The Audit Committee shall review and report to the Board on the Company's annual audited financial statements, unaudited quarterly financial statements, related MD&A, annual and interim earnings press releases and other related financial disclosures (including financial disclosures of the Company provided in prospectuses) prior to filing or distribution. The Audit Commit-

APPENDIX G

Mandate of the Audit Committee

CONTINUED...

tee's review should include discussions with management and the external auditors of significant issues regarding accounting principles, practices, and significant management estimates and judgments.

At least annually, in consultation with management and the external auditors, the Audit Committee shall consider the integrity of the Company's financial reporting processes and internal controls. The Audit Committee shall discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures. The Audit Committee shall also review significant findings prepared by the external auditors together with management's responses.

The Audit Committee shall review the effectiveness of the overall process for identifying the principal risks affecting financial reporting and the steps Management has taken to monitor, control and report thereon and provide the Audit Committee's view to the Board.

The Audit Committee shall review and assess the adequacy of this Mandate at least annually and submit this Mandate to the Board for approval.

The Audit Committee will review any material changes in accounting standards and securities policies or regulation relevant to the Company's financial statements.

The Audit Committee shall review with management and the external auditors all matters required to be communicated to the Committee under generally accepted auditing standards.

The Audit Committee shall review the process relating to and the certifications of the Chief Executive Officer and the Chief Financial Officer on the integrity of the Company's quarterly and annual consolidated financial statements.

The Committee shall review annually a letter of certification from the Chief Executive Officer on the Company's compliance with the Code of Conduct.

External Auditors

The Audit Committee is responsible for overseeing the work of the external auditors who report directly to the Committee. The Audit Committee shall, at least annually, review the independence and performance of the external auditors, including the qualifications and performance of the lead partners of the external auditors, and recommend to the Board the appointment and the compensation of the external auditors or approve any discharge of the external auditors when circumstances warrant. The Audit Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the external auditors.

APPENDIX G

Mandate of the Audit Committee

CONTINUED...

At least annually, the Audit Committee shall review and discuss with the external auditors all significant relationships they have with the Company that could impair the external auditors' independence.

At least annually, the Audit Committee shall review the external auditors' audit plan and discuss and approve the audit scope, staffing, locations, reliance upon management, and general audit approach.

Prior to releasing the yearend financial results, the Audit Committee shall discuss the results of the audit with the external auditors and discuss any matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants.

The Audit Committee shall consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting.

The Audit Committee shall review with the external auditors any audit problems or difficulties and management's response thereto.

Internal Audit Department and Compliance

At least annually, the Audit Committee shall review the independence of the internal audit department from management and review any difficulties encountered by the internal audit department in the course of its internal audit.

At least annually, the Audit Committee shall review with the Company's counsel any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or government agencies.

At least annually, the Audit Committee shall review the report on compliance with the Company's Code of Conduct and any instances of material deviation therefrom with corrective actions taken.

Other Audit Committee Responsibilities

At least annually, the Audit Committee shall assess its effectiveness and each of its members against this Mandate and report the results of the assessment to the Board.

At least annually, the Audit Committee shall disclose this Mandate to shareholders, as required by applicable law.

APPENDIX G

Mandate of the Audit Committee

CONTINUED...

The Audit Committee shall maintain minutes of its meetings and periodically report to the Board on significant results of its activities and deliberations.

The Audit Committee shall review senior financial and accounting personnel succession planning within the Company.

The Audit Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company. This policy is defined in the Standard Practice Manual, # 4-000X.

The Audit Committee shall receive reports from management in respect of procedures established for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, including the confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters.

The Chair of the Audit Committee shall coordinate orientation and continuing Director development programs relating to this Mandate for Audit Committee members.

Currency of the Audit Committee Mandate

This Mandate was last reviewed by the Board of Directors on August 9th, 2011.

SCHEDULE “A” TO APPENDIX G

Definitions

Definitions⁽¹⁾:

Meaning of Independence --

1. A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company.
2. For the purposes of Section 1, a material relationship means a relationship which could, in the view of the Company's Board of Directors, reasonably interfere with the exercise of a member's independent judgment.
3. Despite Section 2, the following individuals are considered to have a material relationship with the Company:
 - a. an individual who is, or has been within the last three years, an employee or executive officer of the Company;
 - b. an individual whose immediate family member is, or has been within the last three years, an executive officer of the Company;
 - c. an individual who is a partner or employee of a firm that is the internal or external auditor of the Company, or was within the last three years a partner or employee of that firm and personally worked on the Company's audit within that time;
 - d. an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual, is a partner or employee of a firm that is the internal or external auditor of the Company; or is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice; or was within the last three years a partner or employee of that firm and personally worked on the Company's audit within that time ;
 - e. an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Company's current executive officers serve or served at that same time on the entity's compensation committee; and
 - f. an individual who received, or whose immediate family member who is employed as an executive officer of the Company received, more than \$75,000 in direct compensation from the Company during any 12 month period within the last three years;
 - g. an individual who:
 - i. accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any subsidiary entity of the Company, other than as remuneration for acting in his or her capacity as a member of the Board of Directors or any Board committee, or as a part-time chair or vice-chair of the Board or any Board committee; or
 - ii. is an affiliated entity of the Company or any of its subsidiary entities.

SCHEDULE “A” TO APPENDIX G

Definitions

CONTINUED...

4. Despite Section 3, an individual will not be considered to have a material relationship with the Company solely because:

a. he or she had a relationship identified in Section 3 if that relationship ended before March 30, 2004; or

(1) Derived from National Instrument 52-110 – Audit Committees

b. he or she had a relationship identified in Section 3 by virtue of Section 9.

5. For the purposes of Sections 3(c) and (d), a partner does not include a fixed income partner whose interest in the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with an internal or external auditor if the compensation is not contingent in any way on continued service.

6. For the purposes of Section 3(f), direct compensation does not include (i) any remuneration for acting in his or her capacity as a member of the Board of Directors or any Board committee or (ii) any fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company if the compensation is not contingent in any way on continued service.

7. For the purposes of Section 3(g):

a. the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by

i. an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or

ii. an entity in which such individual is a partner, member, an officer such as a managing Director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the Company or any subsidiary entity of the Company; and

b. compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company if the compensation is not contingent in any way on continued service.

8. Despite Section 3, a person will not be considered to have a material relationship with the Company solely because he or she:

a. has previously acted as an interim Chief Executive Officer of the Company; or

b. acts, or has previously acted, as a chair or vice-chair of the Board of Directors or any Board committee on a part-time basis.

SCHEDULE “A” TO APPENDIX G

Definitions

CONTINUED...

9. For the purposes herein (other than Sections 3(g) and (7), reference to the Company includes a subsidiary entity of the Company.

Meaning of Financial Literacy -- An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

APPENDIX H

Mandate of the Human Resources and Corporate Governance Committee

Purpose of the Committee:

The Committee assists the Board of Directors by:

- Reviewing the effectiveness with which the Corporation meets its obligations pertaining to the Human Resources, Corporate Governance, Environment, Health & Safety, and Capital Accumulation Plans.
- Reviewing the effectiveness with which the Corporation: (a) establishes appropriate Human Resources, Corporate Governance, Environment, Health & Safety, and Capital Accumulation Plan policies; and (b) has and maintains management systems to implement such policies and monitor compliance therewith.
- Establishing and monitoring adherence to procedures for identifying and entering into transactions with related parties, including procedures for the identification of potential conflicts of interest and resolution thereof.

The Committee does not have decision making authority, except where and to the extent that such authority is expressly delegated by the Board of Directors. The Committee conveys its findings and recommendations to the Board of Directors for consideration and, where required, action by the Board of Directors.

As the Committee is responsible for Linamar global operations all reports to the Board must clearly include data for all geographical locations and the reporting of such must contain reference to legal and regulatory standards for those jurisdictions.

Composition & Organization:

The HRCG Committee of the Board of Directors shall consist of a minimum of three Directors. Members of the Committee shall be appointed and may be removed by the Board of Directors. All members of the Committee shall be Independent Directors.

Responsibilities & Duties:

A. Corporate Governance

The Committee shall assist the Board in identifying qualified individuals to become Board members, in determining the composition of the Board of Directors and its Committees, in monitoring a process to assess Board effectiveness and in developing and implementing the Company's corporate governance guidelines.

In furtherance of this purpose, the Committee shall have the following authority and responsibilities:

1. To participate in the search for individuals qualified to become members of the Board of Directors and to select Director

APPENDIX H

Mandate of the Human Resources and Corporate Governance Committee CONTINUED...

nominees to be presented for shareholder approval at the annual meeting. The Committee shall recommend individuals as Director nominees who shall have the highest personal and professional integrity, who shall have demonstrated exceptional ability and judgment and who shall be most effective, in conjunction with the other nominees to the Board, in collectively serving the long-term interests of the shareholders.

2. To review the Board of Directors' Committee structure and to recommend to the Board for its approval Directors to serve as members of each Committee. The Committee shall review and recommend Committee slates annually and shall recommend additional Committee members to fill vacancies as needed.

3. To develop and recommend to the Board of Directors for its approval a set of corporate governance guidelines. The Committee shall review the guidelines on an annual basis, or more frequently if appropriate, and recommend changes as necessary.

4. To develop and recommend to the Board of Directors for its approval an annual evaluation process of the Board and its Committees. The Committee shall oversee the annual evaluations.

5. To review on an annual basis Director compensation and benefits.

6. The Committee shall review annually a letter of certification from the Chief Executive Officer on the Company's compliance with the Code of Conduct.

7. At least annually, the HRCG Committee shall:

- a) review a summary of related party transactions and potential conflicts of interest of Directors and officers of the Company;
- b) review the practices of the Company to identify any transactions with related parties; and
- c) monitor the procedures established to identify and resolve conflicts of interest.

B Executive Compensation

1. With respect to matters of compensation of the Executive Chair of the Board and the Chief Executive Officer (CEO), the Committee shall:

- (a) Review and approve periodically, but no less frequently than annually, the Company's goals and objectives relevant to compensation of the Executive Chair of the Board and the CEO, including the balance between short-term compensation and long-term incentives;
- (b) Evaluate the performance of the Executive Chair of the Board and the CEO in light of those goals and objectives; and

APPENDIX H

Mandate of the Human Resources and Corporate Governance Committee CONTINUED...

- (c) Determine and approve the compensation level of the Executive Chair of the Board and the CEO based on such evaluations.
- (d) In determining compensation, the Committee shall consider, among other factors it deems appropriate from time to time, the Company's performance and operating criteria during such periods as the Committee may deem appropriate, the value of similar compensation levels to persons holding comparable positions at comparable companies and the compensation levels given to the CEO in prior years. The Executive Chair of the Board shall be responsible for communicating to the CEO the evaluation of the performance and the level of compensation approved for the CEO.

