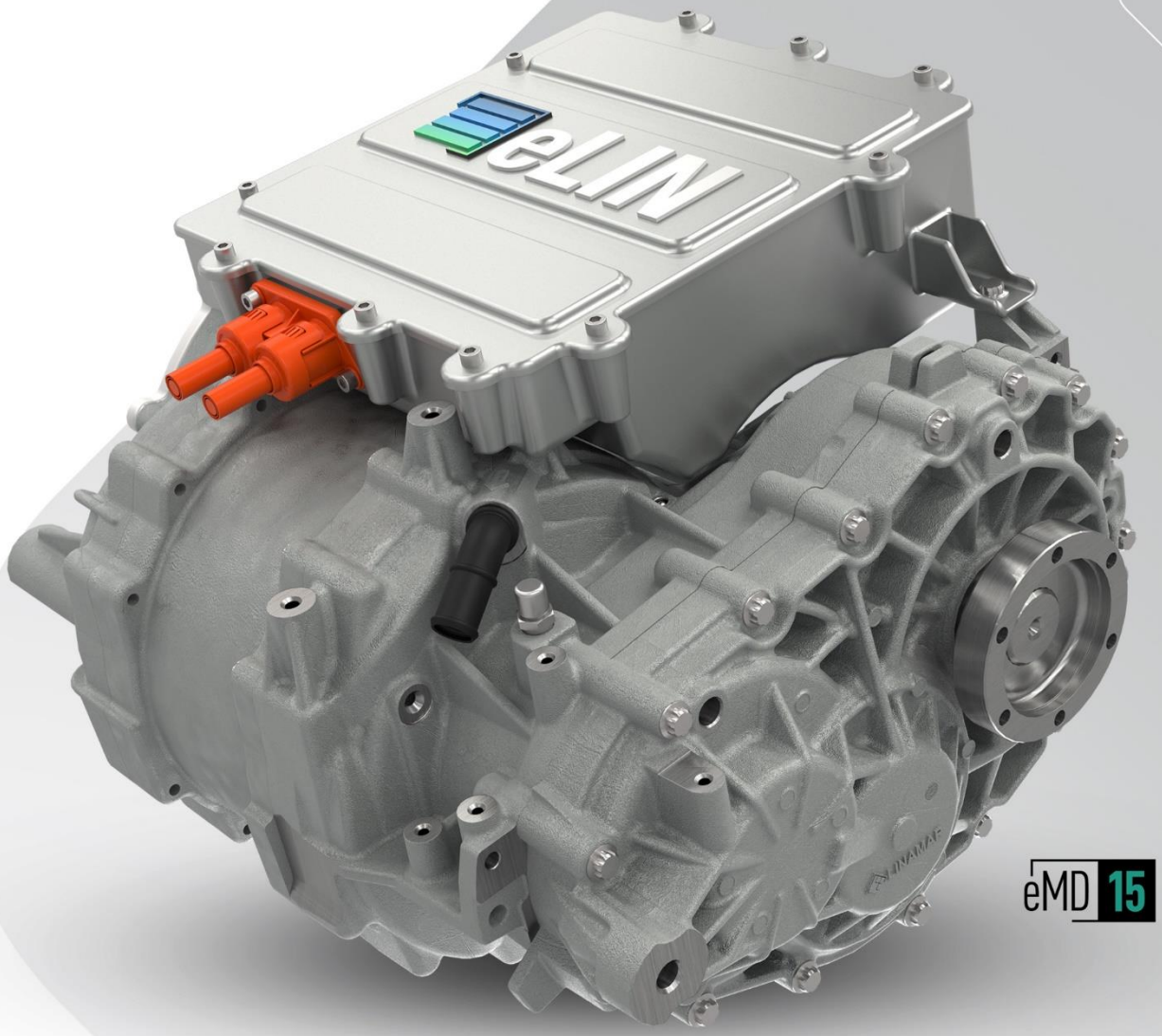
LINAMAR

Annual Information Form

For the year ending December 31, 2023



LINAMAR

eLIN McLAREN Engineering LINAMAR | MedTech SKYJACK MacDon SALFORD BOURGAULT

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Dated March 28, 2024

About this AIF

Unless indicated otherwise, the information in this Annual Information Form ("AIF") is given as of December 31, 2023.

This AIF contains forward-looking information. Please refer to Appendix 1 for more guidance in this regard. Unless otherwise indicated, in this AIF all references to "$" are to Canadian dollars.

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

1. Corporate Structure

1.1 Name and Incorporation

Linamar was incorporated pursuant to the *Business Corporations Act* (Ontario) on August 17, 1966, and is governed by Articles of Amalgamation dated January 1, 2020. The common shares of the Company are listed and posted for trading on the Toronto Stock Exchange under the trading symbol "LNR". The Company's registered and head office is located at 287 Speedvale Avenue West, Guelph, Ontario, N1H 1C5.

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 various amalgamations with one or more of its wholly owned subsidiaries since incorporation.

For a summary of the principal subsidiaries of the Company as of December 31, 2023, please refer to Appendix 2.

2. General Development of the Business

2.1 Overview

Linamar is an advanced manufacturing company where the intersection of leading technology and deep manufacturing expertise creates solutions that power vehicles, motion, work, and lives. Linamar has 33,347 employees in 75 manufacturing locations, 17 research and development centres and 31 sales offices in 19 countries in North and South America, Europe and Asia which generated sales of approximately $9.7 billion in 2023.

The Company is comprised of two operating segments: the Industrial segment and the Mobility segment. As of the date of the AIF, the Mobility segment operates as a leading Tier 1 supplier to the automotive industry, while the Industrial segment is comprised of four market-facing brands that manufacture access and agricultural equipment. The Company's financial reporting is organized by its reportable operating segments. Please refer to Section 3 for a detailed description of each segment.

Despite the Company's roots in automotive and industrial manufacturing, our growth and trajectory will continue to be guided by the Linamar 2100 plan. Linamar 2100 is a strategic roadmap that outlines six key markets that have underlying technology and macroeconomic fundamentals that will drive a sustainable, diversified business globally: mobility, food, infrastructure, medical technology, power, and water.

In 2023, the Company's five largest customers (Ford, GM, Stellantis, Volkswagen, and Mercedes-Benz) accounted for 47.35% of its consolidated revenue.

2.2 Three-Year History and Significant Acquisitions

Acquisition continues to be a key part of Linamar's long-term growth strategy. Though M&A opportunities in the marketplace were fairly muted in 2000-2001, the Company continued to develop its strategy which was executed materially in 2022 and 2023. The Company continues to leverage its strong balance sheet and well-positioned market presence to pursue inorganic business opportunities that will further develop its product and process technology, market or customer diversification, and its capabilities overall. The M&A strategy has always revolved around this principle and has never been growth for growth's sake, it is always founded in acquiring new technology or capabilities.

The following subsections summarize certain key developments to the Company's business, operations, and management over the last three years.

2.2.1 2021 Activity

Linamar fortified its balance sheet and market position as the global economy began its recovery from the impacts of the COVID-19 pandemic.

On May 3, 2021, Linamar entered a strategic alliance with Ballard Power Systems ("Ballard") for the co-development and sale of fuel cell powertrains and components for class 1 and 2 vehicles, weighing up to 5-tons, in North America and Europe.

In June 2021, Linamar and Exro Technologies Inc. outlined a project whereby the parties agreed to jointly develop advanced eAxle utilizing Coil Driver technologies to improve cost and performance of Linamar's eAxle product line.

On September 28, 2021, Linamar announced an exclusive manufacturing and licensing agreement with eMatrix Energy Systems, Inc. ("eMatrix"), a developer of modular battery pack technology. As part of the arrangement, Linamar also made a strategic investment in eMatrix's business.

