ANNUAL INFORMATION FORM

Linamar Corporation
For the Year Ended December 31, 2017

March 26, 2017

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1. Corporate Structure

1.1 Name and Incorporation

Linamar Corporation ("**Linamar**" or the "**Company**") was incorporated pursuant to the *Business Corporations Act* (Ontario) on August 17, 1966. Linamar has subdivided its outstanding common shares several times since incorporation, most recently by Articles of Amendment dated May 1, 1998 when it subdivided each of its issued and outstanding common shares into three issued and outstanding common shares. Linamar has also undertaken a number of amalgamations with one or more of its wholly-owned subsidiaries since incorporation. The Company's registered and head office is located at 287 Speedvale Avenue West, Guelph, Ontario, N1H 1C5.

Unless the context requires otherwise, the terms "Linamar" and "Company" used herein refer to Linamar Corporation and its subsidiaries.

1.2 Intercorporate Relationships

The following is a list of the principal subsidiaries of the Company as of December 31, 2017 and their respective jurisdictions of incorporation. The percentages of voting securities owned by the Company, or over which the Company exercises control or direction, are indicated.

Subsidiary	Jurisdiction of Incorporation	Ownership Percentage
Linergy Manufacturing Inc.	Ontario	100
Linamar Holdings Inc.	Ontario	100
Skyjack Inc. ("**Skyjack**")	Ontario	100
Linamar Holding Nevada Inc.	US	100
Linamar Holdings de Mexico	Mexico	100
Linamar Antriebstechnik GmbH	Germany	100
Linamar Forging Holding GmbH	Germany	100
Linamar (Barbados) Holdings Inc.	Barbados	100
Montupet S.A.	France	100

2. General Development of the Business

2.1 Overview

Linamar is a diversified global manufacturing company of highly engineered products powering vehicles, motion, work and lives. The Company is made up of 2 operating segments – the Powertrain/Driveline segment and the Industrial segment, which are further divided into 5 operating groups – Machining & Assembly, Light Metal Casting, Forging, Skyjack and Agriculture, all world leaders in the design, development and production of highly engineered products. The Company's Machining & Assembly, Light Metal Casting and Forging operating groups focus on precision metallic components, modules and systems for engine, transmission, driveline and body systems designed for global vehicle and industrial markets. The Company's Skyjack and Agriculture operating groups are noted for their innovative, high-quality mobile industrial equipment, notably its class-leading aerial work platforms, telehandlers and agricultural equipment.

With more than 25,900 employees in 59 manufacturing locations, 6 R&D centers and 21 sales offices in 17 countries in North and South America, Europe and Asia, Linamar generated sales of $6.5 billion in 2017. For more information about Linamar and its industry leading products and services, visit www.linamar.com or follow us on Twitter at @LinamarCorp.

For 2017, the Company's four largest customers (Ford, GM, Volkswagen and Fiat Chrysler) accounted for 49.7% of consolidated revenue.

The Company has grouped facilities mainly in five key operating groups; Machining & Assembly, Light Metal Casting, Forging and Skyjack and Agriculture. Each group has a Group President, Director of Finance, Director of Human Resources and a Vice President of Sales. Linamar believes this organizational structure will fully support the expected future growth of the Company.

The reportable operating segments are the Powertrain/Driveline and Industrial Segments. Please refer to Section 3 of this Annual Information Form for a more detailed description of these operating and geographic segments.

2.2 Facilities Expansions and New Programs

Powertrain/Driveline Segment

Through its precision machining businesses, Linamar principally engages in machining and assembly for the automotive industry and other global vehicle markets, on and off highway, which generally involves long-run processes for long-term contracts. Linamar has continued to add manufacturing space for its precision machining business over the past several years in order to facilitate the launch of new programs. Linamar continues to develop its manufacturing processes to include multiple component assemblies, and develop its product design capabilities as well.

The Company broke ground in late 2017 and will commence construction of its fifth plant in China in the first half of 2018, through its Montupet subsidiary: an aluminium casting facility.

In India the auto market is really just starting to build to more meaningful levels which is creating opportunities in a variety of areas as our customers look for suppliers to help them put needed capacity in place. In 2015 Linamar established its first foothold in India. The Company has rented and renovated a small facility in India, built a team and started launching some business. The Company is starting slowly in the region in order to build its understanding of the culture and business environment there.

On July 16, 2015, the Company announced that it was initiating a light metal strategy by entering into a US joint venture and global cooperation agreement in large high-pressure die castings with GF Automotive, a division of Georg Fischer AG. This agreement sets out a cooperative framework for both GF and Linamar in North America, Europe and Asia to provide integrated casting and machining solutions to automotive, industrial and commercial customers. In addition, Linamar plans to offer machining services on site to provide optimal integrated cast and machined solutions at the best value, design and quality to our customers.

On October 15, 2015, the Company announced its intention to file a Tender Offer for 100% of the outstanding shares and voting rights of Montupet S.A. ("**Montupet**"). The filing of the Tender Offer with the Autorité des Marchés Financiers ("**AMF**"), the French Regulatory Authority, opened to the public in early December 2015 and closed January 21, 2016 (the "First Offer") and pursuant to article 232-4 of the AMF General Regulations, the Offer was reopened and closed on February 11, 2016 (the "**Second Offer**"). After the Second Offer, the Company owned 96.85% of the then outstanding shares and purchased the remaining shares to reach 100% for a purchase price of $1,187.3 million on February 25, 2016. Montupet is a global leader in the design and manufacture of complex aluminum castings for the global automotive industry with sales and production facilities diversified across several European countries, North America and Asia.

On February 22, 2016, Linamar announced that they had selected Henderson County, North Carolina as the location for GF Linamar LLC's new jointly-owned aluminum die casting plant in support of a strategy to provide integrated light metal casting and machining solutions to global customers. The new entity named GF Linamar LLC will provide large light metal high-pressure die castings for powertrain, driveline, and structural components to the NAFTA automotive market. The plant was completed and production began in mid-2017 and will provide integrated casting and machining solutions to automotive, industrial, and commercial customers.

In May 2016, the Company announced a new McLaren Performance Centre, combined it with Linamar's sales office formerly in Southfield, Michigan, in a brand new facility (expansion of its existing building) in Livonia, Michigan.

On December 14, 2017, the Company announced that it entered into an agreement to acquire the MacDon Group of Companies ("**MacDon**") for CAD $1.2 Billion. This acquisition forms part of the Company's plan to diversify into segments outside of its traditional automotive market and a key execution strategy in the agriculture/food sector. Linamar sees a compelling cultural fit with MacDon as it is also a company with a strong family-run legacy with deep Canadian roots. The Company plans to grow its agricultural platform expansion of product offerings and increasing penetration in both new and underserved global markets. The acquisition closed on February 1, 2018. MacDon is a global innovative market leader in the design and manufacturing of specialized agriculture harvesting equipment such as drapers and self-propelled windrowers.