2. Review, approve, and recommend to the Board the adoption of a compensation strategy for the company.
3. Annually review, approve and recommend to the Board of Directors, the Report on Executive Compensation for inclusion in the management proxy circular for the annual general meeting of Shareholders.
4. Review, approve, and recommend to the Board any stock option issue proposed by management.
5. Administer the Stock Option Plan.

C. Environmental, Health & Safety (EH&S)

1. Monitor the adequacy of the Corporation's system of internal controls in the areas of environment, health and safety.
2. Review and formulate recommendations to the Board of Directors with respect to the Corporation's strategies and policies pertaining to environment, health and safety.
3. Monitor emerging trends or issues pertaining to the environment, health and safety which are relevant to the Corporation.
4. Review the findings of any significant examination by (i) regulatory agencies; and (ii) external environmental, health and safety auditors; concerning the Corporation's environmental, health and safety matters.
5. Review quarterly, annual and other management reports to the Committee or the Board of Directors with respect to the Corporation's environmental, health and safety performance and issues.
6. Review and/or approve such other matters related to environmental, health and safety as are specifically delegated to it by the Board of Directors.
7. Report quarterly to the Board of Directors with respect to the foregoing matters, at each meeting of the Board with respect to any such matter of significance, and at any other time deemed appropriate by the Committee or upon request of the Board of Directors.

APPENDIX H

Mandate of the Human Resources and Corporate Governance Committee CONTINUED...

D. Succession Plan

Succession Planning and Organizational Change

1. Annually review the succession planning process and the succession plans for Senior Executive and Group Presidents roles including specific focus on the development and career planning for potential successors;
2. Review significant changes to the organization's structure as they arise and their impact on the Executive roles;

E. Capital Accumulation Plans Governance

1. The Committee will oversee the duties of the Pension Committee.
2. The Committee will review all reports and recommendations from the Pension Committee and make the appropriate recommendations to the Board.

The Committee shall have the authority to delegate any of its responsibilities to subcommittees as the Committee may deem appropriate in its sole discretion.

The Committee shall report its actions and recommendations to the Board after each Committee meeting and shall conduct and present to the Board an annual performance evaluation of the Committee. The Committee shall review at least annually the adequacy of this mandate and recommend any proposed changes to the Board for approval.

This mandate was last reviewed by the Board of Directors on August 9th, 2011.

APPENDIX I

EMPLOYEE CODE OF CONDUCT

1.0 Goal

1.1 Establish the standards for ethical behavior expected of Linamar employees as detailed in the following areas:

- Relations with Suppliers, Dealers and Customers
- Personal Interest
- Disclosure of Information – Confidential or otherwise
- Investor Relations/Insider Trading
- Proper Reporting of Expenses
- Use of Company Property
- Workplace Conduct

1.2 Linamar Corporation is committed to conducting business activities in compliance with the applicable law governing the jurisdictions of our operations globally. Employees are responsible for being aware of and adhering to the legal requirements affecting their job, in their country/region/locality. All employees are responsible to comply with all sections listed in this Play.

2.0 Play

2.1 Group Human Resources is responsible for ensuring all Employee Handbooks address all aspects of this Play and that all locations are being audited to ensure compliance to the Code of Conduct Play.

2.2 All General Managers are responsible for communicating and ensuring all employees from the facility adhere to all aspects of this Play.

3.0 Relations with Suppliers, Dealers and Customers

3.1 Employees are not permitted to accept or solicit personal benefits from suppliers, dealers, customers, competitors, or other third parties that relate to their employment at Linamar. Examples of personal benefits include cash, gifts, gift certificates, trips, loans, special discounts, use of property and admission charges or contributions to events or parties.

Exceptions:

3.1.1 Employees are permitted to be guests of suppliers or dealers once a month, unless there are extenuating circumstances, (i.e. a supplier is on site for several days in a row for an equipment runoff).

APPENDIX I

EMPLOYEE CODE OF CONDUCT

CONTINUED...

- 3.1.2 Employees may attend sports events, golf outings, shows or other appropriate entertainment or social activities as the guest of the same outside concern a maximum of four times a year.
- 3.1.3 Employees may utilize Linamar suppliers to provide goods or perform services for themselves provided that fair market value is paid for the goods or services.
- 3.1.4 Solicitation or acceptance of personal financial assistance of any kind from suppliers, other than financial institutions in the ordinary course of its business, is prohibited.
- 3.1.5 Employees may take advantage of discounts and other promotions offered by suppliers or other outside concerns, provided that such discounts are offered to all Linamar employees.
Customer vehicle purchase plans are exempt from this policy.

3.2 All unsolicited gifts directed to employees that do not meet the above criteria must be shared fairly with other employees as applicable, (i.e. door prizes at employee meetings/functions, Christmas gifts).

- 3.2.1 Employees are permitted to grant business to friends or relatives, if all things are equal (price, quality and delivery), the purchasing and quoting policies of Linamar are being complied with and the relationship is disclosed in writing to all approving parties.

4.0 Personal Interest

4.1 In general, employees must disclose and avoid any personal and/or business interests that may conflict, or may appear to conflict, with Linamar's interests or that may influence, or may appear to influence the employees judgment or actions in performing their job duties as a Linamar employee.

4.2 Working for or performing services on behalf of Linamar suppliers, customers or competitors is prohibited.

- 4.2.1 Holding an equity position in a business which performs services for Linamar is prohibited.
- 4.2.2 Employees may only serve on the Board of Directors of a company operated for profit with the written approval of Linamar Corporation's Chief Executive Officer.
- 4.2.3 Preferential treatment of Linamar's suppliers for personal gain is prohibited.
- 4.2.4 A supervisor or member of management will not enter into a financial contract with another employee in excess of \$250.00. Financial contracts between immediate family members are exempt from this clause.
- 4.2.5 Employees contracting any Linamar entity for services in excess of CDN\$1,000 (or equivalent local currency) requires the written approval of the Chief Executive Officer.
- 4.2.6 Employees must adhere to the terms and conditions listed in the Employee Handbook for the facility they are employed with.

APPENDIX I

EMPLOYEE CODE OF CONDUCT

CONTINUED...

5.0 Disclosure of Information - Confidential or otherwise

- 5.1 All employees must abide by the Disclosure of Information and Conflict of Interest clauses listed in the Employee Handbook for the facility they are employed with.
- 5.2 All employees must hold all confidential information in strict confidence during and after the term of the individual's employment with Linamar Corporation (any facility).
- 5.3 The release of any information to media, financial analysts, competitors or other outside concerns must be authorized in writing by the Chief Executive Officer prior to the information being released in order to avoid any disclosure that would give unfair business or personal advantage or damage the reputation of the Company in any way.

6.0 Investor Relations/Insider Trading

- 6.1 Employees must adhere to the provisions detailed in the Legal Play as well as the Employee Handbook for their facility.

7.0 Use of Company Property

- 7.1 Employees have a responsibility to protect Linamar property against loss, theft, abuse, unauthorized use, access or disposal. "Linamar property" refers to assets and other resources provided by Linamar for use by its employees in the course of their employment, whether tangible, intangible or electronic form (internet, phone or fax).
- 7.2 Employees are responsible for complying with all the applicable sections of the Employee Handbook for their facility (i.e. computer usage policy, use of company telephone). Use of company computers, telephones, etc. are a privilege and should not be abused.

8.0 Workplace Conduct

- 8.1 Linamar Corporation has established standards for performance and conduct at work by employees. These standards are detailed in the Employee Handbook for each location.
- 8.2 Employees are urged to contact their supervisor or facility Human Resources contact regarding any questions, concerns or to report any violations of these workplace standards.

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EMPLOYEE CODE OF CONDUCT

CONTINUED...

8.3 The Linamar Corporation Anti-Harassment Policy Statement is published in each Employee Handbook for all locations.

9.0 Measurement

9.1 Each Director of Human Resources is responsible for auditing all Employee Handbooks as well as all facilities for compliance with the Code of Conduct Game Plan.

This mandate was last reviewed by the Board of Directors on March 6th, 2012.

APPENDIX J

LINAMAR CORPORATION

2012 STOCK INCENTIVE PLAN

1. PURPOSE

1.1 The purpose of the Plan is to promote the long-term success of the Company by providing equity-based incentive awards to eligible employees and consultants of the Company. The Plan is designed to provide such employees and consultants a proprietary interest in Linamar and thereby encourage such employees and consultants to perform the duties of their employment and consultation to the best of their abilities and to devote their business time and efforts to further the growth and development of the Company. The Plan is also intended to assist the Company in attracting and retaining individuals with superior experience and ability.

2. DEFINITIONS AND INTERPRETATION

2.1 For purposes of the Plan, the following terms shall have the meaning set forth below:

- (a) “**Award**” shall mean an award of Options or Tandem SARs granted to a Participant under the Plan.
- (b) “**Board of Directors**” shall mean the Board of Directors of Linamar.
- (c) “**Cause**” shall mean a Participant’s Termination, (i) for just cause or cause under applicable law or (ii) following his or her (A) willful breach or neglect of the duties of his or her employment; (B) failure or refusal to perform such duties after demand for performance or to comply with the Company’s rules, policies and practices, (C) dishonesty, (D) insubordination, (E) gross, serious or repeated misconduct, (F) conduct endangering, or likely to endanger, the health or safety of another employee, (G) conviction of a crime constituting a felony or other indictable offense, (H) serious breach of his or her contract of employment, where applicable, (I) gross incompetence, or (J) bringing the Company into disrepute; except that if, at the time of such Termination, (1) the Participant is covered by any severance, termination or similar plan or policy maintained by the Company that employs the Participant, the term “cause” shall have the meaning, if any, assigned thereto under such plan or policy or (2) the Participant is party to an employment, severance, retention, or similar contract or agreement with the Company that employs the Participant and that contains a definition of the term “cause” or a similar term, the term “cause” shall have the meaning, if any, assigned thereto (or to such similar term) in such contract or agreement.
- (d) “**Change in Control**” shall mean:
 - (i) any transaction or series of transactions, whether by way of consolidation, amalgamation or merger of the Company with or into any other Person (other than an affiliate of the Company) in which the Shares outstanding immediately prior to the transaction or series of transactions represent, after their conversion into or exchange for equity securities of the corporation or other entity with or into which the Company is consolidated, amalgamated or merged, less than 50% of the votes attached to the equity securities of such corporation or other entity outstanding immediately after such transaction or series of transactions;

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- (ii) any transfer, conveyance, sale, lease, exchange or otherwise by the Company or one or more of the Company's Subsidiaries of all or substantially all of the property of the Company's business on a consolidated basis to any other Person (other than an affiliate of the Company);
- (iii) the lawful acquisition, directly or indirectly and by any means whatsoever, by any Person or group of Persons acting jointly or in concert, other than any member(s) of the Hasenfratz Group, of Shares representing 50% or more of the votes attached to the Shares issued and outstanding immediately after such acquisition; or
- (iv) the Board of Directors by resolution deems that a Change in Control has occurred or is about to occur.