On November 26, 2021, Linamar announced TSX approval of a new NCIB, under which Linamar was authorized to purchase up to 10% of the Company's public float of common shares until November 29, 2022. During this period, the Company repurchased and cancelled an aggregate of 3,972,540 common shares.

2.2.2 2022 Activity

In January 2022, Frank Hasenfratz, Linamar's founder and Executive Chair, regrettably passed away. The Company's President and COO, Jim Jarrell, was appointed to the Board of Directors seat vacated with the passing of Mr. Hasenfratz. The Company's CEO and member of its Board of Directors, Linda Hasenfratz, was appointed to the Executive Chair position.

On March 31, 2022, Linamar announced the acquisition of GF Casting Solutions' ("GF") 50% interest in GF Linamar LLC, a joint venture established between GF and Linamar in 2015.

On April 27, 2022, Linamar announced the acquisition of the Salford Group of Companies ("Salford") for an adjusted purchase price of approximately $245.2M. This transaction closed on June 3, 2022.

On May 19, 2022, Linamar announced the creation of Linamar MedTech, a new division, focused on delivering manufacturing solutions for medical devices and precision medical components. Linamar MedTech plans to leverage the Company's resources and deep manufacturing expertise to supply high-quality and cost-effective solutions to the medical components market. Linamar MedTech is the natural next step by Linamar to further diversify its operations to include the strategic industries outlined in the Linamar 2100 vision. Linamar MedTech's financial results are currently reported under the Mobility segment.

On November 22, 2022, Linamar announced the renewal and extension of its bank credit facility, with a maximum principal amount of $1,175M. Further details concerning Linamar's current bank credit facility are located at Section 3.3.2 below.

2.2.3 2023 Activity

The year 2023 was a particularly active year in terms of M&A activity, with two key acquisitions in the Mobility segment. Both acquisitions will enhance Linamar's product offerings for a future in which a more electrified or propulsion agnostic portfolio will become increasingly important. The two acquisitions coincided with the Company's plan to build a new giga-casting facility in the city of Welland, Ontario and the creation of a new Linamar Structures Operating Group. These initiatives were key strategic elements in a plan to prepare for the long-term transition to a market where there is increasing Electric Vehicle (EV) penetration. In late December 2023, Linamar announced its third major acquisition in the year, this time focused on the expansion of its agricultural strategy within the Industrial segment.

On May 30, 2023, Linamar announced the acquisition of 3 Battery Enclosures facilities from Dura-Shiloh for a preliminary purchase price of $318.9M. Battery enclosures are a core element of the vehicle architecture for EV designs. The acquisition helped to accelerate the company's EV transition and build upon its growing structures and chassis business lines. The factories were located in the southeast of the US, North Macedonia and Czechia. This transaction closed on August 3, 2023.

On September 21, 2023, Linamar announced the acquisition of certain assets of Mobex Fourth and 1, LLC, a supplier of cast & machined chassis components for a preliminary purchase price of $88.7M. This action further strengthened the structures and chassis strategy. This transaction closed on October 31, 2023.

Finally, on December 20, 2023, Linamar announced the acquisition of Bourgault Industries, a shortline OEM agriculture equipment manufacturer of air seeders and air carts. The transaction value was $640M and marked the need for the creation

of a new Linamar agriculture division within the Industrial segment next to MacDon and Salford. The transaction closed on February 1, 2024. In order to fund the deal, a new term loan facility was entered into with a three-year maturity.

2.3 Forecast for 2024

Based on the most recent outlook provided following our Q4 earnings release, Linamar is expecting double digit sales and normalized EPS growth in 2024 along with normalized net margin expansion. Both the Mobility and Industrial segments are expecting double digit top line sales growth as well as double digit operating earnings growth.

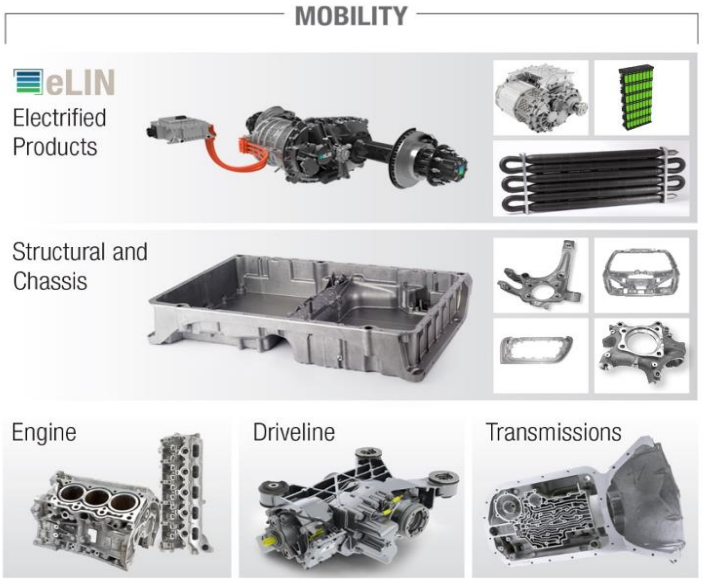
3. Description of the Company's Business Segments

The following section describes the general business of each operating segment of the Company. Business information that is common to both segments is described jointly in Section 3.3. This information should be read in conjunction with the risk factors applicable to the Company's business, which are incorporated by reference at Section 4 of this AIF.

3.1 Mobility Segment

The Mobility segment operates primarily as a leading Tier 1 supplier to the automotive industry. The Mobility 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 Mobility segment manufactures precision-machined components and assemblies that have traditionally been used in Internal Combustion Engines (ICE) vehicles including highly efficient transmissions, engines, and driveline systems. Additionally, the Mobility segment's portfolio now also offers a wide range of products for EVs. This includes Battery Electric Vehicles (BEV), Hybrid Electric Vehicles (HEV), and Fuel-Cell Electric Vehicles (FCEV). Linamar's vertically integrated operations combine expertise in light metal casting.



The Mobility segment has 61 manufacturing locations, 7 R&D centers, 10 sales offices and operates in 14 countries in North America, Europe, and Asia.

The principal customers of the Mobility segment are OEMs and their suppliers, including Ford, GM, Volkswagen and Stellantis, among others. This segment operates globally and serves automotive OEM and commercial vehicle customers.

In 2023, Linamar announced the formation of the new Linamar Structures Group. The group, which is made up of the assets acquired through the Dura-Shiloh and the Mobex acquisitions, and the high-pressure die casting facility located in Mills River, North Carolina, will produce lightweight, propulsion-agnostic chassis and suspension components, as well as battery enclosures for the global mobility market.

Sales for the Mobility segment increased by approximately $1.1B, or 18.0%, to $7.1B in 2023, compared with $6.0B in 2022. The sales increase was due to:

- Increased sales related to launching programs and increased volumes for certain programs that the Company has significant business with;
- A favourable impact on sales from the changes in foreign exchange rates;
- Increased sales related to the Battery Enclosures Business and the Chassis and Suspension Business ("Linamar Structures acquisitions") in 2023; and
- Increased pricing related to cost recovery offsetting the associated labour, materials, and freight; partially offset by
- A sales decline primarily attributed to lower production for certain ending programs.

A table showing the total operating revenues that the Mobility segment contributed to for the years ended December 31, 2023 and 2022 can be found under the subsection "Segmented Information" of Linamar's 2023 Annual Report. A copy of the Annual Report can be accessed on SEDAR+ at www.sedar.com.

3.1.1 Principal Markets and Sales

A significant portion of the Mobility segment's manufacturing operations relate to the automotive industry. The Mobility Segment is subdivided into three regional groups: North America, Europe, and Asia Pacific. Each group primarily supports automotive customer programs in their respective region and maintains vertically integrated operations that combine expertise in light metal casting, forging, machining, and assembly for both the global electrified (EV) and traditionally powered (ICE) vehicle markets.

