



NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

to be held on May 9, 2024

- and -

MANAGEMENT INFORMATION CIRCULAR

Dated: March 28, 2024

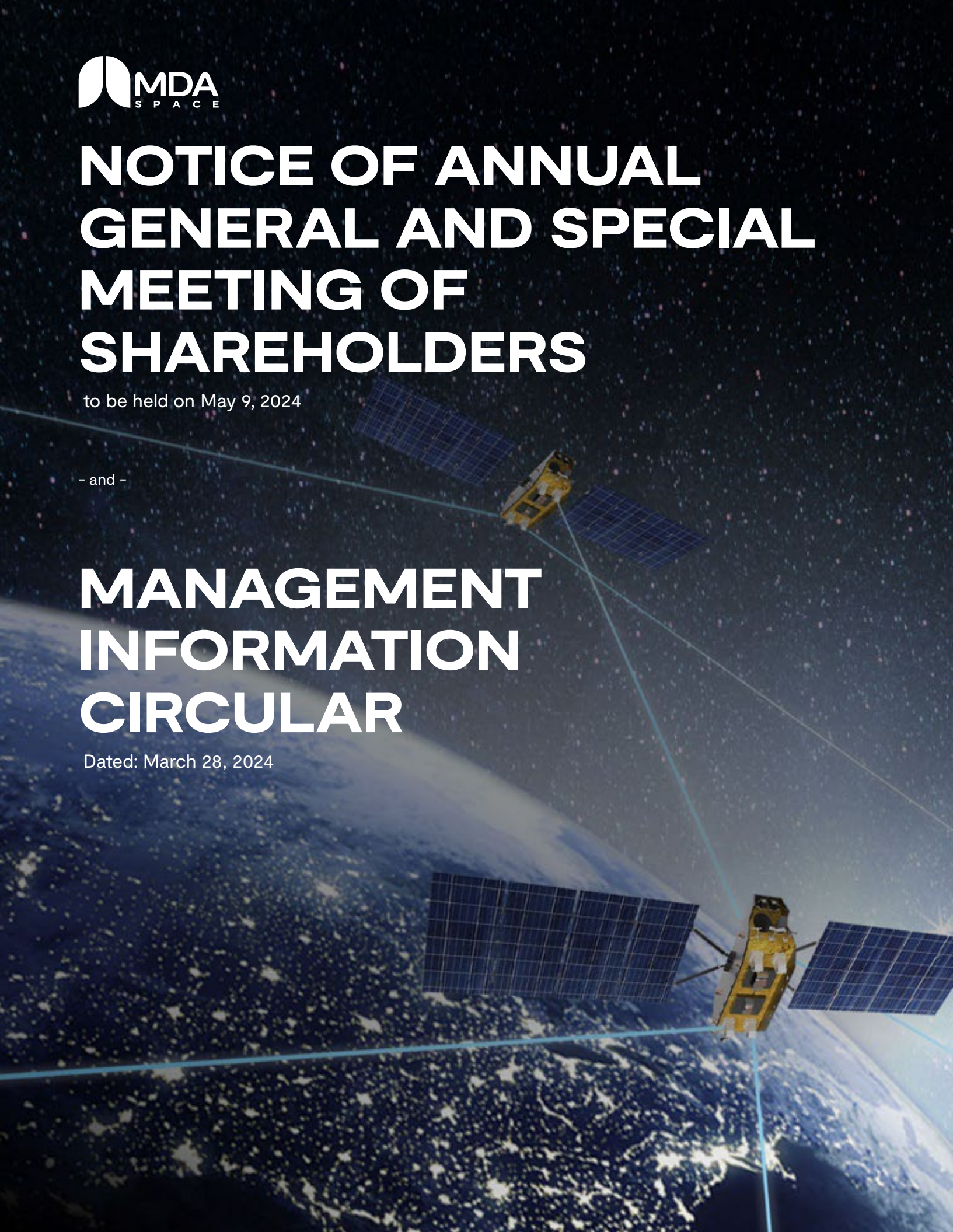


TABLE OF CONTENTS

LETTER TO SHAREHOLDERS FROM THE CHAIR OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER	1
NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 9, 2024	3
MANAGEMENT INFORMATION CIRCULAR	5
VOTING INFORMATION	6
SOLICITATION OF PROXIES	6
NON-REGISTERED SHAREHOLDERS	6
VOTING AND ASKING QUESTIONS AT THE MEETING	7
REGISTERED SHAREHOLDERS	7
VOTING AND DISCRETION OF PROXIES	10
VOTING SHARES AND PRINCIPAL HOLDERS THEREOF	11
PARTICULARS OF MATTERS TO BE ACTED UPON	11
FINANCIAL STATEMENTS	11
ELECTION OF OUR BOARD OF DIRECTORS	11
APPOINTMENT AND REMUNERATION OF AUDITOR	25
NAME CHANGE	25
RE-APPROVAL OF UNALLOCATED OPTIONS, RIGHTS AND OTHER ENTITLEMENTS UNDER THE OMNIBUS PLAN	26
OTHER BUSINESS	26
INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON	27
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	27
CORPORATE GOVERNANCE DISCLOSURE	27
GOVERNANCE HIGHLIGHTS	27
DIRECTOR INDEPENDENCE	31
BOARD RESPONSIBILITIES	31
BOARD MEETINGS	32
POSITION DESCRIPTIONS	32
ORIENTATION AND CONTINUING EDUCATION	32