- (e) "**Committee**" shall mean the Human Resources and Corporate Governance Committee of the Board of Directors, as constituted from time to time, which may be appointed by the Board of Directors to, inter alia, interpret, administer and implement the Plan, and includes any successor committee appointed by the Board of Directors for such purposes.
- (f) "**Company**" shall mean, collectively, Linamar and its direct and indirect Subsidiaries, or any such Subsidiary individually, as the context requires.
- (g) "**Control**" shall mean, with respect to any Person, the possession, directly or indirectly, severally or jointly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of equity securities, by contract or credit arrangement, as trustee or executor, or otherwise.
- (h) "**Effective Date**" shall mean the date as of which an Award shall take effect, provided that the Effective Date shall not be a date prior to the date the Committee determines an Award shall be made and, unless otherwise specified by the Committee, the Effective Date will be the date the Committee determines an Award shall be made.
- (i) "**Exercise Price**" shall mean, (i) with respect to an Option, the price payable by a Participant to purchase one Share on exercise of such Option, which shall not be less than 100 percent of the Market Value of a Share on the Effective Date of the grant of the Option covering such Share and (ii) with respect to a Tandem SAR, the Exercise Price applicable to the Option to which the Tandem SAR relates, in each such case, subject to adjustment pursuant to Section 0 hereof.
- (j) "**Hasenfratz Group**" means any of the following Persons or any combination of the following Persons:
 - (i) Frank J. Hasenfratz; (ii) the children of Frank J. Hasenfratz; (iii) the spouses of any Person described

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in clause (ii); (iv) the lineal descendants of any Person described in clause (ii); (v) any corporation, partnership, trust or either entity controlled, directly or indirectly, by any of the Persons or group of such Persons mentioned in clauses (i) through (iv).

(k) “**Insider**” shall mean insiders of the Company as defined in the rules of the TSX for the purpose of security-based compensation arrangements.

(l) “**Linamar**” shall mean Linamar Corporation, a corporation incorporated under the OBCA, or any Successor thereto.

(m) “**Market Value**” at any date in respect of the Shares means the volume weighted average trading price of such Shares on the TSX (or, if the Shares are not then listed and posted for trading on the TSX, on such stock exchange on which the Shares are listed and posted for trading as may be selected for such purpose by the Board of Directors) for the five (5) consecutive trading days immediately preceding such date, provided that (x) in the event that such Shares did not trade on any of such trading days, the Market Value shall be the average of the bid and ask prices in respect of such Shares at the close of trading on all of such trading days and (y) in the event that such Shares are not listed and posted for trading on any stock exchange, the Market Value shall be the fair market value of such Shares as determined by the Board of Directors in its sole discretion. The Market Value of a Share shall be rounded to the nearest whole cent.

(n) “**OBCA**” means the Business Corporations Act (Ontario), as amended from time to time.

(o) “**Option**” shall mean an option, granted in accordance with Section 6 hereof, to purchase a Share.

(p) “**Participants**” shall mean those individuals to whom Awards have been granted from time to time under the Plan.

(q) “**Performance Criteria**” shall mean such financial and/or personal performance criteria as may be determined by the Committee. Performance Criteria may be applied to either the Company as a whole or to a business unit or single Subsidiary or group of Subsidiaries, either individually, alternatively or in any combination, and measured either in total, incrementally or cumulatively over a specified performance period, on an absolute basis or relative to a pre-established target, to previous years’ results or to a designated comparison group, provided that the performance period for measurement or achievement of any such Performance Criteria (or incremental element thereof) shall in all events exceed one year.

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LINAMAR CORPORATION
2012 STOCK INCENTIVE PLAN
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- (r) “**Person**” shall mean any natural person, firm, partnership, limited liability company, association, corporation, company, trust, business trust, governmental authority or other entity.
- (s) “**Plan**” shall mean this Linamar Corporation 2012 Stock Incentive Plan, as set forth herein and as the same may be amended and in effect from time to time.
- (t) “**Retirement**” shall mean a retirement of a Participant from employment with the Company at age 65 with at least 10 years of continuous service or otherwise as approved by the Company.
- (u) “**Shares**” shall mean the common shares in the capital of Linamar and “**Share**” shall mean one common share in the capital of Linamar, in each such case, subject to adjustment pursuant to Section 10 hereof.
- (v) “**Subsidiary**” means a subsidiary of Linamar as determined in accordance with the OBCA.
- (w) “**Successor**” shall mean, with respect to any Person, a Person that succeeds to the first Person’s assets and liabilities by amalgamation, merger, liquidation, dissolution or otherwise by operation of law, or a Person to which all or substantially all the assets and/or business of the first Person are transferred.
- (x) “**Tandem Stock Appreciation Right**” or “**Tandem SAR**” shall mean a right, granted in tandem with an Option pursuant to Section 7 hereof, representing the right to receive upon the exercise thereof payment, in cash, Shares or any combination thereof, as determined by the Committee, equal to the excess of the Market Value of one Share over the Exercise Price, on the terms and conditions and calculated in accordance with the provision of Section 7 hereof.
- (y) “**Termination**” or “**Date of Termination**” (or any derivative thereof) shall mean (i) the date of termination of a Participant’s active employment with the Company that employs the Participant (other than in connection with the Participant’s transfer to employment with any other Company), whether such termination is lawful or otherwise, but not including a Participant’s absence from active employment during a period of vacation, temporary illness, authorized leave of absence or short or long-term disability, and (ii) in the case of a Participant who does not return to active employment with the Company immediately following a period of absence due to vacation, temporary illness, authorized leave of absence or short or long-term disability, the last day of such period of absence.
- (z) “**Termination Without Cause**” shall mean a Participant’s Termination with the Company that employs the Participant for any reason other than Cause or due to the Participant’s Retirement.

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(aa) “Third Party Trust” shall mean a trust established pursuant to Section 3.3 hereof with an independent, unaffiliated bank or other trust company, as trustee, to hold Shares for delivery from time to time to Participants upon exercise or settlement of Awards, that is established and maintained in accordance with the applicable banking and trust laws of the relevant jurisdiction and the requirements of the TSX.

(bb) “TSX” shall mean the Toronto Stock Exchange.

(cc) “Vested” (or any applicable derivative term) shall mean, with respect to an Award, that the applicable conditions with respect to continued employment, passage of time, achievement of Performance Criteria and/or any other conditions established by the Committee have been satisfied or, to the extent permitted under the Plan, waived, whether or not the Participant’s rights with respect to such Award may be conditioned upon prior or subsequent compliance with any confidentiality, non-competition or non-solicitation obligations.

2.2 Unless the context requires otherwise, words importing the singular number may be construed to extend to and include the plural number, and words importing the plural number may be construed to extend to and include the singular number.

3. ADMINISTRATION

3.1 Composition of Committee. The Committee shall consist of two or more individuals, each of whom qualifies as an independent director, within the meaning of the rules of applicable securities legislation. In addition, the composition of the Committee shall comply with all other applicable securities legislation and rules of the TSX and regulatory authorities.

3.2 Powers of the Committee. The Committee shall administer the Plan in accordance with its terms. Subject to and consistent with the terms of the Plan, in addition to any authority of the Committee specified under any other terms of the Plan, the Committee shall have full and complete discretionary authority to:

- (a) • interpret the Plan and instruments of grant evidencing Awards;
- (b) • prescribe, amend and rescind such rules and regulations and make all determinations necessary or desirable for the administration and interpretation of the Plan and instruments of grant evidencing Awards;
- (c) • determine those employees and consultants of the Company who may be granted Awards, grant one or more Awards to such employees and consultants and approve or authorize the applicable form and terms of the related instrument of grant;

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- (d) • determine the terms and conditions of Awards granted to any Participant, including, without limitation, (A) the type, and number of Shares subject to, an Award, (B) the Exercise Price for Shares subject to an Award, (C) the conditions to the Vesting of an Award or any portion thereof, (D) the circumstances upon which an Award or any portion thereof shall be forfeited, cancelled or expire, (E) the consequences of a Termination with respect to an Award, (F) the manner of exercise or settlement of the Vested portion of an Award (G) whether and the terms upon which an Award shall be settled in cash, Shares or a combination thereof and (H) whether and the terms upon which any Shares delivered upon exercise or settlement of an Award must continue to be held by a Participant for any specified period;
- (e) • determine whether and the extent to which any Performance Criteria or other conditions applicable to the Vesting of an Award have been satisfied or shall be waived or modified;
- (f) • amend the terms of any instrument of grant or other documents evidencing Awards; and
- (g) • determine whether, and the extent to which, adjustments shall be made pursuant to Section 10 hereof and the terms of any such adjustments.

3.3 Establishment of Third Party Trusts. From time to time, the Committee may direct the Company one or more of the Subsidiaries to establish and maintain one or more Third Party Trusts, on such terms and conditions as the Committee shall determine, and to contribute Shares and/or cash for the purchase of Shares thereto, in such amounts as the Committee shall determine; provided that no Third Party Trust shall be established or maintained with respect to a Participant if the Committee reasonably determines that, as a result thereof, such Participant will be subject to early taxation or any increased amount of tax with respect to his or her Award(s).

3.4 Effects of Committee's Decision. Any such interpretation, rule, regulation, determination or other act of the Committee shall be made in its sole discretion and shall be conclusively binding upon all Persons.

3.5 Liability Limitation. No member of the Committee or the Board of Directors shall be liable for any action or determination made in good faith pursuant to the Plan or any instrument of grant evidencing any Award granted under the Plan. To the fullest extent permitted by law, the Company shall indemnify and save harmless each person made, or threatened to be made, a party to any action or proceeding in respect of the Plan by reason of the fact that such person is or was a member of the Committee or is or was a member of the Board of Directors.

3.6 Delegation and Administration. The Committee may, in its discretion, delegate such of its powers, rights and duties under the Plan, in whole or in part, to such committee, Person or Persons as it may determine, from time to time, on terms and conditions as it may determine, except the Committee shall not, and shall not be

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permitted to, delegate any such powers, rights or duties (i) with respect to the grant, amendment, administration or settlement of any Award of a Participant to the extent delegation is not consistent with the OBCA or (ii) with respect to the establishment or determination of the achievement of Performance Criteria and any such purported delegation or action shall not be given effect. The Committee may also appoint or engage a trustee, custodian or administrator to administer or implement the Plan or any aspect of it, subject to the exception of the immediately preceding sentence hereof.