Companies which supply directly to automotive 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 (similar to Linamar) are more likely to be awarded long-term purchase orders by OEMs as a result of their involvement in the development of components with the OEMs. Many components are now being manufactured and assembled into assemblies, modules or systems by Tier 1 suppliers, which OEMs then purchase and install into their vehicles or vehicle propulsion systems.

Tier 1 suppliers, like Linamar, 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 suppliers are generally referred to as either "Tier 2" or "Tier 3" suppliers. Linamar distributes its products to its customers through a combination of internal and external logistics resources. The lifecycle for the products Linamar typically produces for the Mobility markets tend to run for five to ten years.

Linamar anticipates significant opportunities for growth as OEMs redirect their capital spending to the development of electrification, autonomy, and other advanced technologies, resulting in an outsourcing of a greater portion of their supply of complex components, assemblies, modules and systems.

Linamar usually receives contracts to produce a particular part for multiple model years. Firm orders from automotive customers 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, 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, the cost of changing suppliers can often be prohibitively expensive. 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.

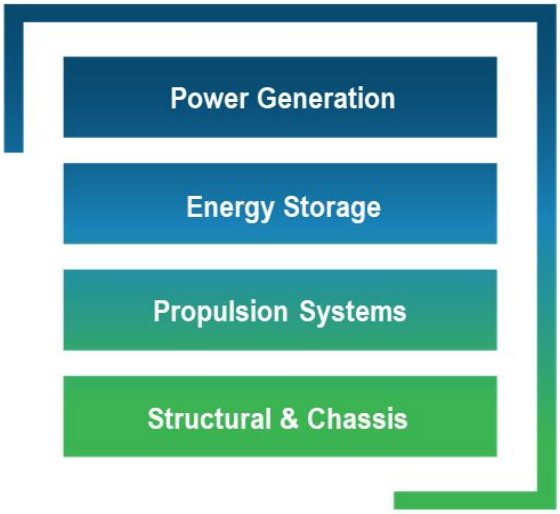
3.1.2 Production

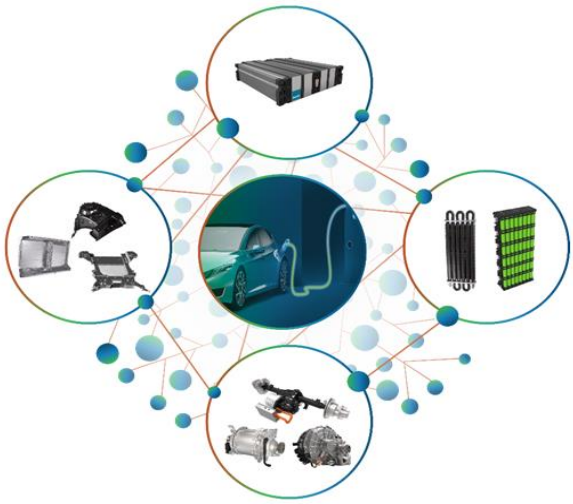
The principal facilities utilized by the Mobility Segment generally range in size from 70,000 to 150,000 square feet and usually operate at or near 90 to 95% of production capacity. Most of Linamar's existing manufacturing facilities can be adapted to a variety of manufacturing processes without significant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

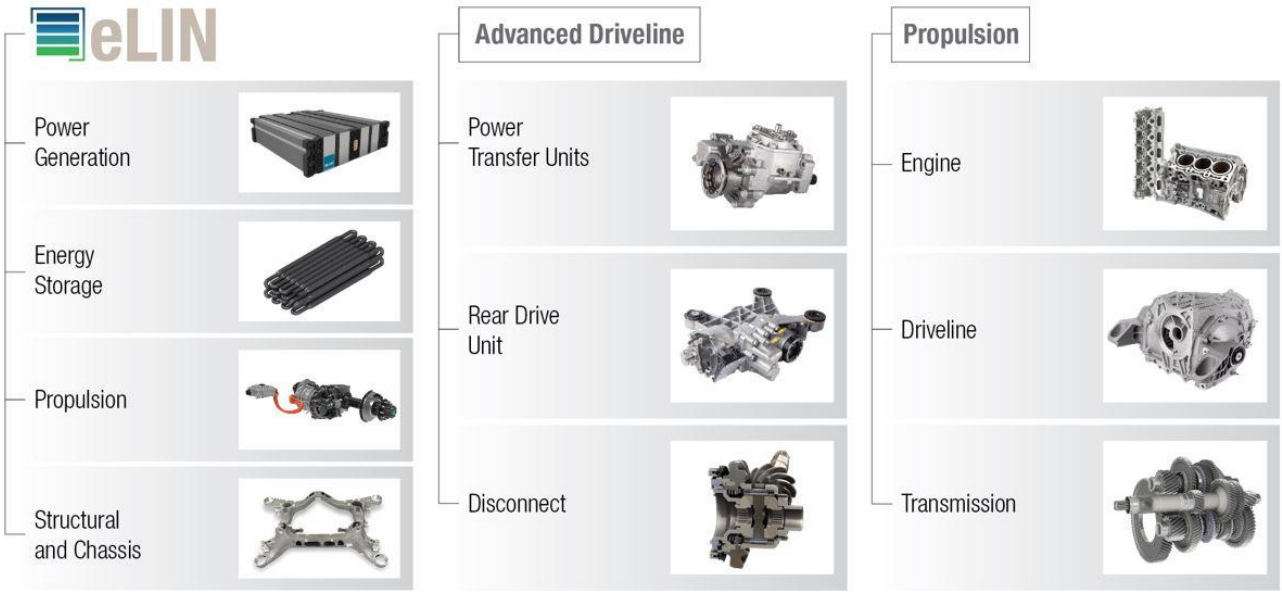
Vertically integrated forging and light metals casting operations are an exception to this concept. Forging and casting equipment require more capital infrastructure that is fixed in nature. However, product lines themselves can be changed over to run on this equipment, provided it is within the specific size envelope, therefore some flexibility remains. This is achieved through product specific tooling that is set up on the equipment and run in scheduled batches, depending on the volume required by the customer. Numerous programs can be tooled to run on individual forging or casting equipment lines, but those fixed costs are not as easily reallocated should customer order volumes quickly decrease.

Broadly, the strategy for Linamar Mobility Segment is to continue to leverage the benefits offered by vertically integrated solutions in forging, light metal casting, machining, and assembly to global auto and commercial vehicle OEMs. This is across all vehicle propulsion system technology types. This is accomplished with the aim to increase our content per vehicle by providing product offerings in the traditional ICE propulsion systems while also expanding the portfolio for increased content potential in EVs. Linamar created a dedicated product solutions group called "eLIN" in 2021 to solely focus efforts in electrification. The eLIN portfolio consists of four broad full-engineered product system categories: power generation, energy storage, propulsion systems and structural & chassis. Increasingly, the Mobility strategy has recently focused on structures and chassis components and sub-assemblies, which is what the recent acquisitions aimed to achieve. Products within this category range offer the benefit of being used on EVs, as well as ICE vehicles, making them propulsion agnostic. This strategy will enable Linamar to not only de-risk the market transition towards EVs but also create additional opportunity through an increased vehicle content potential.