ETHICAL BUSINESS CONDUCT	32
NOMINATION OF DIRECTORS	33
COMMITTEES OF THE BOARD OF DIRECTORS	33
BOARD ASSESSMENT	35
DIRECTOR TERM LIMITS AND OTHER MECHANISMS OF BOARD RENEWAL	36
SUCCESSION PLANNING	36
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)	36
DIVERSITY	36
SHAREHOLDER ENGAGEMENT	38
RISK OVERSIGHT	39
LETTER TO SHAREHOLDERS FROM CHAIR OF HUMAN RESOURCES, DEVELOPMENT & COMPENSATION COMMITTEE	40
EXECUTIVE COMPENSATION	42
COMPENSATION DISCUSSION AND ANALYSIS	42
PAY POLICIES AND PRACTICES	46
SHAREHOLDER ENGAGEMENT	47
COMPENSATION-SETTING PROCESS	47
COMPONENTS OF COMPENSATION	50
BENEFIT PLANS	59
PERFORMANCE GRAPH	60
SUMMARY COMPENSATION TABLE	62
EMPLOYMENT AGREEMENTS	63
OUTSTANDING OPTION-BASED AWARDS AND SHARE-BASED AWARDS	66
INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR	67
BURN RATE	67
PENSION PLAN BENEFITS	68
TERMINATION AND CHANGE OF CONTROL BENEFITS	69
DIRECTOR COMPENSATION	70
GENERAL	70
DIRECTOR COMPENSATION TABLE	70
OUTSTANDING OPTION-BASED AND SHARE-BASED AWARDS	71
INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR	72

DIRECTOR SHARE OWNERSHIP GUIDELINES	72
DIRECTORS' AND OFFICERS' LIABILITY INSURANCE	73
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY INCENTIVE PLANS	73
OMNIBUS PLAN	73
EMPLOYEE TRUST	79
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	79
ADDITIONAL INFORMATION	80
APPROVAL OF DIRECTORS	80
APPENDIX A CHARTER OF THE BOARD OF DIRECTORS	A-1

Letter to Shareholders from the Chair of the Board and the Chief Executive Officer

Dear Shareholders,

On behalf of the board and management team at MDA, we are pleased to invite you to attend our annual general and special meeting of shareholders, which will be held virtually on May 9, 2024 at 11:00 am (Toronto Time). Your vote and your voice matter, and we encourage all of our shareholders to participate.

The Notice of the Annual General and Special Meeting of Shareholders, Management Information Circular, and related materials are enclosed. These documents outline and describe the business to be conducted at the meeting, our approach to executive compensation and our governance practices. Information about the meeting is also available on our Investor Relations website at <https://mda-en.investorroom.com/annual-reports>.

In 2023, we continued to make meaningful progress against our strategic growth plan, both financially and operationally. We further solidified MDA's position as a trusted mission partner and leader in the rapidly expanding global space industry.

Financially, revenues grew to \$807.6 million, up 26% year over year, and Adjusted EBITDA grew to \$174.2 million, up 24% over the prior year¹ while Adjusted EBITDA Margin of 21.6% remained at a very healthy level.² Backlog at year-end stood at \$3.1 billion, a record level for MDA and up 125% compared to December 31, 2022. We ended the year with strong market momentum and we remain focused on executing our strategy and growing our book of business.

Operationally, we achieved multiple milestones across all of our business areas, including:

- The award of an approximately \$2.1 billion contract from Telesat for the Telesat Lightspeed LEO constellation – the largest contract in MDA's history. MDA was selected as the prime satellite contractor, responsible for the design, manufacture, assembly and test of 198 satellites with options for Telesat to purchase up to 100 additional satellites.
- The introduction of a new MDA software-defined digital satellite product line as the industry transitions from analog to digital satellite technologies. The fully integrated portfolio includes a complete range of modular digital products and components for space-based communication solutions coupled with advanced high-volume manufacturing capabilities – dramatically reducing production costs and schedule.
- The acquisition of SatixFy Space Systems UK Ltd., the digital payload division of SatixFy Communications Ltd. The transaction will help further strengthen MDA's global leadership position in the growing market for digital satellite communications solutions.
- Significant development progress on the CHORUS constellation program including conducting the payload Critical Design Review (CDR), as well as advancing unit and subsystem level work for the platform, payload and bus avionics. Progress also included building the ground segment subsystems and detailing constellation operations plans and processes.
- Continued execution on Phase B of the Canadarm3 program in which MDA is completing the preliminary design of the robotics system that will be used aboard the NASA led Gateway. In 2023, the team successfully closed out the systems definition review and made good progress towards the preliminary design review milestone expected to take place in 2024.

¹ Adjusted EBITDA of \$174.2 million in 2023 up 24% year over year compared to adjusted EBITDA of \$141.1 million in 2022; 2022 adjusted EBITDA excludes \$16.8 million in historical investment tax credit (ITC) settlement income recognized in 2022.

² Adjusted EBITDA and Adjusted EBITDA Margin are financial measures that are not calculated in accordance with IFRS. For a reconciliation to the most directly comparable measure calculated in accordance with IFRS, see the section entitled "Reconciliation of Non-IFRS Measures" in MDA's latest Management Discussion and Analysis available on SEDAR+ at www.sedarplus.com, which is hereby incorporated by reference.

We want to express our heartfelt gratitude to the more than 3,000 MDA staff who have made all of these achievements possible. Day after day, these talented and hard-working individuals are delivering on customer commitments, breaking new ground, executing on growth strategies, and leveraging our competitive strengths across the entire business.

Lastly, we also want to extend our sincerest thanks to our shareholders for your ongoing and continued support. We look forward to updating you on our progress at the meeting, and to another year of working together to build the space between the proven and the possible.

Sincerely,

"John Risley"

John Risley

Chair of the Board

"Michael Greenley"

Michael Greenley

Chief Executive Officer



MDA LTD.