4. SHARES SUBJECT TO THE PLAN

4.1 Aggregate Plan Limits. Subject to adjustment pursuant to Section 10 hereof, the maximum aggregate number of Shares that may be issued in connection with Awards granted under the Plan shall not exceed 4,650,000 Shares.

4.2 Insider Participation Limit. The number of Shares issuable to Insiders under this Plan and all other Company security-based compensation arrangements (as defined in the rules of the TSX) shall not exceed 10% of the issued and outstanding Shares and the number of Shares issued to Insiders within any one year under all Company security-based compensation arrangements shall not exceed 10% of the issued and outstanding Shares.

4.3 Computation of Available Shares. For purposes of computing the total number of Shares available for grant under the Plan, Shares subject to any Award (or any portion thereof) that has expired or is forfeited, surrendered, cancelled or otherwise terminated prior to the issuance of such Shares and Shares subject to an Award (or any portion thereof) that is settled in cash in lieu of settlement in Shares shall again be available for grant under the Plan.

5. TERMS OF AWARDS IN GENERAL

5.1 Eligible Participants. The individuals who are eligible to receive Awards hereunder shall be limited to selected full-time and part-time employees and consultants of the Company and its Subsidiaries (including directors only if they are full-time employees of the Company or its Subsidiaries). Participation of an individual under the Plan shall be voluntary.

5.2 Instrument of Grant. Each Award granted under the Plan shall be evidenced by an instrument of grant, in such form or forms as the Committee shall approve from time to time, which shall set forth such terms and conditions consistent with the terms of the Plan as the Committee may determine. Each instrument of grant shall set forth, at a minimum, the type and Effective Date of the Award evidenced thereby, the number of Shares subject to such Award and the applicable Vesting conditions and may specify such other terms and conditions consistent with the terms of the Plan as the Committee shall determine or as shall be required under any other provision of the Plan. References in the Plan to an instrument of grant shall include any supplements or amendments thereto.

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5.3 **Vesting Conditions.** Subject to the terms of the Plan, the Committee shall determine any and all conditions to the Vesting of all and/or any portion of Awards and shall specify the material terms thereof in the applicable instrument of grant on, or as soon as reasonably practicable following, the Effective Date of the Award. Vesting of an Award, or portion thereof, may be conditioned upon passage of time, continued employment, satisfaction of Performance Criteria, or any combination of the foregoing, as determined by the Committee. The Committee may modify or supplement any Performance Criteria applicable to the Vesting of an outstanding Award to the extent the Committee deems appropriate to reflect any material change after the Effective Date of the Award in the relevant business operations of the Company or applicable business unit or individual Subsidiary or group of Subsidiaries.

5.4 **Discretion of the Committee.** Notwithstanding any other provision hereof or of any applicable instrument of grant, the Committee may (i) accelerate or waive any condition to the Vesting of any Award, all Awards, any class of Awards or Awards held by any group of Participants or (ii) if the Committee has reason to believe that grounds exist to terminate a Participant's employment for Cause, suspend the right of a Participant to exercise any Vested Award or receive payment in settlement of any Vested Award pending resolution of such matter by the Company.

5.5 **Restrictions on Exercise.** The exercise of each Award granted under this Plan shall be subject to the condition that if at any time the Company shall determine in its discretion that the satisfaction of withholding tax or other withholding liabilities, or that the listing, registration or qualification of any shares otherwise deliverable upon such exercise upon any securities exchange or under any law, or the consent or approval of any regulatory body, is necessary or desirable as a condition of, or in connection with, such exercise or the delivery or purchase of shares thereunder, then in any such event such exercise shall not be effective unless such withholding, listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Company.

6. **STOCK OPTIONS**

6.1 **General.** The Committee may from time to time grant one or more Awards of Options to eligible employees and consultants of the Company on such terms and conditions, consistent with the Plan, as the Committee shall determine. The instrument of grant evidencing an Award of Options shall specify the Exercise Price for each Share subject to such Option, the maximum term of such Option and whether Tandem SARs are granted with respect to all or any such Options.

6.2 **Vesting Terms.** Options granted under the Plan shall become Vested at such times, in such installments and subject to such terms and conditions consistent with Section 5.3 hereof (including satisfaction of Performance Criteria and/or continued employment) as may be determined by the Committee and set forth in the applicable instrument of grant.

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6.3 Exercise Price. The Exercise Price for each Share subject to an Option shall not be less than 100% of the Market Value of a Share on the Effective Date of the Award of such Option.

6.4 Exercise of Vested Options. Vested Options may be exercised in accordance with such procedures as may be established by the Committee, including procedures permitting the exercise of Options through a broker-assisted sale and remittance program authorized by the Committee. The Participant must pay or satisfy, in accordance with the terms of this Section 6.4 and Section 14.2 hereof, the full amount of the Exercise Price and withholding amounts with respect to such exercise. The Exercise Price shall be payable on exercise of a Vested Option and may be paid in cash or such other form as and to the extent, if any, permitted by the Committee.

6.5 Option Period. Unless the Committee provides for a shorter option period at or after the Effective Date of an Award of Options and subject to Section 8 hereof, all or any part of the Options covered by an Award shall, to the extent Vested, be exercisable, from time to time, within the period commencing on the date such Option or part thereof becomes Vested and ending on the day prior to the tenth anniversary of the Effective Date of such Award.

7. TANDEM STOCK APPRECIATION RIGHTS

7.1 General. The Committee may from time to time grant one or more Awards of Tandem SARs to eligible employees and consultants of the Company on such terms and conditions, consistent with the Plan, as the Committee shall determine.

7.2 Tandem SARs.

- (a) Tandem SARs may be granted at or after the Effective Date of the related Award of Options, and each Tandem SAR shall be subject to the same terms and conditions and denominated in the same currency as the Option to which it relates and the additional terms and conditions set forth in this Section 7.
- (b) On exercise of a Tandem SAR, the related Option shall be cancelled and the Participant shall be entitled to an amount in settlement of such Tandem SAR calculated and in such form as provided in Section 7.3 below.
- (c) Tandem SARs may be exercised only if and to the extent the Options related thereto are then Vested and exercisable and shall be exercised in accordance with such procedures as may be established by the Committee.
- (d) Unexercised Tandem SARs shall terminate when the related Option is exercised or terminates.

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7.3 Exercise and Settlement. Upon exercise thereof and subject to payment or other satisfaction of all related withholding obligations in accordance with Section 14.2 hereof, Tandem SARs shall be settled by payment in cash, issuance of Shares or any combination thereof, as determined by the Committee, of an aggregate amount equal to:

the product of

(A) the excess of the Market Value of a Share on the date of exercise over the Exercise Price for a Share under the applicable Tandem SAR,

multiplied by

(B) the number of Tandem SARs exercised.

To the extent any portion of Tandem SARs are settled in Shares, such settlement shall be made by issuance of the smallest whole number of Shares having an aggregate Market Value on the date of exercise that is not less than to the amount so settled.

8. CONSEQUENCES OF TERMINATION

8.1 Options/Tandem SARs. Unless otherwise determined by the Committee, outstanding Options and/or Tandem SARs held by a Participant (or the executors or administrators of such Participant's estate, any Person or Persons who acquire the right to exercise Options and/or Tandem SARs directly from the Participant by bequest or inheritance) as of the Participant's Date of Termination shall be subject to the following clauses (a) through (f), as applicable; except that, (x) in all events, the period for exercise of Options and/or Tandem SARs shall end no later than the last day of the maximum term thereof established under Section 6.5 or Section 7.3(c) hereof, as applicable, and (y) unless otherwise determined by the Committee, any outstanding Options and/or Tandem SARs that are subject to Vesting conditions based in whole or part upon the satisfaction of Performance Criteria and that have not become Vested prior to the Participant's Date of Termination shall immediately be cancelled and forfeited and all rights and interests of the holder or beneficiary thereof shall thereupon terminate, in all cases, for no consideration.

(a) In the case of a Participant's Termination due to Retirement, (x) those of the Participant's outstanding Options and/or Tandem SARs that have become Vested prior to the Participant's Date of Termination shall continue to be exercisable for the balance of their term and (y) those of the Participant's outstanding Options and/or Tandem SARs that have not become Vested prior to the Participant's Date of Termination shall be forfeited and cancelled as of such Date of Termination.

(b) In the case of a Participant's Termination due to death, (x) those of the Participant's outstanding Options and/or Tandem SARs that have not become Vested prior to the Participant's Date of Termination shall be forfeited and cancelled as of such Date of Termination and (y) those of the Participant's outstanding Options and/or Tandem SARs that have become Vested prior to the Participant's Date of Termination shall continue to be exercisable during the period ending on the earlier

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of (i) the second anniversary of the Date of Termination and (ii) the end of the option period of the applicable Options and/or Tandem SARs.

- (c) In the case of a Participant's Termination due to the Participant's Termination Without Cause, (x) those of the Participant's outstanding Options and/or Tandem SARs that have not become Vested prior to the Date of Termination shall be forfeited and cancelled as of such Date of Termination and (y) those of the Participant's outstanding Options and/or Tandem SARs that have become Vested prior to the Participant's Date of Termination shall continue to be exercisable during the ninety (90) day period following such Date of Termination.
- (d) In the case of a Participant's Termination due to the Participant's resignation, (x) those of the Participant's outstanding Options and/or Tandem SARs that have not become Vested prior to the Date of Termination shall be forfeited and cancelled as of such Date of Termination and (y) those of the Participant's outstanding Options and/or Tandem SARs that have become Vested prior to the Participant's Date of Termination shall continue to be exercisable during the thirty (30) day period following such Date of Termination.
- (e) In the case of a Participant who is a consultant, notwithstanding any other provision hereof, all Awards granted to such Participant shall terminate in accordance with the terms of the instrument of grant or option agreement between the Corporation and such consultant, as applicable, provided that the termination of any such Award shall occur no later than the earlier of (x) the original expiry date of such Award and (y) the first anniversary of the date of termination of the engagement of the consultant.
- (f) In the case of a Participant's Termination for Cause, notwithstanding any other provision hereof or in any instrument of grant, any and all then outstanding Awards granted to the Participant, whether or not Vested, shall be immediately forfeited and cancelled, without any consideration therefor, as of the commencement of the day that notice of such termination is given.
- (g) Options and/or Tandem SARs that are not exercised prior to the expiration of the exercise period following a Participant's Date of Termination provided for under Section 8.1(a) through 8.1(e) hereof, as applicable, shall automatically expire on the last day of such period.