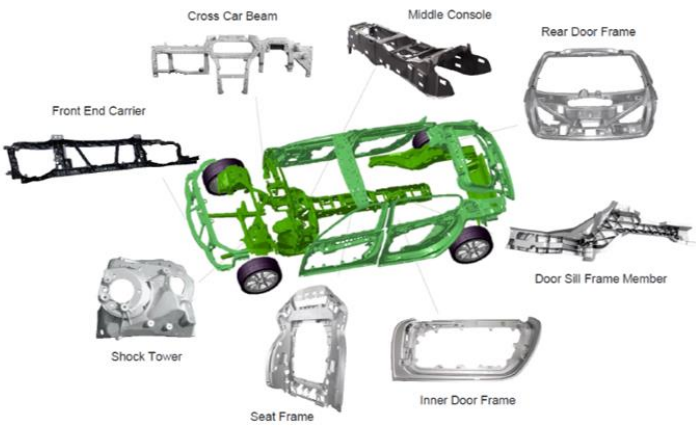
eLIN Strategy Concept

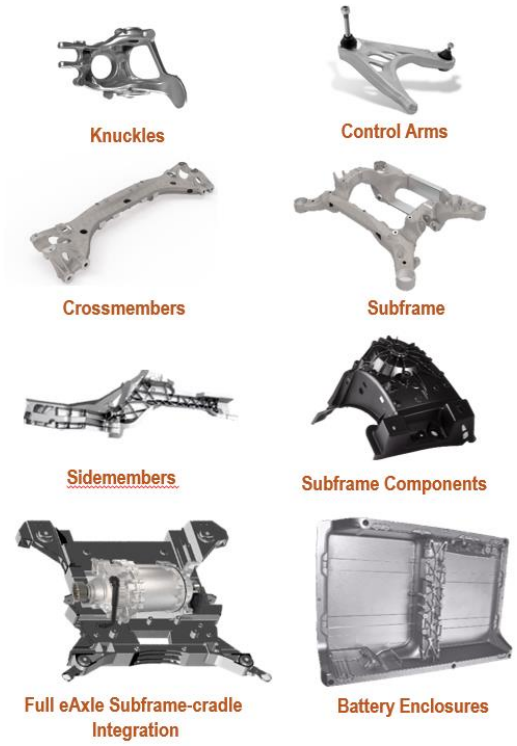






Structures and Chassis Portfolio





3.1.3 Quality Control

Linamar has identified and pursues quality control as a key driver of its business. The precise nature of metallic component machining and the demands of the automotive industry dictate that Linamar has a premium Quality Management Systems ("QMS") in place. Below are a few elements of the QMS at Linamar:

- Registration to ISO/TS 16949 (a global automotive supply standard);
- Certification to specific customer OEM supplier standards;
- Statistical Process Control; and
- 2D/QR code part marking/traceability.

Linamar also performs ongoing machine, process, and gauge capability studies to ensure that quality and productivity are maintained or improved where possible. The Company has traditionally 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.

3.1.4 Our Industry

Linamar's primary market, the global automotive industry, is capital intensive and highly competitive notwithstanding the high barriers to entry. Linamar's main competition often comes from its own customers' internal manufacturing operations, who frequently weigh the benefits of manufacturing a product themselves against purchasing it from a supplier. As indicated above, OEMs have often favoured outsourcing production to suppliers, focusing instead on investment in advanced technology and vehicle assembly. This has been a positive tailwind trend for Linamar over the past several decades.

Linamar also competes with other large Tier 1 global suppliers who engineer and manufacture similar products and systems. Although there are companies who offer comparable offerings to Linamar and are noteworthy competitors on a product-by-product basis, there are few who have the extensive product range and diversified manufacturing capabilities that Linamar possesses, which is a distinct competitive advantage. Within the automotive sector, suppliers are becoming more diversified, thus moving away from solely manufacturing vehicle parts.

Since the 2008 financial crisis, the supply base of automotive OEMs has been rationalized and reduced. This trend continues as both technological advancements in vehicles and challenges associated with the COVID-19 pandemic hamper smaller companies without the appropriate scale, global footprint or financial capacity. Suppliers with close ties to OEM customers, a global footprint, and a track record of quality performance stand to benefit from this trend. This dynamic can 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 OEM architectures are now common across all geographic regions to achieve greater economies of scale. The OEMs want suppliers whose footprint can match their regional needs. Linamar is well positioned for this trend given the ability to launch new business in North America, Europe and Asia.

Consolidation and the need to have greater capabilities and offer more comprehensive solutions is also a key driver behind Linamar's focus on vertical integration. Linamar's vertical integration in forgings, castings, as well as traditional machining and assembly enable the company to address market trends in light-weighting and noise vibration harshness, bringing increased technical advantages to its OEM customers.

As the automotive industry continues to evolve, Linamar expects that OEMs will require their suppliers to demonstrate more than the well-established criteria of global scale, competitive cost, just-in-time delivery, and quality and launch management. Rather, increased importance will be placed on a supplier's competitive ability to invest in new technologies, innovate, and bring new products to market.

Finally, as the electrification trend takes hold, OEMs have adopted wide ranging strategies of manufacturing in-house to full outsourcing. The OEMs interest in controlling the technology transition is driving this behaviour. However, over the longer-term horizon, it is expected that a trend to supplier outsourcing will re-emerge. Linamar has the advantage of being highly vertically integrated for the full propulsion systems it supplies. We can provide scalable solutions of full systems, gearbox

only, or singular components based on a match to the OEM's individual manufacturing strategy. This approach allows for flexibility and risk mitigation during the uncertain transition of ICE to EV.

3.1.5 Research and Development

Linamar's research and development activities encompass process, product, and material development.

The Mobility segment now has seven development centres and receives support from Linamar's iHub, an incubator for new technologies and products. The development centres are subdivided into three regional groups that align with the Company's operational structure: North America, Europe, and Asia Pacific.

The Mobility Segment also benefits from the design, development, and testing services delivered by McLaren Performance Technologies Inc. ("McLaren"), Linamar's in-house engineering centre. McLaren is historically known for its expertise in the engine area but has gained extensive knowledge in electrified powertrains, transmission, and driveline systems. McLaren has had significant successes in electrifying products, including: developing e-axles for light vehicles and commercial vehicles, continued development of hydrogen fuel storage tanks, expansion into battery structures and EV subframes. McLaren is involved in other electrification initiatives in our Skyjack business, a strategic alliance with Ballard Power Systems for the development of fuel cell electric vehicle propulsion systems, and our advanced development project with Exro Technologies leveraging their unique inverter technology with Linamar's eAxle and gear box.

To help manage the Company's growing number of electrification initiatives, we announced the formation of the eLIN Product Solutions Division ("eLIN") in 2021. eLIN focuses on leveraging exciting electrification opportunities for Linamar's products in its Mobility and Industrial segments. eLIN develops solutions for electrified products in four key areas: power generation, energy storage, propulsion systems, and structural & chassis offerings. eLIN is necessary to accelerate and deliver competitive electrified solutions to the markets Linamar operates in both today and in the future.

With the additions of our battery enclosures and chassis acquisitions within the Linamar Structures group, there will be more product development focused in this area as we seek to gain share of the market in EV chassis/structures as well as propulsion-agnostic components. This area of technical capability is an effective blend of Linamar's existing casting engineering group, the eLIN team as well as the newly acquired staff from the Dura-Shiloh and Mobex transactions. This combination creates a well-rounded product and manufacturing strategy.

The eLIN product group, which resides within the McLaren R&D facility is involved in other electrification initiatives in our Skyjack business, a strategic alliance with Ballard Power Systems for the development of fuel cell electric vehicle propulsion systems, and our advanced development project with Exro Technologies. The Exro project leverages their unique inverter technology with Linamar's e-axle and gear box. Increasingly, eLIN staff are guiding our agriculture-based groups on how electrification will be adopted and rolled out within this market sector.

Linamar's iHub is the innovation centre for Linamar MedTech. The iHub maintains ISO 13485 certification, the management system standard that ensures an organization meets the regulatory requirements specific to the design, manufacture, assembly, and distribution of medical devices. The iHub technology and future accelerator site is where our public COVID-19 response efforts were focused, with a rapid launch and ramp up of full ventilator assembly production, as well as related components. Since opening, the iHub has gained two years of launch and full production experience for medical device products and has become a showcase operation to promote Linamar's ever-expanding set of capabilities. To date, the medical device business at Linamar is still quite limited. However, it is expected to grow over time as Linamar continues to diversify. Linamar can leverage its supply chain power, lean manufacturing principles and high-quality precision capabilities to demonstrate to MedTech OEMs and Tier 1 suppliers the partnership advantages that players in the automotive sector have come to know.