Notice of Annual General and Special Meeting of Shareholders to be Held on May 9, 2024

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the shareholders of MDA Ltd. (“**MDA**”) will be held virtually via live audio webcast at <https://virtual-meetings.tsxtrust.com/1589> on May 9, 2024 at 11:00 am (Toronto time), for the following purposes, as more particularly described in the accompanying management information circular (the “**Circular**”):

1. to receive and consider the financial statements for the fiscal year ended December 31, 2023 (“**Fiscal 2023**”) and the auditor’s report thereon;
2. to elect the directors of MDA for the ensuing year;
3. to appoint an auditor for the ensuing year and to authorize the directors to fix the auditor’s remuneration;
4. to pass a special resolution, the full text of which is set forth in the accompanying Circular, approving an amendment to the articles of MDA to change its name to “MDA Space Ltd.”;
5. to pass an ordinary resolution, the full text of which is set forth in the accompanying Circular, re-approving all unallocated options, rights or other entitlements under MDA’s omnibus equity incentive plan, as required every three years by the Toronto Stock Exchange; and
6. to transact such further and other business as may properly be brought before the Meeting or any adjournment thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the Circular. The Circular is deemed to form part of this notice of meeting. Please read the Circular carefully before you vote on the matters being transacted at the Meeting.

Holders of common shares registered on the books of MDA at the close of business on March 28, 2024 (the “**Record Date**”) are entitled to notice of, and to vote at, the Meeting.

A registered shareholder may attend the Meeting himself, herself or itself, or may be represented by proxy. Registered shareholders who are unable to attend the Meeting or any adjournment thereof are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof.

Once again this year, the Meeting will be held in a virtual-only format, which will be conducted via live audio webcast over the Internet. Registered shareholders and duly appointed proxyholders will be entitled to attend, participate and vote at the Meeting from any location. Non-registered shareholders who have not duly appointed themselves as proxyholders may also virtually attend as guests. Guests will be able to virtually attend and listen to the Meeting but will not be able to vote or ask questions at the Meeting. To be valid, the enclosed proxy must be deposited with MDA’s transfer agent, TSX Trust Company at 301-100 Adelaide Street West, Toronto, ON M5H 4H1 not later than 11:00 am (Toronto time) on May 7, 2024 (or at least 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Ontario, Canada, prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof). Alternatively, shareholders may, and are encouraged to, vote their proxies online at <http://www.voteproxyonline.com/> or by fax to 416-595-9593 before such deadline.

A summary of the information shareholders will need to attend, participate and vote at our Meeting is provided in the Circular under “*Voting Information*”.

Non-registered beneficial shareholders, whose shares are registered in the name of a broker, securities dealer, bank, trust company or similar entity (an “**Intermediary**”), should carefully follow the voting instructions provided by their Intermediary.

DATED this 28th day of March, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “*John Risley*”

John Risley
Chair of the Board



ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD MAY 9, 2024

Management Information Circular

This management information circular (“**Circular**”) is furnished in connection with the solicitation of proxies by management of MDA Ltd. (the “**Company**” or “**MDA**”) for use at the annual general and special meeting of the shareholders of MDA (the “**Meeting**”), which will be held virtually via live audio webcast at <https://virtual-meetings.tsxtrust.com/1589> on May 9, 2024 at 11:00 am (Toronto time), subject to any adjournment(s) or postponement(s) thereof, for the purposes set forth in the accompanying notice of annual general meeting of shareholders (the “**Notice of Meeting**”). Unless otherwise stated, all information in this Circular is current as of March 28, 2024 and all references to dollars, “\$” or “C\$” are to Canadian dollars.

BUSINESS OF THE MEETING

1. Annual Financial statements

The financial statements for the year ended December 31, 2023 and the auditor’s report thereon accompanying this Circular will be placed before the shareholders at the Meeting.

Our financial statements for the year ended December 31, 2023 can be found on SEDAR+ at www.sedarplus.com.

2. Election of directors

You will be asked to elect eight director nominees to serve on our board of directors (the “**Board**”) until the earlier of the next annual meeting or the director’s retirement from the Board. Our Board recommends that you vote **FOR** each director nominee.

See pages 14 to 21 for information about our director nominees.

3. Appointment of auditors

You will be asked to appoint KPMG LLP as the auditor of MDA. KPMG LLP has served as our auditor since June 2020. Our Board recommends that you vote **FOR** KPMG LLP as our auditor.

In 2023, KPMG LLP’s appointment was passed with support of over 99.9% of votes cast.

4. Special resolution to change the MDA’s name

As part of a global rebranding to better reflect our strategic focus, market opportunity and established position as a trusted space mission partner, you will be asked to vote on the proposal to change MDA’s name from “MDA Ltd.” to “MDA Space Ltd.” Our Board has unanimously approved the name change and recommends that you vote **FOR** the special resolution.

See page 25 for more information about our name change, as well as the full text of the resolution.

5. Ordinary resolution regarding our omnibus equity incentive plan

You will be asked to adopt an ordinary resolution to re-approve all the unallocated options, rights or entitlements under MDA’s omnibus equity incentive plan. This approval will be effective for three years following the date of the Meeting. Our Board recommends that you vote **FOR** the resolution.

See page 26 for more information about the resolution regarding our omnibus equity incentive plan, as well as the full text of the resolution.

ATTENDING THE MEETING

Once again this year, the Meeting will be held in a virtual-only format, which will be conducted via live audio webcast over the Internet. Shareholders will have an equal opportunity to participate at the Meeting regardless of their geographic location. A summary of the information that shareholders will need to attend and vote at the Meeting online is provided under “*Voting and Asking Questions at the Meeting*”.

Voting Information

SOLICITATION OF PROXIES

The solicitation of proxies is being made by or on behalf of management of MDA. It is expected that the solicitation of proxies will be made primarily by mail, but may be supplemented by telephone or other form of correspondence. The cost of solicitation of proxies will be borne by MDA. We will also pay the fees and costs of Intermediaries (as defined below) for their services in transmitting proxy-related material in accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**National Instrument 54-101**”). This cost is expected to be nominal.