9. **TRANSFERABILITY**

9.1 **Transfer Restrictions.** Each Award shall not be transferable, other than by will or by the laws of descent and distribution, and shall be exercisable during the Participant's lifetime only by the Participant.

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9.2 Successors and Assignment. The Plan shall enure to the benefit of and be binding upon the Company, its successors and assigns.

10. ALTERATION OF SHARE CAPITAL

10.1 No Corporate Action Restriction. The existence of the Plan and/or the Awards granted hereunder shall not limit, affect or restrict in any way the right or power of the Board of Directors or the shareholders of Linamar to make or authorize (i) any adjustment, recapitalization, reorganization or other change in the capital structure or business of any Company, (ii) any merger, consolidation, amalgamation or change in ownership of any Company, (iii) any issue of bonds, debentures, capital, preference shares or common shares or rights to acquire same, whether ranking in priority to or pari passu with or otherwise affecting the capital stock of any Company or the rights thereof, (iv) any dissolution or liquidation of any Company, (v) any sale or transfer of all or any part of the assets or business of any Company or (vi) any other corporate act or proceeding with respect to any Company. No Participant or any other Person shall have any claim against any member of the Board of Directors or the Committee, or any Company or any employees, officers or agents of any Company as a result of any such action.

10.2 Recapitalization Adjustment.

(a) In the event that (A) a dividend shall be declared upon the Shares or other securities of Linamar payable in Shares or other securities of Linamar, (B) the outstanding Shares shall be changed into or exchanged for a different number or kind of shares or other securities of Linamar or of another corporation or entity, whether through an arrangement, plan of arrangement, amalgamation or other similar statutory procedure or a share recapitalization, subdivision, consolidation or otherwise, (C) there shall be any change, other than those specified in (A) or (B) above, in the number or kind of outstanding Shares or other securities of Linamar or of any shares or other securities into which such Shares or other securities shall have been changed or for which they shall have been exchanged, or (D) there shall be a distribution of assets or shares to shareholders of Linamar out of the ordinary course of business, then, if the Board of Directors shall determine that an adjustment in the number or kind of securities theretofore authorized but not yet covered by Awards, in the number or kind of securities theretofore subject to outstanding Awards, in the Exercise Price applicable under any outstanding Awards, or in the number or kind of securities generally available for Awards or available in any calendar year under the Plan and/or such other adjustment as may be appropriate should be made, such adjustment shall be made and shall be effective and binding for all purposes.

(b) In the case of any such adjustment as provided for in this Section, the Exercise Price shall be adjusted appropriately to reflect such adjustment. No adjustment provided for in this Section shall require Linamar to issue a fractional Share or other security and the total adjustment with respect to each outstanding Award shall be limited accordingly.

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(c) Any adjustment made pursuant to this Section with respect to the terms of an Option shall require a similar modification with respect to the terms of the Tandem SAR to which such Option relates.

10.3 Change in Control. In the event of a Change in Control, the Committee may:

- (a) • irrevocably commute any Option that is still capable of being exercised, upon giving to the Participant to whom such Option has been granted at least 30 days' written notice of its intention to commute the Option, and during such period of notice, the Option, to the extent that it has not been exercised, may, notwithstanding whether such Option is vested or any provisions in this Plan, be exercised by the Participant and on the expiry of such period of notice, the unexercised portion of the Option shall terminate and be cancelled;
- (b) • or substitute for any Options an entitlement to cash or such securities into which Shares are changed or are convertible or exchangeable, on a basis proportionate to the number of Shares under option or some other appropriate basis.

Subsections (a) and (b) of this Section 10.3 are intended to be permissive and may be utilized independently or successively in combination or otherwise, and nothing therein contained shall be construed as limiting or affecting the ability of the Committee to deal with Options in any other manner.

11. **AMENDMENT AND TERMINATION**

11.1 Amendment and Termination. From time to time the Board of Directors may, in addition to its powers under the Plan, without shareholder approval, add to or amend any of the provisions of the Plan or suspend or terminate the Plan or amend the terms of any then outstanding Award granted under the Plan or its related instrument of grant; provided, however, that (i) except as expressly provided in any other provision of the Plan, no such amendment, suspension or termination shall be made at any time to the extent such action would materially adversely affect the existing rights of a Participant with respect to any then outstanding Award without his or her consent in writing and (ii) Linamar shall obtain shareholder approval of any amendment that would:

- (a) require shareholder approval under the requirements of the TSX or any applicable law;
- (b) increase the maximum number of Shares for which Awards may be granted under the Plan;
- (c) reduce the Exercise Price at which Options or Tandem SARs may be granted below the price provided for in Section 6.3 hereof or cancel out-of-the-money Options or other entitlements and reissue such Options or other entitlements to the same Participant;
- (d) extend the term of Options granted under the Plan;
- (e) change the class of persons eligible for grants of Awards under the Plan;
- (f) allow Awards granted under the Plan to be transferable or assignable other than for estate settlement purposes;
- (g) or amend any of the provisions of this Section 11.1.

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12. APPROVAL

12.1 Regulatory Approval. Notwithstanding anything herein to the contrary, Linamar shall not be obligated to cause to be issued any Shares or cause to be issued and delivered any certificates evidencing Shares pursuant to the Plan, unless and until Linamar is advised by its legal counsel that the issuance and delivery of the Shares and such Share certificates is in compliance with all applicable laws, regulations, rules, orders of governmental or regulatory authorities in Canada and any other applicable jurisdiction, and the requirements of the TSX. Linamar shall in no event be obligated to take any action in order to cause the issuance or delivery of Shares or such certificates to comply with any such laws, regulations, rules, orders or requirements. The Committee may require, as a condition of the issuance and delivery of such Shares or certificates and in order to ensure compliance with such laws, regulations, rules, orders and requirements, that the Participant, or, after his or her death, the Participant's estate, make such covenants, agreements and representations as the Committee deems necessary or desirable.

13. RIGHTS UNDER THE PLAN

13.1 No Additional Rights. No Person shall have any claim or right to be granted Awards under the Plan, and the grant of any Awards under the Plan shall not be construed as giving a Participant any right to continue in the employment of the Company or affect the right of the Company to terminate the employment of a Participant. Unless otherwise determined by the Committee, neither any period of notice, if any, nor any payment in lieu thereof, upon Termination shall be considered as extending the period of employment for the purposes of the Plan.

14. MISCELLANEOUS PROVISIONS

14.1 Shareholder Rights. A Participant shall not have the right or be entitled to exercise any voting rights, receive any dividends or have or be entitled to any other rights as a shareholder in respect of Shares subject to an Award unless and until such Shares have been paid for in full and issued to the Participant. A Participant entitled to Shares as a result of the exercise of an Option or Tandem SAR shall not be deemed for any purpose to be, or have any such rights as a shareholder of Linamar by virtue of such exercise or settlement, except to the extent a Share is issued therefor and then only from the date such Share is issued. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such Share is issued, except as expressly provided for in Section 10 hereof.

14.2 Withholding. The Company may withhold from any amount payable to a Participant, either under this Plan or otherwise, such amount as may be necessary so as to ensure that the Company will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or that any other required deductions are paid or otherwise satisfied, including withholding of the amount, if any, includable in the income of a Participant. The Company shall also have the right in its discretion to satisfy any such liability for withholding or other required deduction amounts by retaining or acquiring any Shares, or retaining any amount payable, which would otherwise be issued or delivered, provided or paid to a Participant

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hereunder. The Company may require a Participant, as a condition to exercise of an Option or Tandem SAR, to pay or reimburse the Company for any such withholding or other required deduction amounts related to the exercise of Options or Tandem SARs.

14.3 Governing Law. The Plan, all instruments of grant evidencing Awards granted hereunder and any other agreements or other documents relating to the Plan shall be interpreted and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Committee may provide that any dispute as to any Award shall be presented and determined in such forum as the Committee may specify, including through binding arbitration. Any reference in the Plan, in any instrument of grant evidencing Awards granted hereunder or in any other agreement or document relating to the Plan to a provision of law or to a rule or regulation shall be deemed to include any successor law, rule or regulation of similar effect or applicability.

14.4 Compliance with Laws of Other Jurisdictions. Awards may be granted to Participants who are citizens or residents of a jurisdiction other than Canada on such terms and conditions different from those under the Plan as may be determined by the Committee to be necessary or advisable to achieve the purposes of the Plan while also complying with applicable local laws, customs and tax practices, including any such terms and conditions as may be set forth in any supplement or appendix to the Plan intended to govern the terms of any such Award. In no event shall the eligibility, grant, exercise or settlement of an Award constitute a term of employment, or entitlement with respect to employment, of any employee.

15. EFFECTIVE DATE AND TERM OF PLAN

15.1 Effective Date. The Plan, and any amendments to the Plan, shall become effective upon its or their adoption by the Board of Directors, subject to approval by the shareholders of Linamar.

15.2 Termination. The Plan shall terminate on the date determined by the Board of Directors pursuant to Section 11 hereof and no Awards may become effective under the Plan after the date of termination, but such termination shall not affect any Awards that became effective pursuant to the Plan prior to such termination.

APPENDIX K

RESOLUTION APPROVING

2012 STOCK INCENTIVE PLAN

RESOLVED that:

1. The 2012 stock incentive plan of the Corporation, in the form set out in Appendix J to the Management Information Circular of the Corporation dated March 8th, 2012, is hereby approved.
2. Any one officer or director of the Corporation is authorized to take such steps or execute such documents, whether or not under corporate seal, which are in his or her opinion necessary or advisable in order to give effect to this resolution.

APPENDIX L

LINAMAR CORPORATION

REVISED CORPORATE BY-LAW

BY-LAW NO. 7

A by-law relating generally to the transaction of the business and affairs of LINAMAR CORPORATION

Contents

One	-	Interpretation
Two	-	Business of the Corporation
Three	-	Borrowing and Security
Four	-	Directors
Five	-	Committees
Six	-	Officers
Seven	-	Protection of Directors, Officers and Others
Eight	-	Shares
Nine	-	Dividends and Rights
Ten	-	Meetings of Shareholders
Eleven	-	Notices
Twelve	-	Effective Date and Repeal

BE IT ENACTED as a by-law of the Corporation as follows:

SECTION ONE

INTERPRETATION

1.01 Definitions. - In the by-laws of the Corporation, unless the context otherwise requires:

“**Act**” means the Business Corporations Act (Ontario), or any statute that may be substituted therefor, as from time to time amended;

“**appoint**” includes “**elect**” and vice versa;

“**articles**” means the articles on which is endorsed the certificate of amalgamation of the Corporation as from time to time amended or restated;

“**board**” means the board of directors of the Corporation and “**director**” means a member of the board;

“**by-laws**” means this by-law and all other by-laws of the Corporation from time to time in force and effect;

“**Corporation**” means the corporation amalgamated under the Act by the said certificate endorsed on the articles and named “**Linamar Corporation**”;

“**meeting of shareholders**” includes an annual meeting of shareholders and a special meeting of shareholders; and “**special meeting of shareholders**” includes a meeting of any class or classes of shareholders and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders;

“**recorded address**” has the meaning set forth in section 11.08; and

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“Securities Transfer Act” means the Securities Transfer Act, 2006 (Ontario), or any statute that may be substituted therefor, as from time to time amended.