Industrial Segment

Linamar's Industrial Segment is comprised of its Skyjack division and an energy plant in Canada named Linergy Manufacturing[1] and a Hungarian fabrication facility named OROS, which primarily manufactures equipment for the agricultural sector. MacDon will also form part of this segment.

The OROS division continues to increase its scope of work in the contract assembly business for a variety of customers, new and existing. Linamar Corporation acquired a small Canadian company called Harvestec in 2015. With the addition of MacDon to the Linamar family of companies, it facilitates a joint entry with OROS into new global markets for both MacDon and Skyjack and provides an opportunity for both businesses to jointly pursue telematics, while leveraging Skyjack's process and procurement capabilities. As it expands, the Company expects that MacDon will benefit from Linamar's established manufacturing footprint in Asia and Europe while employing both Linamar and MacDon's best practices in all functional areas. MacDon's extensive dealer network in North America and, to a lesser extent Europe, is also expected to provide excellent growth opportunities for this division.

The energy sector requires products and services the Company is well suited to provide. Linamar continues to pursue opportunities in the energy markets that leverage the Company's machining, assembly and design capabilities. At present, market opportunities are limited, particularly in the resource sectors, such as mining.

2.3 Significant Acquisitions and Dispositions

The Company continues to pursue business opportunities that will further develop its product and process technology and/or utilize its machining and manufacturing expertise both outside and within the automotive sector.

On July 16, 2015, the Company announced that it was initiating a light metal strategy by entering into a US joint venture and global cooperation agreement in large high-pressure die castings with GF Automotive, a division of Georg Fischer AG.

On October 15, 2015, the Company announced its intention to file a Tender Offer for 100% of the outstanding shares and voting rights of Montupet S.A. ("**Montupet**"). The filing of the Tender Offer with the Autorité des Marchés Financiers ("**AMF**"), the French Regulatory Authority, opened to the public in early December 2015 and closed January 21, 2016 (the "First Offer") and pursuant to article 232-4 of the AMF General Regulations, the Offer was reopened and closed on February 11, 2016 (the "Second Offer"). After the Second Offer, the Company owned 96.85% of the then outstanding shares and purchased the remaining shares to reach 100% for a purchase price of $1,187.3 million on February 25, 2016. Montupet is a global leader in the design and manufacture of complex aluminum castings for the global automotive industry with sales and production facilities diversified across several European countries, North America and Asia.

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[1] Linergy Manufacturing transitioned into the Powertrain/Driveline Segment during the course of 2014.

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2.4 Credit Facilities

At December 31, 2017 cash and cash equivalents was $439.1 million, including unpresented cheques of $14.5 million. At December 31, 2017, the Company's syndicated revolving facilities had available credit of $643.8 million.

In January 2016, the Company amended and restated the credit facility in connection with the acquisition of Montupet. The amended and restated credit facilities include a non-revolving term credit facility in the aggregate principal amount of up to $600 million and the continuation and increase of the previously existing revolving credit facility to the aggregate principal amount of up to $950 million. Both the new term and revolving facilities expire in 2021 and are under terms and conditions largely consistent with Linamar's previous existing credit facility. The amended and restated credit facilities provide for Euro drawings. The Euro denominated debt used to purchase the net assets of Montupet has been designated as a net investment hedge.

Note that on February 1, 2018, the Company further amended and restated its credit facility in connection with the MacDon acquisition. The amended and restated Credit Facilities include a new term loan facility, which will be added to fund the acquisition of MacDon in the amount of a C$1,200 million under similar terms and conditions as Linamar's existing credit facilities; the existing term loan of $572 million will continue under the current terms and conditions; and the continuation and increase of the previously existing revolving credit facility to the aggregate principal amount of up to $1,150 million (the "Revolving Facility") to fund general corporate purposes. Both the new Term Facility and the Revolving Facility will mature five years following the closing of the amendment (which closing occurred on February 1, 2018) and are under terms and conditions largely consistent with Linamar's previously existing credit facilities.

2.5 Government Grants

A grant from the Ontario government of up to $44.5 million is dependent upon the Company satisfying various program investment criteria and achieving a cumulative job target over the term of an agreement between the Company and the Ontario government. To date, the various program investment criteria and the job targets have been satisfied. The term of the original agreement was January 14, 2005 through January 14, 2015. The term of the agreement was extended for a further three years to January 14, 2018.

The Company and the Ontario government reached agreement for a grant of $963,000 related to various program expenditures incurred and achieving a cumulative job target in the period from April 2013 to March 31, 2017. The grant is dependent upon the Company satisfying various program expenditure criteria and achieving job targets over the term of the agreement. The Company and the Ontario government reached agreement for a grant of up to approximately $50 million related to various program expenditures incurred and achieving job targets in the period from April 2014 to March 31, 2024. The grant is dependent upon the Company satisfying various program expenditure criteria and achieving job targets over the term of the agreement. To the extent the program expenditures and/or job targets are not met, a pro-rata claw-back arrangement exists.

In January 2018, the Company, the Ontario government and the Federal government of Canada announced a joint agreement for a combined grant of up to $100 million related to various program expenditures incurred in Ontario and achieving job targets in the period from 2017 to 2029. The combined grant is dependent upon the Company satisfying various program expenditure criteria and achieving job targets over the term of the agreements. To the extent the program expenditures and/or job targets are not met, a pro-rata claw-back arrangement exists.

Linamar has also arranged to receive grants based on investment criteria and job targets with several foreign governments, as follows:

- State of North Carolina and local governments[2] $46,402,000
- Government of Germany $46,267,000
- Government of Hungary $18,788,000

Generally, to the extent that the program investment criteria and/or job targets are not achieved, a full or partial refund of the grants is required.

2.6 Trends

Linamar is impacted by various economic, industry and technological trends occurring within the Company's external environment. The following will review each of these business environment trends including industry production volumes, fuel economy/emissions, electrification, autonomous vehicles and ride sharing, outsourcing and supply base rationalization, as well as emerging market growth and key market drivers in the Industrial segment.

Automotive production levels can be a contributing factor impacting the Company's results. In 2017, light vehicle production continued a modest gradual growth path globally, posting a 2.3% increase over 2016. In 2018, production levels are expected to stay relatively flat to modest growth in each region of North America, Europe and Asia/Pacific. The industry is now at a very healthy volume level. Globally, throughout the five-year forecast horizon, automotive light vehicle production is forecasted to increase from 95.3 million in 2017 to 107.4 million vehicles by 2023. (The foregoing estimates are according to industry forecasting service IHS Automotive, January 2018.)