No person is authorized to give any information or to make any representation other than those contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized by MDA. The delivery of this Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

NON-REGISTERED SHAREHOLDERS

Only registered shareholders of MDA (a “**Registered Shareholder**”), or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. However, in many cases, common shares of MDA (“**Common Shares**”) beneficially owned by a person (a “**Non-Registered Shareholder**”) are registered either:

- (a) in the name of a broker, securities dealer, bank, trust company or similar entity (an “**Intermediary**”) with whom the Non-Registered Shareholder deals in respect of the Common Shares; or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

The meeting materials are being sent to both registered and non-registered owners of Common Shares. We are sending this Circular and the form of proxy (the “**Meeting Materials**”) directly to non-objecting beneficial owners under National Instrument 54-101.

In accordance with the requirements of National Instrument 54-101, we are sending the Meeting Materials to the Intermediaries and clearing agencies for onward distribution to objecting beneficial owners. Intermediaries are required to forward the Meeting Materials to objecting beneficial owners unless the objecting beneficial owners have waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to objecting beneficial owners. MDA intends to pay for Intermediaries to forward the Meeting Materials to objecting beneficial owners under National Instrument 54-101. Generally, objecting beneficial owners who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the objecting beneficial owners and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow; or

NON-REGISTERED
SHAREHOLDERS

- (b) be given a form of proxy which has already been signed by the Intermediary, which is restricted as to the number of Common Shares beneficially owned by the objecting beneficial owners but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the objecting beneficial owners when submitting the proxy.

NON-REGISTERED
SHAREHOLDERS

The purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the voting instruction form or the proxy is to be delivered.**

MDA is not relying on the “notice-and-access” provisions set out in National Instrument 54-101 to distribute copies of the proxy-related materials in connection with the Meeting.

VOTING AND ASKING QUESTIONS AT THE MEETING

MDA is holding the Meeting in a virtual format, which will be conducted via live audio webcast, where all shareholders, regardless of geographic location, will have an opportunity to participate.

Given this format, all shareholders are strongly advised to carefully read the voting instructions below that are applicable to them.

REGISTERED SHAREHOLDERS

Registered Shareholders can vote in one of two ways:

1. At the virtual Meeting; or
2. Prior to the Meeting, by proxy, using the form of proxy provided as part of the Meeting Materials.

How to vote at the virtual Meeting as a Registered Shareholder:

1. Type in <https://virtual-meetings.tsxtrust.com/1589> on your browser at least 15 minutes before the Meeting starts.
2. Click on “I have a control number”.
3. Enter your 12-digit control number (which is located on your form of proxy).
4. Enter the case sensitive password: “mda2024”.
5. When the voting opens, click the “Voting” icon on the left hand side and elect your voting direction from the options shown on the screen and click “Submit”. A confirmation message will appear to show your vote has been received.
6. If shareholders have additional control numbers to vote, click on “I have additional control numbers” at the top to enter the additional credential.
7. To change a vote, click “Refresh Voting Resolutions”. Voting will remain open until the voting on the ballot is closed.

REGISTERED
SHAREHOLDERS

Shareholders must be connected to the Internet at all times to be able to vote – it is the shareholder’s responsibility to stay connected for the entire Meeting.

How to vote by proxy if you are a Registered Shareholder:

1. Appoint a proxyholder

A form of proxy for use at the Meeting or any adjournment thereof was mailed to Registered Shareholders. The persons named as proxyholders in the form of proxy are directors and/or officers of MDA. **Each shareholder has the right to appoint a person other than the persons named in the accompanying form of proxy, who need not be a shareholder, to attend and act for and on behalf of such shareholder at the Meeting. Any shareholder wishing to exercise such right may do so by inserting in the space provided in the applicable form of proxy the name of the person such shareholder wishes to appoint as proxyholder and by duly delivering such proxy, or by duly completing and delivering another proper form of proxy to MDA's transfer agent, TSX Trust, within the time period and at the address set out under Section 4 – "Send in your proxy".**

2. Provide your voting instructions

Use the form of proxy to specify how you want to vote on each item of business. If you give direction on how to vote your Common Shares of MDA on your proxy form, your proxyholder must vote your Common Shares according to your instructions. If you have not specified how to vote on a particular matter on your form of proxy, your proxyholder can vote your Common Shares as he or she sees fit. If neither you nor your proxyholder gives specific instructions, your Common Shares will be voted as follows:

- **FOR** the election of each proposed nominee as a director;
- **FOR** the appointment of KPMG LLP as auditor of MDA for the ensuing year, and to authorize our Board to fix the auditor's remuneration;
- **FOR** the special resolution approving the change of name of MDA to "MDA Space Ltd."; and
- **FOR** the ordinary resolution re-approving all unallocated options, rights or other entitlements under MDA's omnibus equity incentive plan.

3. Register your proxyholder

Registered Shareholders who wish to appoint a person other than the management nominees identified on the form of proxy, must carefully follow the instructions in this Circular and on their form of proxy. These instructions include the additional step of registering such proxyholder with our transfer agent, TSX Trust, by emailing tsxtrustproxyvoting@tmx.com the "Request for Control Number" form, which can be found at <https://tsxtrust.com/resource/en/75>, after submitting their form of proxy. **Failure to register the proxyholder with TSX Trust will result in the proxyholder not receiving a control number to participate in the Meeting and only being able to attend as a guest. Guests will not be permitted to vote or ask questions at the Meeting.**

4. Send in your proxy

Shareholders who are unable to attend the Meeting are requested to complete, sign and date the accompanying form of proxy and return such proxy in the envelope provided for that purpose. Completed proxies must be delivered to our transfer agent, TSX Trust, located at 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1, not later than 11:00 am (Toronto time) on May 7, 2024 (or at least 48 hours, excluding Saturdays, Sundays and holidays, prior to any reconvened meeting in the event of an adjournment of the Meeting). Alternatively, shareholders may, and are encouraged to, vote their proxies online at <http://www.voteproxyonline.com/> or by fax to 416-595-9593.