Save as aforesaid, words and expressions defined in the Act, including “resident Canadian”, have the same meanings when used herein. Words importing the singular number include the plural and vice versa; and words importing a person include an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his capacity as trustee, executor, administrator, or other legal representative.

- 1.02 **Conflict with Laws.** - In the event of any inconsistency between the by-laws and mandatory provisions of the Act or the Securities Transfer Act, the provisions of the Act or the Securities Transfer Act, as applicable, shall prevail.

SECTION TWO

BUSINESS OF THE CORPORATION

- 2.01 **Registered Office.** - The registered office of the Corporation shall be in the municipality or geographic township within Ontario initially specified in its articles and thereafter as the shareholders may from time to time determine by special resolution and at such location therein as the board may from time to time determine.
- 2.02 **Corporate Seal.** - The Corporation may, but need not have, a corporate seal and if one is adopted it shall be in a form approved from time to time by the board.
- 2.03 **Financial Year.** - Until changed by the board, the financial year of the Corporation shall end on the last day of December in each year.
- 2.04 **Execution of Instruments.** - Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by two persons, one of whom holds the office of chair of the board, chief executive officer, president, chief operating officer, chief financial officer, vice-president (or any variation of such title with words indicating seniority or function) or is a director and the other of whom is a director or holds one of the said offices or the office of secretary, treasurer, assistant secretary, assistant treasurer, a group president or any other office created by by-law or by the board. In addition, the board or the said two persons may from time to time authorize and direct the manner in which and the person or persons by whom any instrument or instruments may or shall be signed. Any signing officer may affix the corporate seal to any instrument requiring the same.

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- 2.05 Banking Arrangements. - The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time prescribe.
- 2.06 Voting Rights in Other Bodies Corporate. - The signing officers of the Corporation under Section 2.04 may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments shall be in favour of such persons as may be determined by the officers executing or arranging for the same. In addition, the board may from time to time direct the manner in which and the persons by whom any particular voting rights or class of voting rights may or shall be exercised.
- 2.07 Divisions. - The board may cause the business and operations of the Corporation or any part thereof to be divided into one or more divisions upon such basis, including without limitation types of business or operations, geographical territories, product lines or goods or services, as may be considered appropriate in each case. In connection with any such division the board or, subject to any direction by the board, the chief executive officer may authorize from time to time, upon such basis as may be considered appropriate in each case:
- (a) Subdivision and Consolidation - the further division of the business and operations of any such division into sub-units and the consolidation of the business and operations of any such divisions and sub-units;
- (b) Name - the designation of any such division or sub-unit by, and the carrying on of the business and operations of any such division or sub-unit under, a name other than the name of the Corporation; provided that the Corporation shall set out its name in legible characters in all places required by law; and
- (c) Officers - the appointment of officers for any such division or sub-unit, the determination of their powers and duties, and the removal of any of such officers so appointed, provided that any such officers shall not, as such, be officers of the Corporation.

SECTION THREE

BORROWING AND SECURITY

- 3.01 Borrowing Power. - Without limiting the borrowing powers of the Corporation as set forth in the Act, but subject to the articles, the board may from time to time on behalf of the Corporation, without authorization

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REVISED CORPORATE BY-LAW

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of the shareholders:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge bonds, debentures, notes or other evidences of indebtedness or guarantee of the Corporation, whether secured or unsecured;
- (c) give a guarantee on behalf of the Corporation to secure performance of any obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable, property of the Corporation including book debts, rights, powers, franchises and undertakings, to secure any such bonds, debentures, notes or other evidences of indebtedness or guarantee or any other present or future indebtedness, liability or obligation of the Corporation.

Nothing in this section limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

3.02 Delegation. - Unless the articles of the Corporation otherwise provide, the board may from time to time delegate to a director, a committee of the board, or an officer of the Corporation any or all of the powers conferred on the board by Section 3.01 to such extent and in such manner as the board may determine at the time of such delegation.

SECTION FOUR

DIRECTORS

4.01 Number of Directors. - Until changed in accordance with the Act, the board shall consist of not fewer than the minimum number and not more than the maximum number of directors provided in the articles.

4.02 Qualification. - No person shall be qualified for election as a director if such person is less than 18 years of age, has been found under the Substitute Decisions Act (Ontario) or under the Mental Health Act (Ontario) to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere, is not an individual, or has the status of a bankrupt. A director need not be a shareholder. No election of a person as a director shall be effective unless the person consents in writing on or within ten days after the date of the election. Subject to the Act, at least 25 per cent of the directors shall be resident Canadians, or if there are fewer than four directors, at least one director shall be a resident Canadian. At least one-third of the directors shall not be officers or employees of the Corporation or any of its affiliates.

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- 4.03 Election and Term. - Each director named in the articles shall hold office from the date of incorporation until the first meeting of shareholders. The election of directors shall take place at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. Subject to the Act, the number of directors to be elected at any such meeting shall be the number of directors determined from time to time by special resolution or, if the special resolution empowers the directors to determine the number, by resolution of the board. Where the shareholders adopt an amendment to the articles to increase the number or maximum number of directors, the shareholders may, at the meeting at which they adopt the amendment, elect the additional number of directors authorized by the amendment to take office from the effective date of the endorsement of the articles of amendment with respect thereto. The election shall be by resolution. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.
- 4.04 Removal of Directors. - Subject to the Act, the shareholders may by ordinary resolution passed at an annual or special meeting of shareholders remove any director from office and the vacancy created by such removal may be filled by the election of any qualified individual at the same meeting, failing which it may be filled by the board.
- 4.05 Vacation of Office. - A director ceases to hold office on death, on removal from office by the shareholders, on ceasing to be qualified for election as a director, on receipt of a written resignation by the Corporation, or, if a time is specified in such resignation, at the time so specified, whichever is later.
- 4.06 Vacancies. - Subject to the Act, a quorum of the board may appoint a qualified individual to fill a vacancy in the board.
- 4.07 Action by the Board. - The board shall manage or supervise the management of the business and affairs of the Corporation. The powers of the board may be exercised at a meeting (subject to section 0) at which a quorum is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board. Where there is a vacancy in the board, the remaining directors may exercise all the powers of the board so long as a quorum remains in office.
- 4.08 Meeting by Telephone. - If all the directors of the Corporation consent thereto generally or if all the directors of the Corporation present at or participating in the meeting consent, a director may participate in a meeting of the board or of a committee of the board by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other, simultaneously and instantaneously, and a director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board and of committees of the board.

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- 4.09 **Place of Meetings.** - Meetings of the board may be held at any place within or outside Ontario and in any financial year of the Corporation a majority of the meetings need not be held in Canada.
- 4.10 **Calling of Meetings.** - Meetings of the board shall be held from time to time at such time and at such place as the board, the chair of the board, the chief executive officer, the president or any two directors may determine.
- 4.11 **Notice of Meeting.** - Notice of the time and place of each meeting of the board shall be given in the manner provided in Section Eleven to each director not less than 48 hours before the time when the meeting is to be held. No notice of a meeting shall be necessary if all the directors in office are present or if those absent waive notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business or the general nature thereof to be specified.
- 4.12 **First Meeting of New Board.** - Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting immediately following the meeting of shareholders at which such board is elected.
- 4.13 **Adjourned Meeting.** - Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.
- 4.14 **Regular Meetings.** - The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.
- 4.15 **Chair.** - The chair of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: chair of the board, chief executive officer or president. If no such officer is present, the directors present shall choose one of their number to be chair.
- 4.16 **Quorum.** - Subject to Section 4.18, the quorum for the transaction of business at any meeting of the board shall be a majority of the number of directors or minimum number of directors, as the case may be, or such greater number of directors as the board may from time to time determine. If the Corporation has fewer than three directors, all the directors shall be present to constitute a quorum.

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4.17 Votes to Govern. - At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chair of the meeting shall not be entitled to a second or casting vote.

4.18 Conflict of Interest. - A director who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose to the Corporation the nature and extent of that interest at the time and in the manner provided by the Act. Such a director shall not attend any part of a meeting of directors during which the contract or transaction is discussed and shall not vote on any resolution to approve the same except as provided by the Act. If no quorum exists for the purpose of voting on such a resolution only because a director is not permitted to be present at the meeting, the remaining directors shall be deemed to constitute a quorum for the purposes of voting on the resolution. Where all of the directors are required to make a disclosure under this section, the contract or transaction may only be approved by the shareholders.

4.19 Remuneration and Expenses. - The directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

SECTION FIVE

COMMITTEES

5.1 Committees of the Board. - The board may appoint from their number one or more committees of the board, however designated, and delegate to any such committee any of the powers of the board except those which pertain to items which, under the Act, a committee of the board has no authority to exercise.

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

5.3 Audit Committee. - The board shall select annually from among their number an audit committee to be composed of not fewer than three directors of whom a majority shall not be officers or employees of the Corporation or any of its affiliates. The audit committee shall have the powers and duties provided in the Act.

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5.4 Advisory Bodies. - The board may from time to time appoint such advisory bodies as it may deem advisable.

5.5 Procedure. - Unless otherwise determined by the board, each committee and advisory body shall have power to fix its quorum at not less than a majority of its members, to elect its chair and to regulate its procedure.

SECTION SIX

OFFICERS

6.1 Appointment. - The board may from time to time appoint a president, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. One person may hold more than one office. The board may specify the duties of and, in accordance with this by-law and subject to the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to Sections 6.02 and 6.03, an officer may but need not be a director.

6.2 Chair of the Board. - The board may from time to time also appoint a chair of the board who shall be a director. If appointed, the board may assign to the Chair any of the powers and duties that are by any provisions of this by-law assigned to the chief executive officer or to the president. The Chair shall have such other powers and duties as the board may specify.

6.3 Chief Executive Officer. - The chief executive officer shall be the chief executive officer and, subject to the authority of the board, shall have general supervision of the business and affairs of the Corporation and such other powers and duties as the board may specify. During the absence or disability of the president, or if no president has been appointed, the chief executive officer shall also have the powers and duties of that office.