With oil and gasoline prices expected to rise over the long-term, Linamar will continue its focus on green and environmentally friendly technologies. Although in 2018 the US Administration will conduct an interim review of Emissions and CAFÉ (Corporate Average Fuel Economy) regulations, it is widely expected that rules and targets will largely stay unchanged. North American automakers understand the importance to keep pace with global competition even if the US does diverge on a less stringent path. The resulting long-term path towards the reduction of greenhouse gas emissions and aggressive fuel economy improvement targets will drive continued development in Linamar's core product areas. Electrification of the auto industry continues to gain momentum. Hybrid and battery electric powered vehicles are expected to become more prevalent on a global basis. New targets by lawmakers and automakers alike in Europe and in China are key drivers of this. A thorough industry analysis completed with Linamar's own views in conjunction with expert insights from Bloomberg New Energy Finance, I.H.S. Automotive, and others predicts a Pure BEV (Battery Electric Vehicle) market penetration of approximately 21% in 2030 and 30% by 2040.

Fuel savings and emissions improving technologies of the Internal Combustion Engine, in addition to Electrification, will still be key to meeting much of the current legislated CAFE and emissions requirements. Increased penetration of technologies like gasoline direct injection, variable valve timing, turbocharging, stop/start engine, and the introduction of advanced 8, 9 and 10-speed automatic transmissions will be significant.

Another technological and social trend expected to influence the auto industry in the future is that of both autonomous vehicles and ride sharing or hailing services. Though both could have significant impact on consumer and societal behaviours, the expectation is that these trends will have a somewhat muted impact on overall vehicle production levels. The expected impact of these factors is that overall vehicles in operation will achieve better asset utilization and require less ownership which would be a negative impact to vehicle production volumes. Offsetting that however is the fact that i) it enables ownership of new consumer segments such as seniors and youth and ii) overall life of vehicle is reduced due to the increased usage. Both of these factors are a positive factor for production volumes.

[2] The GF-Linamar joint venture qualified for some state funding, of which 50% was attributed to Linamar in these figures.

Original Equipment Manufacturer ("**OEM**") outsourcing of Linamar's key powertrain and driveline products and modules still presents a significant opportunity for the Company over the next 10-20 years. Availability of capital and selective investment will necessitate the future outsourcing of non-core operations such as machining and powertrain assembly work. This is currently mostly done in-house by the OEMs and mega Tier 1s and is expected to continue to gradually migrate to capable suppliers such as Linamar, who are well-positioned to manufacture these components, modules and systems. The vehicle powertrain is one of the last areas of the vehicle to still be done in-house. Linamar has benefited from this trend over the past several years and this is expected to continue. Given the requirements of significant capital and R&D investments in technologies such as Electrification, Autonomous and Mobility services, Linamar expects traditional powertrain outsourcing to accelerate over this timeframe as OEMs make decisions of where their investment dollars are best spent.

Since the financial crisis of 2008-2009, the supply base has been rationalized and reduced in numbers. This means that those with close ties to OEM customers, a global footprint and proven track record of quality performance, as well as sound financial stability, stand to benefit. This dynamic does create high barriers to entry for companies who are not already well established. This is especially true given the trend of global platforms and architectures. Automotive OEMs are creating common vehicle and powertrain architectures across all geographic regions to achieve greater economies of scale. The OEMs want suppliers whose footprint is able to match their regional needs. Linamar is seeing such opportunities to launch new business in other regions of the world based off North American and European customers existing design platforms. This trend is expected to continue into the future over the long term.

Consolidation and the need to have greater capabilities and offer more comprehensive solutions also is a key driver behind Linamar's vertical integration strategy. The strategy, defined four to five years ago to address these challenges, set out that Linamar should obtain light metal casting capability and steel forging capabilities. During recent years, Linamar has executed on both of these through various acquisitions and a joint venture. With the acquisitions of Carolina Forge Company LLC ("**CFC**") and Seissenschmidt AG ("**SEI**") in 2014 and 2015, Linamar is able to offer integrated steel forming/machined solutions to its customers in certain targeted products such as gears. These acquisitions supplement Linamar's core powertrain business and enable Linamar to address market trends in light weighting and Noise/Vibration/Harshness ("**NVH**") design for products like gears, differentials, wheel bearings, hubs and sprockets with high-speed forging processes.

The acquisition of Montupet saw the Company's light metals casting strategy come to fruition and enables Linamar to offer integrated solutions in the area of gravity and low pressure die casting processes. Montupet is a leader in casting of cylinder heads as well as other aluminum components. Linamar is one of the world's largest cylinder head machining providers. With Montupet within Linamar's global operations, OEMs will be able to take advantage of a single interface to ensure an optimized design and reduced development and launch lead time.

The strategy also involved a joint venture and global alliance with GF Automotive, a division of Georg Fischer. GF has extensive capabilities in high-pressure aluminum die casting. A 50/50 joint venture with GF in Henderson County, North Carolina will supply the North American market. Throughout Europe and China, GF and Linamar will approach the market together leveraging their respective capabilities and footprint to offer an integrated cast and machined solution to OEM customers. Through this joint venture Linamar is now able to offer light weight cast aluminum or magnesium Body & Structural components such as door frames, shock towers, cross car beams, etc. This is a growing market segment as light weighting is driving a trend towards more cast light metals substituting traditional steel stampings.

Linamar believes significant long-term growth potential exists for its Asia/Pacific business unit. The region makes up more of the world's auto production than North America and Europe combined. Sales growth for Linamar Asia Group is expected to continue on a long-term basis. Continued investments by North American and European OEMs in the region, as well as a growing middle class will continue to drive long-term automotive demand. Linamar recently completed construction of its fourth plant in China, located in the city of Chongqing. Currently Linamar is constructing a 5th facility in China for production of Montupet's cast aluminum foundry expected to be finished in late 2018.

Linamar's Skyjack division continues to hold its strong market position in the traditional scissor lift segment, while increasing sales levels in both boom and telehandler product offerings. Skyjack's primary customer base is that of large equipment rental agencies that cater to the construction markets. Though Skyjack sales can be influenced by the timing and capital expenditure decisions of these national rental companies, as seen early in 2016, the key market driver in the aerial work platform business is non-residential construction, which has continued to grow positively each year following the global recession that began in 2008-2009. The fundamentals in non-residential construction and infrastructure spending have been quite strong recently with rental houses' asset utilization running at a high level, both factors contributing positively to Skyjack's business.

3. Description of the Company's Business

3.1 General

Linamar is a diversified global manufacturing company of highly engineered products powering vehicles, motion, work and lives. The Company is made up of 2 operating segments – the Powertrain/Driveline segment and the Industrial segment, which are further divided into 5 operating groups – Machining & Assembly, Light Metal Casting, Forging, Skyjack and Agriculture, all world leaders in the design, development and production of highly engineered products. The Company's Machining & Assembly, Light Metal Casting and Forging operating groups focus on precision metallic components, modules and systems for engine, transmission, driveline and body systems designed for global vehicle and industrial markets. The Company's Skyjack and Agriculture operating groups are noted for their innovative, high quality mobile industrial equipment, notably its class-leading aerial work platforms, telehandlers and agricultural equipment.