3.1.6 Engineering and Design

Linamar aims to be involved as early as possible in the OEM's design and development process, which requires a high degree of cooperation and transparency between the OEM and its supplier. As a result, it has been the Company's experience that early involvement by a supplier in the development cycle of a program can often increase the probability of obtaining orders for commercial production of the components, modules or systems. To support this effort and meet these goals,

Linamar strives to maintain its technical and engineering staff equal to approximately 25% of its workforce. Currently, this metric is being exceeded with our technical staff equaling nearly 30% of the entire workforce.

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, 2023, McLaren employed a total of 267 engineering and design staff. In addition to McLaren, there are 2,179 more manufacturing, engineering, and technical staff employed by Linamar worldwide. 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. In addition to McLaren, the company created eLIN in 2021, which provides engineering and design support specific to electrified products (described in Section 3.1.5 above).

Linamar is recognized as a full-service supplier for not only products within the eLIN portfolio (such as eAxles or battery pack modules) but also within its advanced driveline solutions used on ICE and EV applications, including power transfer units and rear drive units.

Although Linamar prefers to involve itself in product design, certain customers might decide to retain engineering responsibility for certain products and programs. 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.

As noted above earlier, OEM manufacturing strategies and usage of the supply base compared to inhouse production is currently being re-evaluated in the EV context. Again, outsourcing to highly capable, dependable suppliers is expected to continue long-term. This is why Linamar remains flexible and scalable to both the manufacturing strategy as well as the engineering support requirements of our customers.

3.1.7 Operating Philosophy

Linamar 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 nine global functional areas: corporate development, manufacturing and product launch, purchasing and supplier quality, finance, IT, human resources, sales, innovation, and quality. Each area specializes in providing technical expertise, standard operating policies, and shared best practices across all Linamar operations.

Linamar's operating structure resembles a matrix management organization. This structure allows for entrepreneurialism, accountability, lean structure, and responsiveness within each individual operating group. Wherever possible, the responsibility to make decisions and be responsive to customers, employees and suppliers lies at the operational level.

Linamar supports this accountability structure by providing operating groups with standardization support, best practices implementation, and technical expert-based guidance from each of its functional support groups. These groups support risk balancing by maintaining and implementing a Global Operating System across all facilities. The groups also ensure continuous improvement with philosophies like the "CAT" (Cost Attack Teams) and "PAT" (Paper Attack Teams) which help drive the organization to be uncomplacent and remain competitive.

3.1.8 Components

All suppliers to Linamar are required to meet certain quality, cost, and delivery expectations as outlined in the Linamar Supplier Quality Management guidelines.

Given that our primary business is machining and assembly, our operational teams need to procure a high quantity of raw components, typically for forgings or castings. Purchased components include steel forgings, aluminum die castings, iron castings, rubber components such as seal or gaskets, electronics, wire harnesses, pumps, and motors. Our key purchased raw material inputs are steel and aluminium, primarily for our forging and casting operations respectively. Whenever possible, we attempt to purchase these materials and components from regional suppliers close to our own operations. However, factors such as price, quality, transportation costs, duties, tariffs, and delivery have an impact on the decision to source from certain suppliers within the region. Where applicable, the Company makes every effort to obtain forged and cast components through vertically integrated means.

In the automotive supply industry, procurement of raw components is often left to the discretion of the Tier 1 supplier. However, due to certain cost, quality or design considerations, there are instances where the OEM customer will specify that raw components be purchased from their selected Tier 2 supplier.

Sourcing and supplier selection decisions are based on a competitive quote basis with the successful supplier offering the best combination of quality, cost, delivery, etc. Metallic component pricing can fluctuate with base steel and aluminum market indices. OEM customer contract terms typically specify the metal market adjustments that pricing is indexed to. Fluctuations with the indices are adjusted and reconciled on a quarterly basis. Cost inflation throughout the most recent calendar year as a result of post-pandemic global supply chain issues precipitated pricing changes beyond typical metals market indices. Such inflationary pressures on component purchases were a key factor in the required customer pricing adjustments that were pursued throughout 2023.

3.1.9 Intellectual Property

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.

3.1.10 Trends

Linamar is impacted by various economic, industry and technological trends, including trends related to production volumes, fuel economy/emissions, electrification, autonomous vehicles, ridesharing, outsourcing and supply base rationalization, and emerging market growth.

Automotive production levels can be a contributing factor impacting the Company's results. In 2023, global light vehicle production increased 9% due to continued recovery from the COVID-19 pandemic, and supply disruptions related to semiconductor availability. For 2024, global light vehicle production is expected to decline by 0.5%, followed by longer term growth of 1-2% per year, with production increasing from 90M in 2023 to 97.7M in 2031, an increase of nearly 8M units (the foregoing estimates are according to industry forecasting service S&P Global, January 2024).

Electrification is currently the most prevalent trend within the global automotive industry, driven by a combination of regulatory changes and OEM assessment of consumer preferences. Linamar expects the demand for BEV, HEV and FCEV to continue its global growth, but at a slower pace than originally forecasted by the OEMs. As a world leader in the development and production of electrified gearboxes, an array of production ready eAxle systems for both light-duty and commercial vehicle applications, and propulsion agnostic structural and chassis components, Linamar is well-positioned to take advantage of this trend through the eLIN Product Solutions Group. A thorough industry analysis completed with Linamar's own views, in conjunction with industry experts, including S&P Global, predicts a pure BEV market penetration of approximately 48% in 2030 and close to 50% by 2040. Although this trend may be perceived by some as a threat to Linamar's core business, Linamar has significantly increased the level of New Business Wins relating to electrified content in recent years. This has been made possible through the expansion of the eLIN portfolio, including eAxle systems and

related componentry, as well as structural & chassis light-weight castings, among other factors. Linamar continues to see a technology shift as an opportunity and is well-positioned to make a transition within the market.

Another technological and social trend expected to influence the auto industry in the future is the combination of autonomous vehicles and ride-sharing or hailing services. Although both factors could have a significant impact on consumer and societal behaviours, we expect 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 assumption that these trends might enable vehicle ownership and use for new consumer segments such as seniors and youth. Additionally, the overall life of vehicles may be reduced due to the increased usage. Both of these factors are expected to have a positive effect on production volumes.

OEM outsourcing of Linamar's propulsion products and modules still presents a significant opportunity for the Company over the next 10-20 years. The availability of capital and selective investment will necessitate the future outsourcing of non-core operations such as machining and powertrain assembly work. Today, this is primarily done in-house by the OEMs and large 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 expects this trend 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 about where their investment dollars are best spent. In some instances – particularly first generation EVs – the entire systems have been outsourced, while in others the design, development, and manufacturing has remained in-house with the OEM. This dynamic could potentially offset parts of the longer-term outsourcing trend discussed above. It is expected that once new EV technologies and a reshaped supply chain structure are established, OEMs will continue to rely on their supply bases for these systems. Linamar is well-positioned to take advantage of this long-term growth now having a total of five manufacturing facilities in China.

Each OEMs ability to outsource production may also be impacted by labour and collective bargaining arrangements with their respective employees, which may require that certain levels of production be completed by its own workforce.

3.2 Industrial Segment

As of the date of this AIF, the Industrial Segment is comprised primarily of four market-facing brands: Skyjack, MacDon, Salford and most recently Bourgault (each, an "Industrial OpCo"). Skyjack manufactures aerial work platforms ("AWPs") and other forms of access equipment. MacDon focuses on the production of leading harvest equipment, including combine draper headers and self-propelled windrowers. Salford manufactures high-quality tillage and precision application equipment. Bourgault manufactures advanced seeding and tillage equipment.