6.4 President. - The president shall be the chief operating officer and, subject to the authority of the board and the chief executive officer, shall have general supervision of the operations of the Corporation and such other powers and duties as the board may specify. During the absence or disability of the chief executive officer, or if no chief executive officer has been appointed, the president shall also have the powers and duties of that office.

6.5 Secretary. - Unless otherwise determined by the board, the secretary shall be the secretary of all meetings of the board, shareholders and committees of the board that he attends. The secretary shall enter or cause to be entered in records kept for that purpose minutes of all proceedings at meetings of the board, shareholders and committees of the board, whether or not in attendance at such meetings. The secretary shall give or cause to be given, as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees of the board. The secretary shall be the custodian of the stamp or mechanical

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device generally used for affixing the corporate seal of the Corporation and of all books, records and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose, and have such other powers and duties as otherwise may be specified.

6.06 Chief Financial Officer. - The chief financial officer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation. The chief financial officer shall render to the board whenever required an account of all transactions as treasurer and of the financial position of the Corporation and shall have such other powers and duties as otherwise may be specified.

6.07 Powers and Duties of Officers. - The powers and duties of all officers shall be such as the terms of their engagement call for or as the board or (except for those whose powers and duties are to be specified only by the board) the chief executive officer may specify. The board and (except as aforesaid) the chief executive officer may, from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the chief executive officer otherwise directs.

6.08 Term of Office. - The board, in its discretion, may remove any officer of the Corporation. Otherwise each officer appointed by the board shall hold office until his successor is appointed or until the officer resigns.

6.09 Agents and Attorneys. - The Corporation, by or under the authority of the board, shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including the power to sub-delegate) of management, administration or otherwise as may be thought fit.

6.10 Conflict of Interest. - An officer shall disclose any interest in a material contract or transaction or proposed material contract or transaction with the Corporation in accordance with Section 4.18.

SECTION SEVEN

PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

7.1 Limitation of Liability. - All directors and officers of the Corporation in exercising their powers and discharging their duties to the Corporation shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer shall be liable for the acts, omissions, failures, neglects or defaults of any other director, officer or employee, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security

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in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on the part of such director or officer, or for any other loss, damage or misfortune which shall happen in the execution of the duties of office or in relation thereto; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

7.02 Indemnity.

(1) Subject to the Act and to Section 7.02(2), the Corporation shall:

- (a) indemnify any individual who is or was a director or officer of the Corporation and any individual who acts or acted at the Corporation's request as a director or officer (or any individual acting in a similar capacity) of another entity, against all costs, charges and expenses, including, without limitation, an amount paid to settle an action or satisfy a judgment, reasonably incurred by any such individual in respect of any civil, criminal, administrative, investigative or other proceeding in which such individual is involved because of that association with the Corporation or other entity; and
- (b) advance moneys to a director, officer or other individual for the costs, charges, and expenses of a proceeding referred to in Section 7.02(1)(a). The individual shall repay the moneys if such individual does not fulfil the conditions of section 7.02(2).

(2) The Corporation shall not indemnify an individual under Section 7.02(1) unless such individual:

- (a) acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which such individual acted as a director or officer (or in a similar capacity) at the Corporation's request; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that such individual's conduct was lawful.

(3) The Corporation shall also indemnify any individuals referred to in Section 7.02(1)(a) in such other circumstances as the Act or law permits or requires. Nothing in this by-law shall limit the right of any individual entitled to indemnity to claim indemnity apart from the provisions of this by-law.

7.03 Insurance. - Subject to the Act, the Corporation may purchase and maintain such insurance for the benefit of any individual referred to in Section 7.02 hereof as the board may from time to time determine.

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SECTION EIGHT

SHARES

8.01 Allotment of Shares. - Subject to the Act and the articles, the board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the board shall determine, provided that no share shall be issued until it is fully paid as provided by the Act. Shares may be issued as uncertificated securities or be represented by share certificates in accordance with the provisions of the Act and the Securities Transfer Act.

8.02 Commissions. - The board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of such person purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

8.03 Register of Transfers. - The Corporation shall cause to be kept a register of transfers in which all transfers of shares of the Corporation in registered form (as defined in the Securities Transfer Act) and the date and other particulars of each transfer shall be set out.

8.04 Registration of Transfers. - All transfers of securities of the Corporation shall be made in accordance with the Act and the Securities Transfer Act. Subject to the provisions of the Act and the Securities Transfer Act, no transfer of securities represented by a security certificate shall be registered in a securities register except (a) on presentation of the certificate representing such securities with an endorsement which complies with the Act and the Securities Transfer Act made thereon or delivered therewith duly executed by an appropriate person as provided by the Act and the Securities Transfer Act, together with such reasonable assurance that the endorsement is genuine and effective as the board may from time to time require, (b) on payment of all applicable taxes and any reasonable fees required by the board and (c) on compliance with the restrictions on issue, transfer or ownership authorized by the articles.

8.05 Non-recognition of Trusts. - Subject to the Act and the Securities Transfer Act, the Corporation may treat the registered holder of any share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payment in respect of the share, and otherwise to exercise all the rights and powers of an owner of the share, irrespective of any indication to the contrary through knowledge or notice or description in the Corporation's records or on the security certificate.

8.06 Share Certificates. -

(1) Subject to Section 8.06(2), every holder of one or more shares of the Corporation that are certificated shall be entitled, at the holder's option, to a share certificate, or to a non-transferable written certificate of acknowledgement of such right to obtain a share certificate, stating the number and class or series of shares

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held by such holder as shown on the securities register. Such certificates shall be in such form as the board may from time to time approve. Any such certificate shall be signed in accordance with Section 2.04 and need not be under the corporate seal. Notwithstanding the foregoing, unless the board otherwise determines, certificates in respect of which a registrar, transfer agent, branch transfer agent or issuing or other authenticating agent has been appointed shall not be valid unless countersigned by or on behalf of such registrar, transfer agent, branch transfer agent or issuing or other authenticating agent. The signature of one of the signing officers under section 0 (or, in the case of a certificate which is not valid unless countersigned by or on behalf of a registrar, transfer agent, branch transfer agent or issuing or other authenticating agent, the signatures of both signing officers under section 2.04) may be printed or otherwise mechanically reproduced thereon. Every such printed or mechanically reproduced signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose printed or mechanically reproduced signature appears thereon no longer holds office at the date of issue of the certificate.

- (2) Unless otherwise provided in the articles, the board may provide by resolution that any or all classes and series of shares of the Corporation shall be uncertificated shares, provided that such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation.

8.07 Uncertificated Securities. - Holders of uncertificated securities of the Corporation shall be entitled to receive written notice or other documentation evidencing their ownership interest, as provided by the Act.

8.08 Replacement of Share Certificates. - The board or any officer or agent designated by the board may direct the issue of a new share or other such certificate in lieu of and upon cancellation of a certificate that has been mutilated or in substitution for a certificate claimed to have been lost, apparently destroyed or wrongfully taken on payment of such reasonable fee and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

8.09 Joint Shareholders. - If two or more persons are registered as joint holders of any share, the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.

8.10 Deceased Shareholders. - In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make any dividend or other payments in respect thereof except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

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8.11 Transfer Agents and Registrars. - The Corporation may from time to time, in respect of each class of securities issued by it, appoint a trustee, transfer or other agent to keep the securities register and the register of transfers and a registrar, trustee or agent to maintain a record of issued security certificates and may appoint one or more persons or agents to keep branch registers, and, subject to the Act, one person may be appointed to keep the securities register, register of transfers and the records of issued security certificates. Such appointment may be terminated at any time by the board.

SECTION NINE

DIVIDENDS AND RIGHTS

9.01 Dividends. - Subject to the Act and the articles, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation. Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

9.02 Dividend Cheques. - A dividend payable in money shall be paid by cheque to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at the holder's recorded address, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold. In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

9.03 Record Date for Dividends and Rights. - The board may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of the right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities, and notice of any such record date shall be given not less than 7 days before such record date in the manner provided by the Act. If no record date is so fixed, the record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for securities of the Corporation shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the board.

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SECTION TEN

MEETINGS OF SHAREHOLDERS

- 10.01 Annual Meetings. - The annual meeting of shareholders shall be held at such time in each year and, subject to Section 10.03, at such place as the board, the chair of the board, the chief executive officer or the president may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.
- 10.02 Special Meetings. - The board, the chair of the board, the chief executive officer or the president shall have power to call a special meeting of shareholders at any time.
- 10.03 Meetings by Electronic Means. - A meeting of the shareholders may be held by telephonic or electronic means and a shareholder who, through those means, votes at the meeting or establishes a communications link to the meeting shall be deemed for the purposes of the Act to be present at the meeting.
- 10.04 Place of Meetings. - Subject to the articles meetings of shareholders of the Corporation shall be held at such place in or outside Ontario as the directors determine or, in the absence of such a determination, at the place where the registered office of the Corporation is located. A meeting held under Section 10.03 shall be deemed to be held at the place where the registered office of the Corporation is located.
- 10.05 Notice of Meetings. - Notice of the time and place of each meeting of shareholders shall be given in the manner provided in Section Eleven not less than 21 nor more than 50 days before the date of the meeting to each director, to the auditor, and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the minutes of an earlier meeting, financial statements and auditor's report, election of directors and reappointment of the incumbent auditor shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution or by-law to be submitted to the meeting.
- 10.06 List of Shareholders Entitled to Notice. - For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder entitled to vote at the meeting. If a record date for the meeting is fixed pursuant to Section 10.07, the shareholders listed shall be those registered at the close of business on such record date. If no record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given or, where no such notice is given, on the day on which the meeting is held. The list shall

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be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the central securities register is maintained and at the meeting for which the list was prepared. Where a separate list of shareholders has not been prepared, the names of persons appearing in the securities register at the requisite time as the holder of one or more shares carrying the right to vote at such meeting shall be deemed to be a list of shareholders.

10.07 Record Date for Notice. - The board may fix in advance a date, preceding the date of any meeting of shareholders by not more than 60 days and not less than 30 days, as a record date for the determination of the shareholders entitled to notice of the meeting, and notice of any such record date shall be given not less than seven days before such record date, by newspaper advertisement in the manner provided in the Act and by written notice to each stock exchange in Canada on which the shares of the Corporation are listed for trading. If no such record date is so fixed, the record date for the determination of the shareholders entitled to receive notice of the meeting shall be at the close of business on the day immediately preceding the day on which the notice is given or, if no notice is given, shall be the day on which the meeting is held.