With more than 25,900 employees in 59 manufacturing locations, 6 R&D centers and 21 sales offices in 17 countries in North and South America, Europe and Asia, Linamar generated sales of $6.5 billion in 2017. For more information about Linamar and its industry leading products and services, visit www.linamar.com or follow us on Twitter at @LinamarCorp.

For 2017, the Company's four largest customers (Ford, GM, Volkswagen and Fiat Chrysler) accounted for 49.7% of consolidated revenue.

3.2 Powertrain/Driveline Segment

The Powertrain/Driveline segment derives revenues primarily from the collaborative design, development and manufacture of precision metallic components, modules and systems for global vehicle and power generation markets.

The Powertrain/Driveline segment manufactures precision-machined components and assemblies that are used in high-efficiency transmissions, engines and driveline systems. Its focus on transmissions is centered on gears, transmission cases, shafts, shaft and shell assemblies, clutch modules and clutch subcomponents, valve bodies, pumps, planetary gear assemblies and housings/covers. In the driveline systems segment, the core product areas are power transfer units (PTUs), rear drive units (RDUs), and engineered gears. In addition, the Company has developed systems such as the e-Axle that can be used in Hybrids or EVs. Additionally, the Light Metal Casting group can supply body/structural and chassis products that are also applicable to EV/HEVs as well as conventional ICE powered vehicles. The Powertrain/Driveline segment also manufactures key components, systems and modules for today's modern engine. The primary engine components it manufactures are cylinder blocks and assemblies, cylinder heads and complete head assemblies, camshaft assemblies, connecting rods, flywheels, fuel rails and fuel body/pumps. In addition, it has the capability to provide fully assembled niche engine programs.

The Powertrain/Driveline segment has 53 manufacturing locations, 4 R&D centers and sales representation in 13 countries in North America, Europe and Asia.

The principal customers of the Powertrain/Driveline Segment are OEMs with operations in North America and their suppliers, including Ford, GM, Chrysler, and Volkswagen. This segment operates globally and serves automotive OEM and commercial vehicle customers.

Sales for the Powertrain/Driveline Segment increased by approximately $290.8 million, or 5.7% to $5.4 billion in 2017 compared with $5.1 billion in 2016. The 2017 sales increase was primarily impacted by: 1) additional sales from launching programs in Europe and North America; 2) increased volumes from our light vehicle automotive customers in North America, Europe and Asia; 3) additional sales from our on- and off-highway vehicle customers; and 4) addition to sales from launching programs in Asia; offset by 5) an unfavourable impact on sales from the changes in foreign exchange rates.

3.3 Industrial Segment

The Industrial Segment serves a variety of markets as noted above but is most notably a leading manufacturer of aerial work platforms, focused on production of the industry's most reliable scissor lifts. Skyjack offers innovative products through creative engineering driven designs, complete customer and product support and the Skyjack commitment to exceed customers' expectations. Skyjack's sales have traditionally come from the North American market but growth continues in Europe, Asia and the rest of the world as sales and distribution operations expand in those regions Products include both battery-powered and combustion engine powered scissor lifts, telescopic boom lifts, telehandlers and other aerial work platforms ("**AWP**"). In addition to the AWP business, the Industrial segment also contains the company's Agriculture business, which produces OEM corn head combine adaptors and other agricultural fabrications. This segment was small in 2017 in terms of overall sales revenues and operated primarily out of one of the manufacturing sites in Hungary, Europe. The Agriculture business is expected to have a more material influence on the Industrial Segment going forward with the acquisition of MacDon, a market leader in combine adaptors, Self-Propelled Windrowers and other harvesting products, which transaction was completed on February 1, 2018.

The Industrial Segment has 4 manufacturing locations, 2 R&D centers and sales representation in 15 countries in North and South America, Europe, Australia and Asia.

The Industrial Segment's product sales increased by approximately $250.1 million, or 28.9%, to $1.1 billion in 2017 compared with $866.4 million in 2016. The sales increase was primarily due to: 1) strong market share gains and increased volumes for booms in North America, Europe and Asia; 2) strong market share gains and increased volumes for telehandlers in North America; 3) market share gains in scissors in North America and Europe; and 4) market share gains in scissors in Asia; partially offset by 3) unfavourable changes in foreign exchange rates.

3.4 Sales and Marketing

A significant portion of Linamar's sales in its precision manufacturing operations are to the automotive industry. Companies which supply directly to the OEMs and which may be involved in the design, engineering, manufacture and quality control testing are generally referred to in the automotive industry as "Tier 1" suppliers. Tier 1 suppliers (including Linamar) may be awarded longer-term purchase orders by OEMs as a result of their involvement in the development of components with the OEMs. Many parts are now being manufactured and assembled into components, assemblies, modules or systems by Tier 1 suppliers. OEMs purchase components, assemblies, modules or systems and then complete the assembly of the engine, transmission or vehicle. Tier 1 suppliers generally have the capability to supply these components, assemblies, modules or systems to the OEMs on a just-in-time basis, which helps OEMs reduce or otherwise manage inventory levels. In producing assemblies, modules or systems for OEMs, Tier 1 suppliers may rely on other suppliers for some components or parts. Depending on their level of sophistication in respect of engineering, manufacturing and other relevant skills, these and other suppliers are generally referred to as either "Tier 2" or "Tier 3" suppliers.

Linamar believes that there are significant opportunities for growth as a result of the continued trend for OEMs to outsource to suppliers a greater proportion of the supply of components, assemblies, modules and systems within the powertrain and other areas, and in particular larger and more complex products with increased content and features. Additionally, as the product lifecycles of engines and transmissions tend to be relatively longer than those of other automotive systems, management believes that where Linamar has been able to obtain production contracts for new or redesigned product introductions from its customers, it will have an opportunity to supply such products for longer lifecycles. The production runs or lifecycles for engine and transmission components of the type produced by Linamar typically continue for between five to ten years.

The Company usually receives contracts to produce particular parts for multiple model years. Firm orders are usually only created when Linamar receives a release under such a contract, authorizing it to produce and deliver specific quantities of the product. Such releases are generally issued for planning, raw material and production purposes over a three to four month period in advance of anticipated delivery dates. The actual number of parts produced by the Company under any specific contract in any given year is dependent upon the number of vehicles produced by the OEM of the specific model or model type in which the part is incorporated. OEM production levels of a particular vehicle model or engine or transmission type may vary significantly from OEM estimates and such production may be delayed or cancelled, sometimes with little compensation to Linamar. Although OEMs are not usually contractually committed to using a particular manufacturer to supply a product throughout the time the OEM requires such product, it has been Linamar's experience that, once it has received a commercial production order to produce a part for a particular vehicle model or model type, it will ordinarily continue to produce the part throughout the time the OEM utilizes such part for that vehicle.