The Industrial segment's product sales increased by approximately $733.0M, or 38.3%, to $2.6B in 2023 compared with $1.9B in 2022. The sales increase was due to:

- A significant increase in agricultural sales primarily due to exceptional global market share growth for combine drapers, our largest agricultural product family;
- A strong increase in access equipment sales primarily due to increased global market share growth for scissors, our largest access equipment product family; and
- A favourable impact on sales from the changes in foreign exchange rates.

A table showing the total operating revenues that the Industrial segment contributed to total operating revenues for the years ended December 31, 2023 and 2022 can be found under the subsection "Segmented Information" of Linamar's 2023 Annual Report. A copy of the Annual Report can be accessed on SEDAR+ at www.sedar.com.

3.2.1 Skyjack

Skyjack began manufacturing AWPs in 1985. Skyjack later became a publicly traded company until 2000, when it was acquired by Linamar. Skyjack designs, manufactures and sells scissor lifts (both compact and rough terrain), vertical mast lifts, booms (telescopic and articulating), and telehandlers.

Skyjack's products are recognized internationally in the AWP market for their intuitive design, reliable operation, and dependability. Skyjack competes with the largest AWP producers in the world. In each of its principal markets, Skyjack offers most of the same forms of equipment offered by its main competitors. Skyjack's products focus on providing the best combination of machine performance, machine reliability, cost of ownership and product support. Skyjack offers a high-quality product that is simple to use and tailored to the individual customer's requirements. Due to its low cost of ownership and competitive positioning in the market, their products are an attractive choice for customers.

Skyjack's products are sold primarily to construction equipment rental companies, who in turn rent the equipment to end-users such as contractors and home builders. In 2022 Skyjack was organizationally realigned into three geographic and market-orientated regions: the Americas; Europe, Africa, Middle East; and Asia Pacific. Although each region has its own unique characteristics and dynamics, in general there are three types of rental companies: a small number of national or international consolidators with significant fleets of diversified equipment, regional rental companies with multiple locations, and a large number of single-facility companies that often service rural areas. Skyjack sells to each type of customer directly.

The AWP market can experience sales cycles that correspond with general increases and decreases of construction and economic activity, which often influences the capital expenditure decisions of Skyjack's larger rental company customers. Following a period of COVID-19 construction interruptions, the 2022 construction market experienced a general surge in economic activity resulting in an expansion of the AWP market. However, the COVID-19 pandemic's lingering negative effect on the global supply chain and labour availability impacted Skyjack's ability to fully meet that demand. With the majority of supply chain constraints in the past, 2023 was an excellent year for Skyjack delivering record level of sales and improved market share in key segments like Europe Booms.

Skyjack's operations include fabrication, welding, painting and assembly of its products. Skyjack has historically manufactured its products at two sites based in Guelph, Canada, with some European production occurring at the legacy Linamar industrial facility in Oroshaza, Hungary. Due to the need for localization as well as freight limitations, increased ocean shipping costs that came to light in 2021-2022, Skyjack embarked on a renewed global manufacturing strategy.

In early 2023, Skyjack commenced operations at new manufacturing facilities in Ramos Arizpe, Mexico. This is in addition to the new Asia production centre in Tianjin, China. Skyjack started initial production within an existing Linamar Mobility facility in Tianjin. As of the beginning of 2024, the permanent Tianjin, China Skyjack factory is complete and AWP production is moving over. The manufacturing capacity expansion represents an 'in the market, for the market' strategy to best deliver competitive product with localized content at reduced logistics inputs. With the new capacity in Mexico and China, the traditional Canadian facilities will now have the ability for increased inhouse component and sub-assembly manufacturing as well as space for more product development and prototyping output.

As of December 31, 2023, Skyjack employed over 207 engineering and design staff in innovation, design, testing and validation, product safety and manufacturing groups. Skyjack continues to prioritize the electrification of its products as the AWP industry trends toward cleaner, emissions-free power sources. In 2023, Skyjack introduced more pure electric drive product, mostly within its scissor lineup.

Skyjack leverages the engineering resources located in its Canadian facilities to facilitate regional design and development operations across its production facilities globally. It benefits from specialized engineering resources provided by Linamar, including the iHub, for the development of systems and technologies that are essential to future of Skyjack's products, including the development of a centralized centre of hydraulic expertise and enhanced machining software. Skyjack also receives resources to pursue innovation that is inline with industry trends, such as sustainability and interoperability with other products. As mentioned above, Skyjack utilizes the expertise of the eLIN product group on key electrification product strategies.

3.2.2 MacDon, Salford, and Bourgault

Linamar Agriculture is primarily comprised of MacDon and Salford. Following the closing of the Bourgault acquisition in Q1 2024, Bourgault will also be included going forward. Each company focuses on manufacturing of "short-line" agricultural equipment products: specialized agriculture equipment that is often used in conjunction with multipurpose vehicles (ex. tractors and combines) manufactured by "full-line" manufacturers (ex. CNH Industrial and John Deere). The focus of full-line manufacturers on widely used and often adaptable products (combines, tractors, sprayers, seeding equipment) provides opportunity for short-line producers like MacDon and Salford to produce more specialized, regional equipment needs that are known for their high degree of performance and specialty niche.

As short-line manufacturers, MacDon and Salford design, manufacture, market, and sell products that complement and enhance the capabilities of "full-line" products. MacDon, for example, is best known for its combine draper header, a harvesting implement that can be adapted to be used on most major combine brands. Salford has a great reputation in tillage products that enable farmland soil to be better prepared for seeding.

MacDon and Salford sell their products primarily to agriculture equipment dealers, who in turn resell the products to farmers. Both MacDon and Salford's equipment is primarily targeted to larger-scale or commercial farming operations as opposed to small hobby farms or rural estate customers. Although MacDon and Salford each manufacture products for full-line manufacturers on a white-label basis, the loss of any particular supply contract would not have a material effect on Linamar's business.

The market for agriculture equipment is cyclical and is often tied to the sales of large equipment, such as combines and tractors. Since 2016, industry volumes have seen modest improvements, with more significant growth in 2021 and 2022 driven by an increase in commodity prices. In particular, through 2022, supply chain disruptions and limited labour availability continued to limit producers' ability to meet increased demand. In 2023, many of those post-pandemic supply shocks and constraints eased and the agriculture market experienced a very strong year of equipment sales. Generally, other factors impacting the agricultural market include weather, crop yields, net farm income, stock to use ratios, commodity pricing levels on items such as corn, soybeans, wheat and to a lesser extent livestock and milk.

Currently, the most dominant trend in the agriculture industry is the adoption of precision technology to provide the optimum utilization of resources, improved productivity, and improve environmental sustainability. The industry has many new entrants in this area as well as the existing companies who look to adapt current solutions with enhancing technologies. MacDon and Salford are each developing products and adding technology to existing products to capitalize on this trend. Many manufacturers are investing heavily in their intellectual 'technology stacks', otherwise known as a range of key underlying enabling technologies, they will apply across their product portfolios. They include items related to autonomy and assisted systems, precision Ag, and related data. The intended benefit to end users is increased knowledge and actionable information to increase/decrease crop inputs for maximum efficiency to optimize yields.

1. *MacDon*

MacDon is a harvesting equipment specialist acquired by Linamar in early 2018 in an effort to increase its presence in the Food and Agriculture market. MacDon has been in existence for approximately 75 years. With operations based in Winnipeg, Canada, MacDon is an OEM brand name that is synonymous globally with broad acre agriculture harvesting performance and quality. The company has a long history of bringing market leading technology and innovations to the market. Its products include combine grain header attachments, like the FlexDraper, self-propelled windrowers, pick-up headers and hay products. MacDon also sells combine corn header attachments that are produced in Linamar's facility located in Oroshaza, Hungary. The Company plans to grow its agricultural platform to expand its product offerings and increase penetration in both new and underserved global markets. Today, MacDon sells through an extensive wholesale dealer & distributor network across the globe who in turn retails the equipment to end user farmer owner/operators.