How to change your vote if you are a Registered Shareholder:

In addition to revocation in any other manner permitted by law, proxies given by Registered Shareholders for use at the Meeting may be revoked at any time prior to their use by depositing an instrument in writing executed by the shareholder or by his or her attorney authorized in writing or, if the shareholder is a company, by an officer or attorney thereof duly authorized, with TSX Trust located at 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 4H1 not later than 11:00 am (Toronto time) on May 7, 2024 (or at least 48 hours, excluding Saturdays, Sundays and holidays, prior to any reconvened meeting in the event of an adjournment of the Meeting). Late proxies may be accepted or rejected by the Chair of the Meeting in his or her discretion, and the Chair is under no obligation to accept or reject any particular late proxy. The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice.

A shareholder may also revoke their proxy at the Meeting provided they are a Registered Shareholder whose name appeared on the shareholders' register of MDA as at the Record Date.

Non-Registered Shareholders

Non-Registered Shareholders can vote in one of two ways:

1. At the virtual Meeting by duly appointing yourself as proxyholder; or
2. Prior to the Meeting, through your Intermediary, using the voting instruction form provided by your Intermediary.

How to vote at the virtual Meeting as a Non-Registered Shareholder:

1. Appoint yourself as proxyholder by writing your name in the space provided on the voting instruction form. Do not fill out your voting instructions.
2. Sign and send it to your intermediary, following the voting deadline and submission instructions on the voting instruction form.
3. Register with TSX Trust prior to the voting deadline, by emailing tsxtrustproxyvoting@tmx.com the "Request for Control Number" form, which can be found at <https://tsxtrust.com/resource/en/75>, after submitting your voting instruction form.
4. Type in <https://virtual-meetings.tsxtrust.com/1589> on your browser at least 15 minutes before the Meeting starts.
5. Click on "I have a control number".
6. Enter your 12-digit control number provided by tsxtrustproxyvoting@tmx.com.
7. Enter the case sensitive password: "mda2024".
8. When the voting opens, click the "Voting" icon on the left hand side and elect your voting direction from the options shown on the screen and click "Submit". A confirmation message will appear to show your vote has been received.
9. If shareholders have additional control numbers to vote, click on "I have additional control numbers" at the top to enter the additional credential.
10. To change a vote, click "Refresh Voting Resolutions". Voting will remain open until the voting on the ballot is closed.

Shareholders must be connected to the Internet at all times to be able to vote – it is the shareholder's responsibility to stay connected for the entire Meeting.

Non-Registered Shareholders who have not duly appointed themselves as proxyholder will not be able to vote or ask questions at the Meeting, however such Non-Registered Shareholders may still attend the Meeting as guests through the live audio webcast.

NON-REGISTERED SHAREHOLDERS

How to vote by proxy if you are a Non-Registered Shareholder:

A Non-Registered Shareholder should follow the instructions included on the voting instruction form provided by his or her Intermediary with respect to the procedures to be followed in order to permit the Non-Registered Shareholder to direct the voting of Common Shares beneficially owned by such shareholder.

How to change your vote if you are a Non-Registered Shareholder:

Non-Registered Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their Intermediaries to change the vote and, if necessary, revoke their proxy.

How to listen at the Meeting if you are a guest:

Guests can also listen to the Meeting by following the steps below:

1. Type in <https://virtual-meetings.tsxtrust.com/1589> on your browser at least 15 minutes before the Meeting starts. Please do not do a Google search and do not use Internet Explorer.
2. Click on “I am a Guest”.

Asking questions at the Meeting:

Registered Shareholders and Non-Registered Shareholders who have appointed themselves as proxyholder and obtained a control number are eligible to ask a question during the Q&A portion of the Meeting. In the event that any such shareholder wishes to ask a question, they should select the “Ask a Question” icon on the left and type their question within the chat box in the messaging screen. Once satisfied with the question, the shareholder should click the “Ask Now” button to submit the question to the Chair. All submitted questions will be moderated by the TSX Trust Virtual Meeting platform before being sent to the Chair. Questions can be submitted at any time during the Q&A session up until the Chair closes the session. We will address any appropriate general questions received from shareholders and duly appointed proxyholders regarding MDA. In order to facilitate a respectful and effective Meeting, questions of general interest to all shareholders will be answered. To ensure the Meeting is conducted in a manner that is fair to all shareholders, the Chair of the Meeting may exercise broad discretion in responding to questions, including the order in which the questions are answered, the grouping or editing of the questions and the amount of time devoted to any question.

Assistance:

Should a shareholder require assistance with the use of the virtual meeting platform, the shareholder can review the Virtual Meeting Guide mailed alongside this Circular. Furthermore, should a shareholder wish to speak with a TSX Trust representative, please contact the TSX Trust Company via:

Phone: North American Toll Free: 1-866-600-5869
Collect Outside North America: 416-342-1091

Email: TSXTIS@tmx.com

VOTING AND DISCRETION OF PROXIES

On any ballot that may be called for, Common Shares represented by proxies in favour of the persons named on the enclosed form of proxy will be voted for or withheld from voting in accordance with the instructions indicated therein.

When the shareholder has not specified in the form of proxy the manner in which the named proxy nominees are required to vote on any of the matters identified on the form of proxy, the shares represented by proxies in favour of MDA’s nominees will be voted FOR the election of the director nominees identified in this Circular to our Board, FOR the appointment of the auditor identified in this Circular and the authorization of the directors to fix the auditor’s remuneration, FOR the special resolution approving the change of name of MDA to “MDA Space Ltd.”,

and FOR the ordinary resolution re-approving all unallocated options, rights or other entitlements under our omnibus equity incentive plan.