3.5 Quality Control

Linamar has identified and pursues quality control as a key driver of its business. The Company has invested heavily in advanced measuring and monitoring equipment and utilizes a program known as "Statistical Process Control". This program gives a machine operator the ability to rectify deviations that might otherwise lead to quality problems or unnecessary machine wear. The Company also performs ongoing machine, process and gauge capability studies to ensure that quality and productivity are maintained or improved where possible. At December 31, 2017, the Company had a combined total of 43 facility registrations for ISO-9000 or TS16949 as registered suppliers. Linamar's active pursuit of these registrations demonstrates to its customers the Company's dedication to quality. Linamar's dedication to the quality of the environment is also demonstrated by the fact that Linamar also maintains a combined total of 55 facility ISO-14001 registrations.

The Company traditionally has experienced a very low level of warranty claims. As Linamar becomes more involved in the design of products, however, it is possible that in the future the number of such claims may rise.

Linamar has, since 2002, followed the Linamar Production System ("**LPS**"), which is based on the Toyota Production System. LPS is aimed at eliminating waste both in the production process and throughout the organization to help the Company achieve its goal of being a lean, cost-effective entity. LPS can be divided into three steps. The first step in the system is to develop value stream maps which allow the Company to determine its current processes, the changes it wants to implement to improve these processes and the method for implementing the changes. The second step involves the establishment of standardized work instructions and the development of the best possible work instructions for an activity to eliminate waste. The last step of this system is the implementation of a 5S Work Place Organization Plan. The 5Ss are letters from words that lead to work place organization – sort, straighten, shine, standardize and sustain. Throughout 2017, LPS has been successfully implemented at each facility and continues to be an ongoing focus of activity.

3.6 Research and Development

Linamar's research and development activities encompass both process and product development. Much activity is undertaken at each facility by the regular line personnel in response to opportunities as they arise.

The Company has five development centres – one in Ontario and one in each of Michigan, Germany and Hungary for the automotive division, as well as Skyjack's development centre, also located in Ontario. Additionally, Linamar expects to add new design, test, and development capabilities in China to support the market growth there. The Company's McLaren engineering development centre provides much needed capabilities in terms of product design, development, testing and analysis. McLaren engineering is historically known for its expertise in the engine area but has gained extensive knowledge in transmission and driveline systems within the last several years mostly due to the investments and growing product expertise of the Company's driveline systems operating group. Additionally, the McLaren site in Detroit has undergone a significant renovation project in 2016 that has seen it become a state of the art Sales and Engineering Centre, under one roof, that now will serves as a major show piece for our key customers.

As noted in section 2.5, both the Company and Skyjack have entered into an investment agreement with the government of Ontario, the focus of which will be on research and development. Please refer to section 2.5 for a full description thereof.

3.7 Intellectual Property Rights

Linamar uses its patents, trademarks and copyrights in its manufacturing businesses, and both licenses to third parties, and is licensed to use third party, intellectual property. The Company's intellectual property rights are an important asset, but the loss of any particular right would not have a material effect on its business.

3.8 Engineering and Design

Linamar's employees and sales representatives attempt to become involved as early as possible in the OEM vehicle, engine and transmission development programs and to develop components, modules or systems that either replace products currently produced by Linamar or represent strategically important product opportunities for Linamar. It has been the Company's experience that early involvement by a supplier in the development cycle of a new vehicle model or new engine or transmission type often leads to orders for commercial production of the components, modules or systems for such vehicles, engines or transmissions.

It has become increasingly common for OEMs to identify a supplier as the source for a component, module or system during the product design phase, provided the supplier meets various price, service and quality standards. When a supplier is pre-sourced in this manner, the OEM and supplier cooperate on design, product and process engineering and establish the selling price and other relevant considerations through a negotiation process.

Linamar recognizes that in order to remain a Tier 1 supplier, it must maintain its ability to provide complete engineering, development, prototype, testing and production capabilities. As of December 31, 2017, McLaren Performance employed a total of 107 engineering and design staff, and there are an additional 1,141 employed Linamar-wide. Skyjack also employs a total of 140 engineering and design staff in design, innovation, testing and validation, product safety and manufacturing groups, all contributing to provide quality engineered, simple and reliable, access and material handling equipment sold globally. The technical expertise of the Company continues to play a key factor in creating new opportunities for future sales as OEMs seek advanced technologies and solutions for their future powertrain applications.

Linamar's engineering employees use a variety of state-of-the-art CAD/CAM systems and work closely with production personnel in providing engineering support as required. Large projects sometimes require supplementing in-house engineering capabilities through the use of subcontractors and other external services. Linamar strives to maintain its technical and engineering staff at approximately 6,250 or 25% of its workforce. Linamar is recognized as a full-service supplier for power transfer units and rear drive units (AWD systems), transmission shafts, differential assemblies, camshafts, balance shafts modules, clutch structural components and transmission support assemblies.

OEMs, particularly in North America, provide varying levels of engineering specifications to suppliers when sourcing parts, components, modules or systems. In some instances, the OEMs will provide basic functional parameters and the supplier will be expected to take total responsibility for engineering and the related technologies. These projects typically involve a greater investment by Linamar in engineering and related costs and may, depending on the value added and other factors, yield a higher margin than other projects. At the other extreme, OEMs may retain complete engineering control and require that the supplier manufacture the particular product to the OEM's specifications. In between these two extremes are projects where OEMs provide functional and space parameters and certain specifications to the supplier, but the engineering responsibility remains a cooperative effort between the OEM and the supplier.

3.9 Operating Philosophy

Linamar is organized along product/process and geographic lines in order to maximize customer satisfaction, efficiency and operational results. The Company is structured into individual operating groups each led by a Group President reporting to our President and Chief Operating Officer. In addition, the Company also utilizes a functional structure to reinforce standardization and its policies uniformly across the organization. Currently the Company utilizes 10 global functional areas. Each area specializes in providing technical expertise, standard operating policies and shared best practices across all Linamar operations.

These ten functional areas are identified below:

1. Business Development
2. Corporate Development
3. Manufacturing and Product Launch
4. Purchasing and Supplier Quality
5. Finance
6. Information Technology
7. Human Resources
8. Sales
9. Quality
10. Innovation

Innovation has long been a key part of Linamar's success. In 2016, Linamar established a new Innovation Team to explore great innovation ideas generated internally and externally. This team will assess exciting new technologies and companies where the Company can develop or establish strategic partnerships for long-term mutual success. The team will filter ideas to identify those with the most market potential and then work to develop those key partnerships.