MacDon manufactures all its products in Winnipeg, Canada. It also utilizes the Linamar OROS facility in Hungary for some limited run product lines. Its main R&D facility is next to the manufacturing site with a satellite development facility located in Wisconsin, USA. MacDon's operations include fabrication, welding, painting, and assembly of OEM-branded products which they distribute to the marketplace.

MacDon controls a number of subsidiaries worldwide that provide regional sales and service support.

MacDon and Salford each compete directly in the regions that they operate with other short-line manufacturers that make similar specialized products. MacDon distinguishes themselves by offering innovative products, along with exceptional service and product support to their customers, with the goal of making harvesting easier and more productive for farmers.

In 2022, MacDon continued its engineering product-led offensive by launching its FD2 Series FlexDraper. The 2-Series succeeds the 1-Series that was first introduced in 2018. The FD2 has more capacity, speed, and flexibility than its predecessor model. MacDon expects that the strong demand for the FD2 will continue to drive increased sales in North America, Europe, Australia and other jurisdictions. Consistent with MacDon's history, the company has a continuous product development pipeline and will incrementally introduce innovative technology enhancements over time.

2. Salford

Salford was acquired by Linamar in June 2022 and is included within the Linamar Industrial Segment. This acquisition is a by-product of Linamar's ongoing agriculture growth and diversification strategy that was initiated with the MacDon acquisition.

The group office and former headquarters is located in Salford, Ontario. Salford's operations are divided between facilities located exclusively in North America. In addition to two manufacturing sites in Ontario, Salford operates facilities in Iowa, Georgia, and Manitoba. Salford's operations include fabrication, welding, painting and assembly of OEM-branded products which they distribute to the marketplace.

Salford is a global leader in the manufacturing of tillage and crop nutrition (fertilizer application) equipment. Salford products are highly engineered and focused on innovation and durability, designed to enhance soil productivity and yield potential in the growing precision agriculture market. Tillage products aid in seed bed preparation, meaning it is in used at pre-planting, at the beginning of the farming season and at the end of the season, after the harvest is completed. Application equipment is utilized to deliver fertilizer to apply crop 'nutrients' to soil. Both product lines are utilized by farmers directly or by commercial farm supply operators with the goal to increase crop yields.

3. Bourgault

In late 2023, the acquisition of Bourgault Industries was announced. The acquisition closed on February 1, 2024. Bourgault is a leader in broad acre seeding technologies for cereal crops located in St. Brieux, Saskatchewan. Bourgault designs and manufacturers air seeders and air carts and the ancillary delivery systems that join the two systems. Bourgault's seed drills place a prescription of seed and fertilizer in the seed bed to maximize plant growth given the soil and climate conditions.

Bourgault's business model is very similar to that of MacDon and Salford, as they design and manufacture their products and sell them through a network of dealerships. However, each group occupies a unique segment of the overall crop production cycle. Salford focuses on tillage and crop nutrition, Bourgault focuses on seeding, and MacDon focuses on harvesting. Together, Linamar's agriculture portfolio addresses most of the entire crop production cycle and offers a wide addressable market opportunity.

3.2.3 General Industrial OpCo Practices and Trends

Each Industrial OpCo has a dedicated department to purchase tooling, equipment, and production materials from a variety of sources that are required for their specific products. Although the Industrial OpCos each produce different types of equipment, there are certain key components and raw materials that are common to most of the Industrial OpCos, including steel weldments, wiring harnesses, control boxes/joysticks, pumps, motors and tires. While each Industrial OpCo may purchase these inputs from separate sources, the Industrial Segment attempts to leverage the purchasing power of each of its brands in order to secure better pricing or terms.

Each of the Industrial OpCos uses its patents, trademarks and/or copyrights in its manufacturing processes, and may license such rights to third parties, and occasionally is licensed to use third party intellectual property. These intellectual property rights are an important asset, but the loss of any particular right would not have a material effect on Linamar's business.

Each of the Industrial OpCo's relies on other intangible property to conduct its business, including product-specific know-how, market knowledge, and trade secrets.

The Industrial OpCos are required to develop and retain skilled workforces for their operations. Many of the employees of these companies possess specialized skills and training of their respective industries in order to design, manufacture, market, and sell competitive products. Certain essential roles include, mechanical engineers, software engineers, and welders. Global labour shortages have made hiring and retaining such skilled workers extremely competitive.

3.3 General Company Information

The following sections describe Company information or trends that are either common to both segments or apply generally to our business.

3.3.1 Employees

At December 31, 2023, the Company had 33,347 employees worldwide working mainly in the following countries and reportable operating segments:

By Country	Approximate No. of Employees
Canada	12,416
Mexico	6,497
United States	3,711
Hungary	2,980
Germany	2,588
Asia Pacific	1,581
France	1,087
Bulgaria	744
United Kingdom	628
North Macedonia	479
Spain	352
Czechia	218
Other	66
By Reportable Operating Segment	Approximate No. of Employees
Industrial Segment	5,993
Mobility Segment	26,704

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.

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

3.3.2 Credit Facilities

On December 31, 2023, the Company's cash and cash equivalents were $653.3M. On December 31, 2023, the Company's syndicated revolving facilities had available credit of $668.4M.

In November 2020, the Company entered into an agreement to issue, on a private placement basis, EUR 320M principal amount of notes bearing interest at an annual rate of 1.37% and maturing on January 31, 2031 (the "2031 Notes").

In January 2021, the Company received EUR 320M in funding through the 2031 Notes. The Company applied the proceeds of the 2031 Notes, as well as a portion of the available surplus cash and proceeds drawn from its revolving credit facility towards the repayment of USD denominated debt, a portion of which came due in January 2021. The USD cross currency interest rate swap contract associated with the USD denominated debt matured and settled at the same time. The EUR cross currency interest rate swap contract matured and also settled in January 2021, ending the associated investment hedge. For more information, please see the Company's consolidated financial statements for the year ended December 31, 2022.

In November 2022, the Company signed the Sixth Amended and Restated Credit Agreement ("Credit Agreement"). The credit facility offered under the Credit Agreement is a revolving credit facility ("Facility") for a principal amount of $1,175M. The Credit Agreement is scheduled to mature on November 22, 2026. The Facility is unsecured and guaranteed by certain subsidiaries of the Company. The Credit Agreement requires the Company to maintain certain financial ratios and imposes limitations on specific activities. The Company is in compliance with all financial covenants under the Credit Agreement as of the date hereof. The terms and conditions of the Credit Agreement are largely consistent with Linamar's previous credit facilities.

In June 2023, the Company received funding through a note purchase agreement with certain institutional investors for a private placement of $550M aggregate principal amount, issued at an annual rate of 5.96%, coming due June 2033 and paying interest semi-annually. The new private placement notes have similar terms and conditions as the notes issued in 2021. The funds were used for general corporate purposes including the Battery Enclosures Business acquisition.

In conjunction with the Bourgault transaction closing, Linamar has also finalized a new $700M term loan agreement. The term credit agreement is repayable in three tranches with the last expiring in February 2027 and has terms and conditions largely consistent with the Company's existing credit facility.

3.3.3 Government Grants

For a listing of material government grants, subsidies and borrowings received by the company in 2023, please refer to Note 9 and 16 of the Company's 2023 Audited Financial Statements.

3.3.4 Contingencies

Linamar is involved in certain lawsuits and claims. As of the date hereof, none of the lawsuits involving Linamar include a claim for damages against Linamar that exceeds 10% of the current assets of the Company. 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, 2023.

3.3.5 Focus on Sustainability

Linamar is dedicated to being an effective partner for its communities by operating in an environmentally and socially responsible manner. Linamar believes that responsible management in this regard creates positive outcomes for all of our stakeholders. To measure our progress in this regard, Linamar releases a Sustainability Report annually, which identify the guiding principles underpinning Linamar's commitment to ESG, and the steps we've taken to accomplish those goals. To view Linamar's full Sustainability report, please visit our website at www.linamar.com. To review key aspects of Linamar's sustainability practices, please refer to our 2023 Management Information Circular.