The enclosed form of proxy confers discretionary authority upon the proxyholder named therein in respect of amendments or variations to matters identified in the Notice of Meeting and in respect of any other matters that may properly come before the Meeting. As at the date of this Circular, MDA management is not aware of any such amendments or other matters to be presented for action at the Meeting.

Voting Shares and Principal Holders Thereof

As at the time of close of business on March 28, 2024 (the “**Record Date**”), there were 119,934,380 fully paid and non-assessable Common Shares of MDA outstanding. Each Common Share carries the right to one vote per Common Share. Each holder of outstanding Common Shares of record at the time of close of business on the Record Date will be given notice of the Meeting and is entitled to vote at the Meeting the number of Common Shares of record held by him, her or it on the Record Date.

To the knowledge of the directors and senior officers of MDA, only the following persons beneficially own, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of MDA which have the right to vote in all circumstances.

NAME	NUMBER OF COMMON SHARES	PERCENTAGE OF COMMON SHARES OWNED
Senvest Management, LLC	16,351,185 ⁽¹⁾	13.63%

Notes:

(1) 3,457,143 of such Common Shares are held by Senvest Capital Inc., a joint actor of Senvest Management, LLC for the purposes of applicable securities laws.

Particulars of Matters to be Acted Upon

FINANCIAL STATEMENTS

The financial statements of MDA for the year ended December 31, 2023 and the auditor’s report thereon accompanying this Circular will be placed before the shareholders at the Meeting. No formal action will be taken at the Meeting to approve the financial statements. If any shareholder has questions regarding such financial statements, such questions may be brought forward at the Meeting.

ELECTION OF OUR BOARD OF DIRECTORS

The articles of MDA, as amended, provide that our Board shall consist of a minimum of three (3) and a maximum of twenty (20) directors. Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote FOR the election of the current nominees whose names are set forth below.

Management does not contemplate that any of the current nominees will not be able to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed proxy instrument reserve the right to vote for another nominee at their discretion. The terms of office of MDA’s current directors will expire as of the date of the Meeting. Each director elected at the Meeting will hold office until the next annual meeting of shareholders of MDA, or until their successors are elected or appointed in accordance with the provisions of the *Business Corporations Act* (Ontario).

Advance Notice Policy

Our by-laws (the “**By-Laws**”) include certain advance notice provisions with respect to the election of directors (the “**Advance Notice Provisions**”). The Advance Notice Provisions are intended to (a) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (b) ensure that all shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (c) allow shareholders to register an informed vote. Only persons who are nominated by shareholders in accordance with

the Advance Notice Provisions will be eligible for election as directors at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under the Advance Notice Provisions, a shareholder wishing to nominate a director would be required to provide MDA with notice, in the prescribed form, within the prescribed time periods. These time periods include, (a) in the case of an annual meeting of shareholders (including annual and special meetings), not less than 30 days prior to the date of the annual meeting of shareholders; provided, that if the first public announcement of the date of the annual meeting of shareholders (the “**Notice Date**”) is less than 50 days before the meeting date, not later than the close of business on the 10th day following the Notice Date; and (b) in the case of a special meeting of shareholders (which is not also an annual meeting) called for any purpose which includes electing directors, not later than the close of business on the 15th day following the Notice Date.

As of the date hereof, no director nominations have been received by MDA from any shareholder in respect of the Meeting.

A copy of the By-Laws has been filed on SEDAR+ at www.sedarplus.com.

Majority Voting Policy

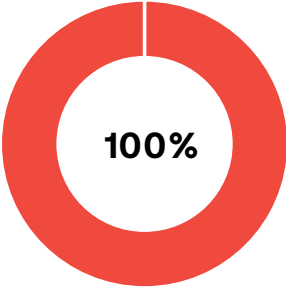
MDA has adopted a majority voting policy. Pursuant to the policy, shareholders will vote for the election of individual directors at each annual meeting of shareholders, rather than for a fixed slate of directors. Further, in an uncontested election of directors at an applicable meeting of shareholders, the votes cast in favour of the election of a director nominee will be required to represent a majority of the Common Shares voted and withheld for the election of the director. If that is not the case, that director must tender his or her resignation to the Chair. The Nominating & Governance Committee will promptly consider such tendered resignation and recommend to our Board the action to be taken with respect to such tendered resignation, and our Board shall accept the resignation absent exceptional circumstances and it must promptly disclose its decision via press release.

Nominees

There are 8 director nominees. With the exception of Yung Wu, each nominee was elected at the last annual meeting of shareholders on May 12, 2023. MDA practices routine director evaluations, which includes considering the composition of our Board and periodic Board refreshment to foster and encourage diverse perspectives and new strategies. As part of our efforts to refresh the Board, John Risley will be stepping down as Chair of our Board immediately following the Meeting, but he remains a director nominee seeking re-election at the Meeting. Based on a determination by our Board, upon the successful election of nominees at the Meeting, it is expected that Brendan Paddick will serve as the new Chair of our Board. This year, Louis Vachon will not be standing for re-election.

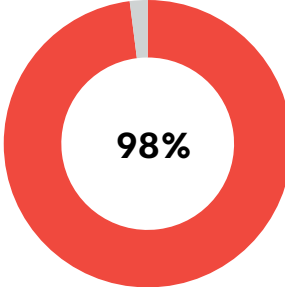
Information on each nominee starts at page 14 of this Circular and is effective as of the date of this Circular. Below are key highlights about our Board composition if each nominee is elected by shareholders. For more information about the nomination of directors see “*Corporate Governance Disclosure - Nomination of Directors*” starting on p. 33 of this Circular.