Linamar's organizational structure allows the Company to focus on performance, opportunity and innovation. The creation of the Company's two operating segments: Powertrain/Driveline and Industrial, align facilities around specific components, assemblies and modules. The Company has organized its divisions to create "centres of excellence" to deliver superior quality, development, and product launch capabilities. Each facility in a group is operated as a separate profit centre managed by a general manager with production expertise who has discretion, within broad guidelines established by the Group's management, to determine rates of pay, hours of work, sources of supply and contracts to be performed.

The independence of each facility within a group allows Linamar to react quickly to new business opportunities. It also allows operational decision-making and cost control to occur at the group and facility level, thus permitting the monitoring of each profit centre and the effective implementation of management incentive programs. The Company encourages its groups and each of their facilities to use Cost Attack Teams ("**CATs**") to promote efficiency and continuous improvement. CATs focus on a particular product or process and analyze such factors as the utilization of equipment, tools and manpower, interaction with sub-contractors and the movement of parts and products around the facility to identify potential efficiency gains. CATs have been known to achieve significant cost savings.

Linamar coordinates its quoting process for new business through the individual operating groups targeted to produce the program. The Operating Group Office will coordinate this quoting activity, with input from applicable facilities, and have final approval authority. The Company continues to expand its estimating, quoting and product development resources in order to better meet the expanding needs and expectations of its customers.

Linamar utilizes program management systems in its manufacturing operations to manage product supply from initial concept on through to commercial production and in respect of continuous improvement processes. These systems generally involve cross-functional teams in each plant and incorporate policies and procedures which meet or exceed TS-16949 (Quality operating standard for automotive industry) quality guidelines. Linamar has also established a Technical Review Board comprised of a team of cross-functional experts from manufacturing facilities which determines and tests best practices and optimum use of technology.

3.10 Employees

At December 31, 2017, the Company had 25,979 employees worldwide working mainly in the following countries and reportable operating segments:

By Country	Approximate No. of Employees
Canada	9,742
Germany	2,784
Hungary	2,761
France	1,630
Mexico	4,327
Spain	676
United Kingdom	594
Bulgaria	890
United States	1,092
Asia Pacific	1,448
(Other)	31

By Reportable Operating Segment	Approximate No. of Employees
Powertrain/Driveline Segment	24,038
Industrial Segment	1,941

The Company strives to maintain good relationships with its employees and has a history of resolving labour issues amicably. All facilities have regular employee meetings to keep employees informed of changes within the Company. The Company utilizes a "balanced scorecard" incentive program as part of a program the Company refers to as its "Stepping Stool of Success". This program monitors how each separate facility is performing against key measurables in the three areas of customer satisfaction, employee satisfaction and financial satisfaction. This program links the compensation of all employees to the achievement of specific goals and provides feedback on successes and areas for improvement.

The health and safety of all employees in the workplace is a priority. Linamar's global total injury frequency rate is 4.01 versus an industry rate of 6.73[3]. This is more than 37% lower than the average industry rate. Linamar has also mandated that all plants be registered under the OHSAS 18001. As at December 31, 2017, 55/59 (93%) of global locations (excluding Corporate support locations) have achieved ISO 14001 and 47/59 (80%) of global locations (excluding Corporate support locations) have achieved OHSAS 18001. Follow-up will be undertaken with the sites that have not yet achieved these goals.

Employees working in the facilities located in Mexico, France, Hungary, Spain and China are covered by labour contracts. No employees working in Canada, the United States, Germany, Northern Ireland, India or Bulgaria are subject to a collective agreement.

3.11 Manufacturing Facilities

The Powertrain/Driveline Segment has 53 manufacturing locations, 4 R&D centers and sales representation in 13 countries in North America, Europe and Asia.

The principal facilities utilized by the Powertrain/Driveline Segment generally range in size from 70,000 to 150,000 square feet and usually operate at or near 90 to 95% of production capacity. Most of Linamar's existing manufacturing facilities can be adapted to a variety of manufacturing processes without significant capital expenditures, other than for new equipment. Importantly, Linamar focuses on utilizing flexible, modular CNC (Computer Numerical Control) programmable machines to

[3] This global total injury frequency rate = (the number of incidences divided by the total productive hours x 200,000) [200,000 represents the number of hours 100 employees work in one year as defined by the Industrial Accident Prevention Association.]

tool up its programs. This means that equipment can be easily retooled at low cost for another program as required to meet changing customer capacity requirements. As a corollary, production lines are scalable to match customer demand as it might increase or decrease, allowing the Company to reallocate equipment to new programs, shifting what are normally fixed costs and allowing growth even in times when limited capital spend is necessary.

The recently acquired Forging and Light Metals Casting groups do operate differently in that regard. Forging and casting equipment is not as flexible as CNC machining equipment in that it requires more facility infrastructure and is more fixed in nature. Product specific tooling is set up on the equipment and run in scheduled batches depending on customer volume. Numerous programs can be tooled up to run on individual forging or casting equipment lines, but those fixed costs are not as easily reallocated should customer order volumes quickly decrease.

3.12 Contingencies

Linamar is involved in certain lawsuits and claims. Management is of the opinion that the Company will not incur any additional material liability from such lawsuits and claims other than the amounts already provided for in the Company's financial statements for the year ended December 31, 2017.

4. Risk Factors and Risk Management

The Company's discussion of risk and risk management is contained in the Risk Management section (pages 11-14) of the Company's Management's Discussion and Analysis ("**MD&A**") for the year ended December 31, 2017, which discussion is incorporated herein by reference. A copy of the MD&A can be accessed on SEDAR at www.sedar.com.

5. Dividends

Since 1995, Linamar has paid quarterly dividends based on performance in prior years and expected performance. In respect to the quarter ended December 31, 2017, the Board of Directors approved an eligible dividend of $0.12 per share on the common shares of the Company, payable on or after April 17, 2018 to shareholders of record on April 3, 2018.

The Company declared cash dividends of $0.40 per share in 2015, $0.40 per share in 2016 and $0.48 per share in 2017 (though, as mentioned above, the last quarter's dividend is paid out in 2018).

The payment and amount of future dividends is in the discretion of the Board of Directors and is subject to, among other things, prevailing financial, economic, operating and other relevant circumstances, including earnings, cash flow, capital requirements and the financial condition of the Company.

6. Description of Capital Structure

6.1 General Description of the Capital Structure

The Company is authorized to issue an unlimited number of common shares and an unlimited number of special shares issuable in series.

The material characteristics of the common shares are: a holder of any common shares (a) shall be entitled to receive notice of, to attend and to vote at all meetings of shareholders and to one vote for each common share held at any such meeting, except meetings at which only holders of a specified class of shares (other than common shares) or a specified series of shares are entitled to vote; (b) shall be entitled, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company, to receive any dividend if, as and when declared by the Board of Directors of the Company, properly applicable to the payment of dividends in such amounts and payable in such manner as the Board of Directors may from time to time determine; and (c) shall be entitled to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company, to receive the remaining property of the Company upon dissolution.