10.08 Meetings Without Notice. - A meeting of shareholders may be held without notice at any time and place permitted by the Act (a) if all the shareholders entitled to vote thereat are present in person or duly represented or if those not present or represented waive notice of or otherwise consent to such meeting being held, and (b) if the auditors and the directors are present or waive notice of or otherwise consent to such meeting being held; so long as such shareholders, auditors or directors present are not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. At such a meeting any business may be transacted which the Corporation at a meeting of shareholders may transact.

10.09 Chair, Secretary and Scrutineers. - The chair of any meeting of shareholders shall be the first mentioned of such of the following officers as have been appointed and who is present at the meeting: chair of the board, chief executive officer, president, or a vice-president who is a shareholder. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chair. If the secretary of the Corporation is absent, the chair shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chair with the consent of the meeting.

10.10 Persons Entitled to be Present. - The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditor of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.

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10.11 Quorum. - A quorum for the transaction of business at any meeting of shareholders shall be two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a shareholder so entitled, irrespective of the number of shares held by such persons, and together holding or representing shares of the Corporation having not less than 25% of the outstanding votes entitled to be cast at the meeting of shareholders. If a quorum is present at the opening of any meeting of shareholders, the shareholder or shareholders present or represented may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the time appointed for the meeting or within a reasonable time thereafter as the shareholders may determine, the shareholders present or represented may adjourn the meeting to a fixed time and place but may not transact any other business.

10.12 Right to Vote. - Every person named in the list referred to in Section 10.06 shall be entitled to vote the shares shown thereon opposite such person's name at the meeting to which such list relates.

10.13 Proxyholders and Representatives. - Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, as nominee of such shareholder to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy must be signed in writing or by electronic signature by the shareholder or an attorney who is authorized by a document that is signed in writing or by electronic signature or, if the shareholder is a body corporate, by an officer or attorney of the body corporate duly authorized and shall conform with the requirements of the Act. Alternatively, every such shareholder which is a body corporate or association may authorize by resolution of its directors or governing body an individual to represent it at a meeting of shareholders of the Corporation and such individual may exercise on the shareholder's behalf all the powers it could exercise if it were an individual shareholder. The authority of such an individual shall be established by depositing with the Corporation a certified copy of such resolution, or in such other manner as may be satisfactory to the secretary of the Corporation or the chair of the meeting. Any such proxyholder or representative need not be a shareholder. A proxy ceases to be valid one year from its date.

10.14 Time for Deposit of Proxies. - The board may fix a time not exceeding 48 hours, excluding Saturdays and holidays, preceding any meeting or adjourned meeting of shareholders before which time proxies to be used at the meeting must be deposited with the Corporation or an agent thereof, and any period of time so fixed shall be specified in the notice calling the meeting. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or if, no such time having been specified in such notice, it has been received by the secretary of the Corporation or by the chair of the meeting or any adjournment thereof prior to the time of voting.

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- 10.15 Joint Shareholders. - If two or more persons hold shares jointly, any one of them present in person or duly represented at a meeting of shareholders may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented and vote, they shall vote as one the shares jointly held by them.
- 10.16 Votes to Govern. - At any meeting of shareholders every question shall, unless otherwise required by the articles or by-laws or by law, be determined by a majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chair of the meeting shall not be entitled to a second or casting vote.
- 10.17 Show of Hands. - Subject to the Act, any question at a meeting of shareholders shall be decided by a show of hands, unless a ballot thereon is required or demanded as hereinafter provided, and upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chair of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.
- 10.18 Ballots. - On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, the chair may require a ballot or any person who is present and entitled to vote on such question at the meeting may demand a ballot. A ballot so required or demanded shall be taken in such manner as the chair shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which such person is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.
- 10.19 Adjournment. - The chair at a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place. If a meeting of shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. Subject to the Act, if a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

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SECTION ELEVEN

NOTICES

- 11.01 Method of Giving Notices. - Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given if delivered personally to the person to whom it is to be given, if mailed to such person at the person's recorded address by prepaid mail, or if transmitted by telephone facsimile or other electronic means in accordance with the Electronic Commerce Act (Ontario). A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication or other electronic means shall be deemed to have been given when dispatched or transmitted. A notice so delivered shall be deemed to have been received when it is delivered personally; a notice so mailed shall be deemed to have been received on the fifth day after it is deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication or other electronic means shall be deemed to have been received on the day it is dispatched or transmitted. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by the secretary to be reliable.
- 11.02 Notice to Joint Shareholders. - If two or more persons are registered as joint holders of any share, any notice may be addressed to all such joint holders, but notice addressed to one of such persons shall be sufficient notice to all of them.
- 11.03 Computation of Time. - In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the day of giving the notice shall be excluded and the day of the meeting or other event shall be excluded.
- 11.04 Undelivered Notices. - If any notice given to a shareholder pursuant to Section 11.01 is returned on three consecutive occasions because the shareholder cannot be found, the Corporation shall not be required to give any further notices to such shareholder until informed in writing by the shareholder of a new address.
- 11.05 Omissions and Errors. - The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

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- 11.06 Persons Entitled by Death or Operation of Law. - Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom such person derives title to such share prior to the name and address of such person being entered on the securities register (whether such notice was given before or after the happening of the event upon which such person became so entitled) and prior to such person furnishing to the Corporation the proof of authority or evidence of entitlement prescribed by the Act.
- 11.07 Waiver of Notice. - Any shareholder, proxyholder or other person entitled to attend a meeting of shareholders, director, officer, auditor or member of a committee of the board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him under the Act, the regulations thereunder, the articles, the by-laws or otherwise, and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing and may be sent by electronic means in accordance with the Electronic Commerce Act (Ontario), except a waiver of notice of a meeting of shareholders or of the board or a committee of the board which may be given in any manner.
- 11.08 Interpretation. - In this by-law, "recorded address" means in the case of a shareholder the address as recorded in the securities register; and in the case of joint shareholders the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; in the case of an officer, auditor or member of a committee of the board, the latest address as recorded in the records of the Corporation; and in the case of a director, the latest address as shown in the records of the corporation or in the most recent notice filed under the Corporations Information Act (Ontario), whichever is the more current.

SECTION TWELVE

EFFECTIVE DATE AND REPEAL

- 12.01 Effective Date. - This by-law shall come into force when made by the board in accordance with the Act.
- 12.02 Repeal. - All previous by-laws of the Corporation are repealed as of the coming into force of this by-law. Such repeal shall not affect the previous operation of any by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made pursuant to, or the validity of any articles (as defined in the Act) or predecessor charter documents of the Corporation obtained pursuant to, any such by-law prior to its repeal. All officers and persons acting under any by-law so repealed shall continue to act as if appointed under the provisions of this by-law and all resolutions of the shareholders or the board or a committee of the board with

APPENDIX L
LINAMAR CORPORATION
REVISED CORPORATE BY-LAW
CONTINUED...

continuing effect passed under any repealed by-law shall continue to be good and valid except to the extent inconsistent with this by-law and until amended or repealed.

The foregoing by-law was made by the directors of the Corporation on the 6th day of March, 2012, and was confirmed without variation by the shareholders of the Corporation on the 15th day of May, 2012.

APPENDIX M

RESOLUTION APPROVING REVISED CORPORATE BY-LAW

Resolution Approving New By-Law and Repeal of Prior By-Laws

RESOLVED that:

1. By-Law No. 6 of the Corporation is repealed, provided that such repeal shall not affect the operation of such by-law prior to such repeal or affect the validity of any act done, or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made pursuant to, or the validity of any articles (as defined in the Business Corporations Act (Ontario)) or predecessor charter documents of the Corporation obtained pursuant to, such by-law prior to its repeal.
2. By-Law No. 7 of the Corporation, the full text of which is attached as Appendix L to the Management Information Circular of the Corporation dated March 8th, 2012, being a by-law relating generally to the transaction of the business and affairs of the Corporation, is confirmed as made by the board of directors of the Corporation.
3. Each of the directors and officers of the Corporation is hereby authorized and directed to do all things and execute all documents necessary or desirable to give effect to the foregoing.

APPENDIX N

Stepping Stool 2011 Management Payout & Percentage Results

Stepping Stool of Success								
Customer Leg			Employee Leg			Financial Leg		
YTD Customer Delivery	Defects per Unit	Cargo Claims	5S Visual Facility			Improvement in Cost of Poor Quality		
Formal Rejects	Launch PPAR Performance	On Time Delivery	Casual Absenteeism			Lean and Safety Suggestions		
Launch PPAR Performance	On Time Delivery	On Time Pick-Up	Reviews on Time			Non-Cash Working Capital Improvements		
VA-VE Suggestions Implemented at the Customer	Service Bulletins		Total Employee Turnover			Operating Earnings as a % of Sales		
	Warranty		Total Injury Frequency			Return on Net Investment		

Stepping Stool 2011 Management Payout & Percentage Results

		Pay Period	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Total
		Performance Assessment Period	Q4 2010	Q1 2011	Q2 2011	Q3 2011	
Frank Hasenfratz	Customer		2%	2%	2%	2%	2%
	Employee		5%	5%	4%	5%	5%
	Financial		1%	0%	1%	0%	0%
	Total		8%	7%	7%	7%	7%
	Payout		\$6,370.00	\$7,328.59	\$18,327.72	\$6,372.69	\$38,399.00
Linda Hasenfratz	Customer		2%	2%	2%	2%	2%
	Employee		5%	5%	4%	5%	5%
	Financial		1%	0%	1%	0%	0%
	Total		8%	7%	7%	7%	7%
	Payout		\$9,877.27	\$9,732.71	\$19,727.43	\$8,463.23	\$47,800.64
Jim Jarrell	Customer		2%	2%	2%	2%	2%
	Employee		5%	5%	4%	5%	5%
	Financial		1%	0%	1%	0%	0%
	Total		8%	7%	7%	7%	7%
	Payout		\$7,494.17	\$7,397.59	\$15,313.57	\$6,432.69	\$36,638.02
Dale Schneider	Customer		2%	2%	2%	2%	2%
	Employee		5%	5%	4%	5%	5%
	Financial		1%	0%	1%	0%	0%
	Total		8%	7%	7%	7%	7%
	Payout		\$3,560.03	\$3,519.00	\$4,129.07	\$3,060.00	\$14,268.10
Ken McDougall	Customer		0%	3%	0%	0%	1%
	Employee		4%	4%	5%	5%	5%
	Financial		1%	1%	1%	2%	1%
	Total		5%	8%	6%	7%	6%
	Payout		\$4,523.08	\$4,538.07	\$5,659.22	\$3,946.15	\$18,666.52

Stepping Stool is calculated based on the score in each leg of the Stepping Stool (customer, employee, financial satisfaction). If all three legs were green eligible employees will get 15% of their gross earnings.