3.3.6 Foreign Operations

Each of the Mobility and Industrial segments distribute their products globally, including through non-Canadian subsidiaries. Accordingly, each segment is materially reliant on foreign operations.

4. Risk Factors and Risk Management

The Company's discussion of risk and risk management is contained in the Risk Management section (pages 10-14) of the Company's Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2023, which 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, 2023, the Board of Directors approved an eligible dividend of $0.25 per share on the common shares of the Company, payable on or after April 15, 2024, to shareholders of record on March 28, 2024.

The Company declared cash dividends of $0.68 per share in 2021, $0.80 per share in 2022, and $0.88 per share in 2023.

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, 2023, there were 61,578,157 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 2023 to December 2023 are as follows:

Month	High Price ($/share)	Low Price ($/share)	Close Price ($/share)	Total Volume
Jan	68.45	61.56	67.95	2,208,836
Feb	75.26	68.47	74.25	2,558,404
Mar	77.69	59.68	65.03	3,838,570
Apr	67.17	60.23	64.40	1,628,473
May	70.13	59.11	60.10	2,323,844
Jun	71.45	59.84	69.62	2,685,812
Jul	77.11	67.57	76.52	1,725,134
Aug	78.89	67.88	70.91	2,024,913
Sep	72.47	63.38	65.43	1,765,094
Oct	67.80	59.91	59.96	1,634,988
Nov	65.40	56.78	57.61	2,995,642
Dec	65.96	56.88	64.02	2,323,534

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

8. Directors and Officers

8.1 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 ("HRCG Committee") and has prescribed their respective responsibilities and mandates. The Audit Committee and the HRGC Committee are both entirely comprised of independent directors.

8.2 Name, Address, Occupation and Security Holdings

Name & Municipality of Residence	Director Since	Other Positions and Offices currently held with the Company	Principal Occupation
Linda Hasenfratz Guelph, Ontario, Canada	1998	Executive Chair & 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
Jim Jarrell Guelph, Ontario, Canada	2022	President and Chief Operating Officer	President and Chief Operating Officer
Lisa Forwell[1,2] Oakville, Ontario, Canada	2020	None	Leadership Consulting, Chief Executive Officer of Lisa Forwell Ltd.
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.

8.3 Officers

The following table sets forth information with respect to the 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
Elliot Burger Waterloo, Ontario, Canada	Global VP of Corporate Development, Secretary & General Counsel
Dale Schneider Guelph, Ontario, Canada	Chief Financial Officer
Kurt Buehler Winnipeg, Manitoba, Canada	Group President, MacDon
Wenzhang (Henry) Huang Shanghai, China	Group President, Linamar Machining & Assembly, Asia Pacific
Salvatore (Sam) Cocca Northville, Michigan, USA	Group President, Linamar Europe

During the last five years, the Company's executive officers have held the principal occupations noted above except: (i) Mr. Cocca was the Global Vice President of Sales, Business Development and Innovation from 2018 until 2020, (ii) Elliot Burger was Senior Legal Counsel from 2018 until 2021, and Associate General Counsel from 2021 until 2023 and (iii) Kurt Buehler was the President of MacDon Industries Limited from 2021-2023, before which he was the Vice President of Operations for MacDon Industries Limited.

The directors and executive officers of the Company, as a group of 11 persons, beneficially owned or exercised control or direction over a total of 20,636,039 common shares (representing approximately 33.5% of the outstanding shares of the Company as of December 31, 2023).

9. Audit Committee

9.1 Audit Committee Charter

The charter for the Company's Audit Committee (the "Audit Committee") can be found at www.linamar.com/governance.

9.2 Composition of the Audit Committee

The members of the Audit Committee are Terry Reidel, Lisa Forwell 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 16, 2024, which circular will be filed at www.sedar.com. A copy of the MIC can be accessed on SEDAR+ at www.sedar.com.

9.3 Relevant Education and Experience

Mr. Reidel has extensive financial experience. He has been Interim CFO of Princeton Holdings Limited, a financial services company primarily in the Insurance industry since September 2017. 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 and gained significant experience in the automotive sector, including negotiations with large North American and European OEMs. 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 was also a director on several public boards. Mr. Reidel holds the following designations, FCPA and FCA.

Ms. Forwell is an engineer with an MBA who brings over twenty years of experience working with established global building materials suppliers and large-scale retailers. She has extensive knowledge in industrial construction materials in both sales and production as well as land rehabilitation. Ms. Forwell is the former CEO of Forwell Ltd. – a large independent aggregate, asphalt concrete materials business. Prior to that she was the President and CEO of Quikrete Canada – a packaged concrete supplier with sales to large North American retailers including Home Depot and Canadian Tire. Ms. Forwell also served as the Sales and Operations Managers of Lafarge Canada with a focus on environmental engineering operations.

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, 2023, and December 31, 2022, the auditors of the Company, PwC charged the following fees to the Company:

Type of service	Fiscal 2023 ($)	Fiscal 2022 ($)
Audit fees	2,479,000	2,407,000
Tax fees	118,000	31,000
All other fees	55,000	145,000
Total	2,652,000	2,583,000

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, 2021, 2022, and 2023, 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, except as disclosed in Note 9 and 22 of the Company's 2023 Audited Financial Statements.

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, 2023.

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	158,685	0.26

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 annually 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 or the Royal Bank of Canada 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 Corporation's auditor is PricewaterhouseCoopers LLP, Chartered Professional Accountants, and it has prepared an independent auditor's report dated March 6, 2024 in respect of the Corporation's consolidated financial statements with accompanying notes as of December 31, 2023, and December 31, 2022. PricewaterhouseCoopers LLP has advised the Corporation that it is independent of the Corporation within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

14. Additional Information

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 16, 2024. 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, 2023.

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, 2023, 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.

APPENDIX 1

Forward-Looking Information

Certain information provided by Linamar in this AIF, a press release, MD&A, 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 environment in which Linamar operates, 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.

APPENDIX 2

Reportable Intercorporate Relationships

The following is a list of the principal subsidiaries of the Company as of December 31, 2023, 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.	Canada	100
Linamar Holdings Inc.	Canada	100
Skyjack Inc.	Canada	100
Skyjack UK Limited	United Kingdom	100
Linamar Light Metals S.A.S.	France	100
Linamar Agriculture Inc.	Canada	100
MacDon Industries Ltd.	Canada	100
Salford Group Inc.	Canada	100
McLaren Performance Technologies Inc.	United States	100
Linamar Automotive Systems NL, Inc.	United States	100
Linamar Light Metals-MR, LLC	United States	100
Linamar Structures USA (Alabama) Inc.	United States	100
Linamar Structures Czechia s.r.o.	Czechia	100
Linamar Structures Macedonia s.r.o.	North Macedonia	100
Linamar Forgings Carolina Inc.	United States	100
Linamar North Carolina, Inc.	United States	100
Linamar Structures USA (Michigan) Inc.	United States	100
Linamar Hungary Zrt.	Hungary	100
Industrias de Linamar S.A. de C.V.	Mexico	100
Linamar Antriebstechnik GmbH	Germany	100

Linamar Powertrain GmbH	Germany	100
Linamar Plettenberg GmbH	Germany	100
Linamar Motorkomponenten GmbH	Germany	100
Linamar Light Metals Ruse EOOD	Bulgaria	100
Linamar (China) Investment Co., Ltd.	China	100
Linamar Automotive Systems (Wuxi) Co., Ltd.	China	100
Skyjack Mexico S de RL DE C.V.	Mexico	100

The table above excludes certain subsidiaries, the assets and revenues of which do not individually exceed 10%, or in the aggregate exceed 20% of the total consolidated assets or total consolidated revenues of the Corporation as of December 31, 2023.