The material characteristics of the special shares, as a class, are: the special shares may be issued at any time or from time to time in one or more series, each series to be a fixed number set by the Company's Board of Directors. With respect to each series: (a) the Company's Board of Directors shall determine the designation, rights, privileges, restrictions, conditions and other provisions to be attached to the special shares of each such series; (b) the special shares of each series shall rank on a parity with the special shares of every other series with respect to priority in the payment of dividends and with respect to priority on return of capital, or any other distribution of assets of the Company, in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary ("liquidation dissolution"); and (c) the special shares of each series shall be entitled to a preference over the junior shares of the Company (as hereinafter defined) with respect to priority in the payment of dividends on liquidation or dissolution, and, the Directors may give the special shares of any series such other preferences over the junior shares, as they see fit. "Junior shares" mean the common shares of the Company and any other shares of the Company that may rank junior to the special shares with respect to priority in the payment of dividends and with respect to priority on a liquidation dissolution.

To date, only common shares of the Company have been issued. As of December 31, 2017, there were 65,354,495 common shares of the Company outstanding. There are no special shares of any series issued or outstanding.

7. Market for Securities

The common shares of the Company are listed and posted for trading on the Toronto Stock Exchange under the trading symbol "LNR".

The price range and total volume of trading of the common shares of Linamar on the Toronto Stock Exchange for the period from January 2017 to December 2017 are as follows:

	High Price ($/share)	**Low Price ($/share)**	**Close Price[(1)] ($/share)**	**Total Volume**
Jan	60.98	55.17	57.21	6,811,191
Feb	62.63	56.35	58.98	6,432,114
Mar	63.25	59.00	60.49	7,013,992
Apr	60.69	54.36	58.04	6,282,942
May	64.73	57.86	61.28	7,092,728
Jun	64.45	60.01	63.92	4,417,762
Jul	72.13	63.00	68.33	5,769,206
Aug	70.44	65.62	69.63	5,143,741
Sep	77.29	69.66	76.14	4,472,467
Oct	80.36	76.34	78.28	4,202,894
Nov	80.59	65.18	69.75	6,802,480
Dec	77.16	64.97	73.21	5,671,533

(1) Closing price on the last trading day of the month.

8. Directors and Officers

Directors

The following table sets forth information with respect to each of the directors of Linamar. Each director will hold office until the close of the next annual meeting of shareholders of the Company or until his or her successor is elected or appointed. The Board of Directors has established two standing committees, an Audit Committee and a Human Resources and Corporate Governance Committee, and has prescribed their respective responsibilities and mandates. The Audit Committee and the Human Resources and Corporate Governance ("**HRCG**") Committee are both entirely comprised of independent directors.

Name, Address, Occupation and Security Holdings

Name & Municipality of Residence	Director Since	Other Positions and Offices currently held with the Company	Principal Occupation
Frank Hasenfratz Ariss, Ontario, Canada	1966	Chairman of the Board	Chairman of the Board of the Company
Linda Hasenfratz Guelph, Ontario, Canada	1998	Chief Executive Officer	Chief Executive Officer of the Company
Mark Stoddart Guelph, Ontario, Canada	1999	Chief Technology Officer and Executive Vice President of Sales & Marketing	Chief Technology Officer and Executive Vice President of Sales & Marketing of the Company
William Harrison[1,2] Puslinch, Ontario, Canada	1990	None	Retired
Terry Reidel[1,2] Kitchener, Ontario, Canada	2003	None	Retired
Dennis Grimm[1,2] Kitchener, Ontario, Canada	2014	None	Retired

1 Member of Audit Committee
2 Member of Human Resources Corporate and Governance Committee

During the last five years, all of the Company's directors have held the principal occupations noted above.

Officers

The following table sets forth information with respect to the current executive officers of the Company.

Name & Municipality of Residence	**Principal Occupation**
Linda Hasenfratz Guelph, Ontario, Canada	Chief Executive Officer
Jim Jarrell Guelph, Ontario, Canada	President & Chief Operating Officer
Mark Stoddart Guelph, Ontario, Canada	Chief Technology Officer and Executive Vice President of Sales & Marketing
Roger Fulton Burlington, Ontario, Canada	Executive Vice President, Human Resources, General Counsel and Corporate Secretary
Dale Schneider Guelph, Ontario, Canada	Chief Financial Officer
Brad Boehler Guelph, Ontario, Canada	Group President, Linamar Skyjack Inc.
Ken McDougall Guelph, Ontario, Canada	Group President, Linamar Machining & Assembly, Americas
Brian Ahlborn Bloomfield Hills, Michigan, USA	Group President, Linamar Machining & Assembly, Europe & Linamar Montupet Casting
Wenzhang (Henry) Huang Shanghai, China	Group President, Linamar Machining & Assembly, Asia | Pacific

During the last five years, the Company's executive officers have held the principal occupations noted above except for: (i) Mr. McDougall was the Group President, Linamar Manufacturing Americas until January 2015 and Group President Linamar Canada – Mexico Group in 2016. (ii) Mr. Ahlborn was the Group President Linamar Driveline Systems Group – Linamar, Industrial, Commercial and Energy Group – North America from November 2012 to January 2015 and Group President Linamar Machining and Assembly Canada/USA Group/Europe Group in 2016. And (iii) Mr. Huang was Group President, Linamar Manufacturing, Asia Group from 2012 to 2016.

As at the date hereof, the directors and executive officers of the Company, as a group of 13 persons, beneficially owned or exercised control or direction over a total of 19,390,346 common shares (representing approximately 29.67% of the outstanding shares of the Company as of December 31, 2017).

9. Audit Committee

9.1 Audit Committee Charter

Attached as Appendix "A" to this Annual Information Form is the charter for the Company's Audit Committee (the "Audit Committee").

9.2 Composition of the Audit Committee

The members of the Audit Committee are Terry Reidel, William Harrison and Dennis Grimm. Each member of the Audit Committee is independent and financially literate, within the meaning of National Instrument 52-110 – Audit Committees. For more information, please see the Corporation's Management Information Circular for the annual meeting of shareholders of the Company scheduled for May 17, 2018, which circular will be filed at www.sedar.com.

9.3 Relevant Education and Experience

Mr. Reidel has extensive financial experience. He is the retired President and Chief Operating Officer of Kuntz Electroplating Inc., 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 29 years with the accounting firm of Ernst and Young and was Office Managing Partner of their Waterloo Region Office. Mr. Reidel earned his C.A. designation from Queen's University in 1967. Mr. Reidel is also a director on several public boards. Mr. Reidel holds the following designations, FCPA and FCA.

Mr. Harrison attended the University of Guelph and the University of Toronto, receiving degrees in Honours Science and Mechanical Engineering. Mr. Harrison 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. Mr. Harrison 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. Mr. Harrison 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, Mr. Harrison 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.