Senior Leadership Experience



● Yes ● No

2023 Average Votes FOR



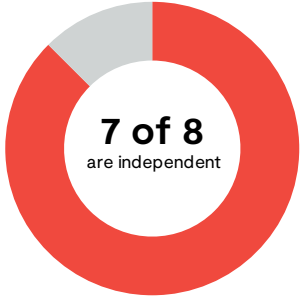
● Votes For ● Votes Withheld

Gender



● Yes ● No

Independence



● Yes ● No

Set out below is biographical information about each of the nominees to our Board:



ALISON ALFERS, Wyoming, USA

INDEPENDENT

Principal occupation: Corporate Director

Director Since: May 11, 2022

Age: 57

Education: Ms. Alferts holds a Juris Doctor from the University of Arizona, a Master of Public Health from George Washington University and a Bachelor of Arts from Arizona State University.

Experience: Ms. Alferts most recently served as Chief Legal and Compliance Officer for Study Group Ltd., a global higher education company based in London, England. Prior to joining Study Group, Ms. Alferts spent more than fifteen years in the commercial space and software sectors. Ms. Alferts has held various executive positions, including Chief Legal and Administrative Officer for HawkEye 360, Inc., an early-stage growth company in spectrum-based radio frequency analytics, General Counsel and VP Defense and Intelligence for Digital Globe, Inc., General Counsel for Space Imaging, Inc., as well as Chief Legal Officer for Cherwell Software.

2023 Shareholder votes in favour: 99.95%

Other Public Board Memberships: -

BOARD / COMMITTEE MEMBERSHIPS	ATTENDANCE AT REGULAR MEETINGS IN 2023	OVERALL ATTENDANCE
Board	9/9	100%
Human Resources, Development & Compensation Committee	2/2 ⁽¹⁾	100%

COMMON SHARES CONTROLLED OR DIRECTED	DSUs HELD	OPTIONS HELD	SHARE OWNERSHIP GUIDELINES MET OR TARGET DATE TO MEET
-	27,001	-	May 11, 2027 ⁽²⁾

Notes:

- (1) Ms. Alferts joined the Committee on May 30, 2023 after its first two meetings, therefore she was only eligible to attend two of the meetings as a member.
- (2) See "Director Compensation – Share Ownership Guidelines".



YAPRAK BALTACIOGLU, CM, ICD.D, Ontario, Canada

INDEPENDENT

Principal occupation: Senior Distinguished Fellow at Munk School Global Affairs and Public Policy

Director Since: March 18, 2021

Age: 64

Education: Ms. Baltacioglu holds a Bachelor of Law from Istanbul University, an ICD.D Designation from the Rotman School of Management at the University of Toronto, as well as a Master of Arts from the Carleton University, School of Public Administration.

Experience: Ms. Baltacioglu has had a distinguished public service career that spans more than 25 years within the federal government. She has directly impacted the direction of government affairs through shaping policy, directing programs and overseeing operations. Ms. Baltacioglu was the Secretary of the Treasury Board from 2012 and 2018, and under her direction, the Treasury Board of Canada Secretariat was recognized as one of Canada’s Top 100 Employers. She has also been Deputy Minister of Transport, Infrastructure and Communities and Agriculture and Agri-Food. In 2015, she received the Bissett Alumni Award for Distinctive Contributions to the Public Sector from Carleton University and in 2021, she was made a member of the Order of Canada.

2023 Shareholder votes in favour: 99.94%

Other Public Board Memberships: -

BOARD / COMMITTEE MEMBERSHIPS	ATTENDANCE AT REGULAR MEETINGS IN 2023	OVERALL ATTENDANCE
Board	9/9	100%
Nominating & Governance Committee	4/4	100%
Human Resources, Development & Compensation Committee (Chair)	4/4	100%

COMMON SHARES CONTROLLED OR DIRECTED	DSUs HELD	OPTIONS HELD	SHARE OWNERSHIP GUIDELINES MET OR TARGET DATE TO MEET
8,235	29,735	-	December 26, 2026 ⁽¹⁾

Notes:

(1) See “*Director Compensation – Share Ownership Guidelines*”.



DARREN FARBER, Maryland, USA

INDEPENDENT

Principal occupation: Founder and Managing Partner, Albion River

Director Since: March 18, 2021

Age: 46

Education: Mr. Farber holds a Quebec Diploma of College Studies from Dawson College.

Experience: Mr. Farber currently serves on a number of boards and is the Founder and Managing Partner of Albion River, a private direct investment firm that focuses on Aerospace, Defence, and Government related businesses. Previously, Mr. Farber was Co-Founder of NAWAH LLC, a Pritzker Organization enterprise focused on project finance in the Middle East and Southwest Asia. Mr. Farber was formerly a special advisor to the Deputy Under Secretary of Defense – Business Transformation and a member of the U.S. Department of Defense Task Force for Business and Stability Operations where he received the Secretary of Defense Medal for Outstanding Public Service. Mr. Farber began his career in product engineering at Nortel Networks and Celestica.

2023 Shareholder votes in favour: 99.99%

Other Public Board Memberships: -

BOARD / COMMITTEE MEMBERSHIPS	ATTENDANCE AT REGULAR MEETINGS IN 2023	OVERALL ATTENDANCE
Board	9/9	100%
Audit Committee	4/4	100%

COMMON SHARES CONTROLLED OR DIRECTED	DSUs HELD	OPTIONS HELD	SHARE OWNERSHIP GUIDELINES MET OR TARGET DATE TO MEET
95,656	36,044	-	Yes



MICHAEL GREENLEY, Ontario, Canada

NOT INDEPENDENT

Principal occupation: Chief Executive Officer, MDA Ltd.