Mr. Grimm is a Chartered Accountant and also has his CPA, FCPA and FCA designations. He attended Waterloo Lutheran University (Wilfred Laurier) and graduated with a Bachelor of Arts degree in History and Political Science. In 1972, he completed an MBA in Accounting and Finance at McMaster University. Mr. Grimm was an active member of the Canadian Institute of Chartered Accountants from 1976-2012 and the American Institute of Certified Public Accountants from 1995-2012. During his career, he was a partner at KPMG in the firm's audit group for 23 years from 1972 to 1995. He then practiced as an audit partner at PwC for 15 years starting in 1995. Of note, he was the Managing Partner of PwC Waterloo Region up to his retirement in 2010 and chaired its Governance Committee. Mr. Grimm does not currently supply services to Linamar and has not done so in the past seven years.

9.4 Pre-Approved Policies and Procedures

All non-audit services to be provided to the Company or its subsidiary entities must be approved by the Audit Committee prior to the auditors providing such services.

9.5 External Auditor Service Fees

For the financial years ended December 31, 2017 and December 31, 2016, the auditors of the Company, PwC charged the following fees to the Company:

Type of service	**Fiscal 2017 ($)**	**Fiscal 2016 ($)**
Audit fees	1,545,750	1,550,262
Audit-related fees	-	22,394
Tax fees	314,323	93,379
All other fees	235,851	141,876
Total	**2,095,924**	**1,807,911**

PwC provides audit and related services as engaged by the Company. The service fees in the above table are calculated on billings and not when the expenses are incurred.

10. Interest of Management and Others in Material Transactions

During the years ended December 31, 2015, 2016 and 2017, other than as described below, no Director, executive 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 is reasonably expected to materially affect the Corporation.

Included in the costs of property, plant and equipment is the construction of buildings, building additions and building improvements performed by related parties in the aggregate amount of $1.6 million at December 31, 2017 (December 31, 2016 - $5.4 million). Related party transactions included in the cost of sales are expenses such as rent, maintenance and transportation costs of $1.6 million for the year ended December 31, 2017 (December 31, 2016 - $1.6 million). The maintenance and construction costs represent general contracting and construction activities related to plant construction, improvements, additions and maintenance for a number of facilities.

Amounts owed to related parties at December 31, 2017 were $0.4 million (December 31, 2016 - $1.0 million).

11. Shares Held in Escrow or Subject to Contractual Restrictions

The following table sets out the escrowed securities and securities subject to contractual restrictions on transfer as at December 31, 2017.

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	160,748	0.002

Various senior employees receive share grants as part of their compensation. The individual employees have signed contracts with Linamar wherein they agree that the shares that are the subject of the grants are to be held by the employee in escrow. The shares are removed from escrow at the rate of 20% of the total amount of the grant on the anniversary date of the grant, commencing on the first anniversary after the grant. Each individual employee has an account with Bank of Montreal where the share grants are held.

12. Transfer Agents and Registrars

The Company's transfer agent and registrar is Computershare Investor Services Inc., located at 100 University Avenue, 8th floor, Toronto, Ontario M5J 2Y1.

13. Interests of Experts

The auditors of the Company are PwC. The Company believes that PwC does not hold any interests in the securities of Linamar.

14. Additional Information[4]

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of management and others in material transactions, will be contained in the Company's management information circular for the annual meeting of shareholders scheduled for May 17, 2018. Additional financial information, including the comparative consolidated financial statements, and management's discussion and analysis of the financial condition and results of operations of the Company is provided in the Company's Annual Report for the year ended December 31, 2017.

The Company will provide to any person, upon request to the Secretary of the Company, a copy of this Annual Information Form, together with a copy of any documents, or the pertinent pages of any document, incorporated by reference herein, a copy of the comparative financial statements of the Company for the year ended December 31, 2017, together with the accompanying report of the auditors and a copy of any interim financial statements of the Company subsequent to such financial statements, a copy of the Management Information Circular with respect to the most recent meeting of shareholders that involved the election of Directors and one copy of any annual filing instead of the Management Information Circular. The Company may require the payment of a reasonable charge before providing such documents to a person that is not a shareholder. If the securities of the Company are in the course of a distribution pursuant to a short form prospectus or if a preliminary short form prospectus has been filed in respect of a distribution of the Company's securities, the Company will provide to any person (without charge), upon request to the Secretary of the Company, any of the documents referred to above and a copy of any other document not referred to above that is incorporated by reference into the preliminary short form prospectus or the short form prospectus.

A Note on Forward Looking Information. Certain information provided by Linamar in this annual information form, the MD&A, the Annual Report and other documents published throughout the year which are not recitation of historical facts may constitute forward-looking statements. The words "may", "would", "could", "will", "likely", "estimate", "believe", "expect", "plan", "forecast" and similar expressions are intended to identify forward-looking statements. Readers are cautioned that such statements are only predictions and the actual events or results may differ materially. In evaluating such forward-looking statements, readers should specifically consider the various factors that could cause actual events or results to differ materially from those indicated by such forward-looking statements.

Such forward-looking information may involve important risks and uncertainties that could materially alter results in the future from those expressed or implied in any forward-looking statements made by, or on behalf of, Linamar. Some of the factors and risks and uncertainties that cause results to differ from current expectations include, but are not limited to, changes in the competitive environments in the various sectors in which Linamar operates (automotive, access market and agriculture); OEM outsourcing and insourcing; sources and availability of raw materials; labour markets and dependence on key personnel; dependence on certain customers and product programs; technological change in the sectors in which the Company operates and by Linamar's competitors; delays in or operational issues with product launches; foreign currency risk; long-term contracts that are not guaranteed; acquisition and expansion risk; foreign business risk; cyclicality and seasonality; capital and liquidity risk; legal proceedings and insurance coverage; credit risk; emission standards; tax laws; securities laws compliance and corporate governance standards; fluctuations in interest rates; environmental emissions and safety regulations; trade and labour disruptions; world political events; pricing concessions to customers; and governmental, environmental and regulatory policies.

The foregoing is not an exhaustive list of the factors that may affect Linamar's forwarding looking statements. These and other factors should be considered carefully and readers should not place undue reliance on Linamar's forward-looking statements. Linamar assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements.

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[4] This 2017 Annual Information Form was approved by the Corporation's Board of Directors on March 7, 2018.

APPENDIX A

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") 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.

Appointment of Members and Chair:

Members of the Audit Committee shall be appointed by the Board on the recommendation of the Human Resources and Corporate Governance 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 Committee'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.

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 year-end 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.

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 and from the IT Security Committee.

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

Currency of the Audit Committee Mandate

Approved by the Board of Directors on August 2, 2017.

SCHEDULE "A"

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.

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

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

[1] Derived from National Instrument 52-110 – Audit Committees.

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.

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.