Director Since: March 18, 2021

Age: 57

Education: Mr. Greenley holds a Bachelor of Science and a Masters of Science from University of Waterloo, as well as an Executive Leadership Development certificate from The Wharton School.

Experience: Mr. Greenley is the Chief Executive Officer of MDA. Prior to joining MDA, Mr. Greenley was Sector President of L-3 WESCAM, a provider of systems for defence, homeland security and law enforcement. From 2013 to 2016, he served as Vice President and General Manager of CAE Canada, supporting defence and security markets. From 2008 to 2013 he served first as Vice President, Strategy and Business Development for General Dynamics (GD) Canada, then as Vice President, International for GD Mission Systems. From 2004 to 2008, he was Vice President of the modeling and simulation business at CAE. Mr. Greenley has 30 years of experience in the defence and security business, with broad experience serving the Land, Air, Maritime, Joint, and Public Safety sectors. Mr. Greenley is Chair of Space Canada's Board of Directors and is a member of the Business Council of Canada. He recently served as the Vice-Chair of the Government of Canada's Economic Strategy Table for Advanced Manufacturing. He served as a Board Member of the Aerospace Industries Association of Canada (AIAC) and the Ontario Aerospace Council. He was previously Chairman of the Advisory Board for Defence and Security Export to the Department of Foreign Affairs and International Trade (DFAIT) in Canada, and was a member of the Industry Advisory Boards to Department of National Defence, Defence R&D Canada, Public Services and Procurement Canada, and the CEO of Export Development Canada (EDC). Mr. Greenley also has served on a number of non-profit boards including 6 years as the Chair of the Board of the Canadian Association of Defence and Security Industries (CADSI), and Chair of the Board for the Elmwood School for Girls. Mr. Greenley has been recognized for his business and community leadership as an Ottawa Top 40 under 40 business leader, a PROFIT 100 CEO for leading one of Canada's fastest growing companies for three years running, and as a recipient of the Queen Elizabeth II Diamond Jubilee Medal for service to peers and country in the defence sector. Most recently, Mr. Greenley received the 2023 Satellite Executive of the Year award.

2023 Shareholder votes in favour: 99.99%

Other Public Board Memberships: -

BOARD / COMMITTEE MEMBERSHIPS	ATTENDANCE AT REGULAR MEETINGS IN 2023	OVERALL ATTENDANCE
Board	9/9	100%

COMMON SHARES CONTROLLED OR DIRECTED	RSUs HELD	PSUs HELD	OPTIONS HELD	SHARE OWNERSHIP GUIDELINES MET OR TARGET DATE TO MEET
33,984	194,725	252,883	3,023,250	N/A ⁽¹⁾

Notes:

- (1) As an Excluded Director, Mr. Greenley does not currently have any share ownership guidelines in his capacity as a director. Rather, Mr. Greenley has share ownership guidelines in his capacity as Chief Executive Officer of MDA. See Share Ownership Guidelines for NEOs on p. 60 of this Circular.



BRENDAN PADDICK, ICD.D, Freeport, Bahamas

INDEPENDENT

Principal occupation: Chief Executive Officer, Columbus Capital Corporation

Director Since: March 18, 2021

Age: 60

Education: Mr. Paddick holds Bachelor of Commerce and MBA degrees from Memorial University of Newfoundland (Alumnus of the Year in 2013) and graduated from the Advanced Management Program at Harvard University. Mr. Paddick also holds his ICD.D designation from the Rotman School of Management/Institute of Corporate Directors.

Experience: Mr. Paddick is the CEO of Columbus Capital Corporation and the Founder and former CEO of Columbus Communications Inc. Mr. Paddick is the former Chair of the Board of Directors of Nalcor Energy and Churchill Falls (Labrador) Corporation from 2016 to 2022 and is a director and member of the audit committee of Liberty Latin America Ltd. (Nasdaq: LILA), a leading telecommunications company with operations in over 40 countries across Latin America and the Caribbean. He is also a director and chair of the audit committee of Bahamas Telecommunications Corporations (BTC). Mr. Paddick also has served on the board and as a member of the audit committee of Clearwater Seafoods Incorporated (formerly listed on the TSX) and Cable & Wireless Communications PLC (formerly listed on the London Stock Exchange). He has been recognized through a variety of awards, including Canada’s Top 40 under 40 in 2000, induction into the Junior Achievement Newfoundland and Labrador Business Hall of Fame in 2018, and EY Canada’s Special Citation Award for Master Entrepreneur in 2019 for his career body of work.

2023 Shareholder votes in favour: 99.99%

Other Public Board Memberships:

Liberty Latin America Ltd. (NASDAQ:LILA)

BOARD / COMMITTEE MEMBERSHIPS	ATTENDANCE AT REGULAR MEETINGS IN 2023	OVERALL ATTENDANCE
Board ⁽¹⁾	9/9	100%
Audit Committee (Chair)	4/4	100%

COMMON SHARES CONTROLLED OR DIRECTED	DSUs HELD	OPTIONS HELD	SHARE OWNERSHIP GUIDELINES MET OR TARGET DATE TO MEET
1,084,425	28,835	-	Yes

Notes:

(1) As part of our efforts to refresh the Board, and based on a determination by our Board, upon the successful election of nominees at the Meeting, it is expected that Brendan Paddick will serve as the new Chair of our Board.



JOHN RISLEY, Nova Scotia, Canada

INDEPENDENT

Principal occupation: Chairman, President, and Chief Executive Officer, CFFI Ventures Inc.

Director Since: March 18, 2021

Age: 75

Education: Mr. Risley is a graduate of Harvard University’s President’s Program on Leadership.

Experience: Mr. Risley was the co-founder of Clearwater Seafoods and serves as Chairman, President and Chief Executive Officer of CFFI Ventures Inc., an active investment and holding company with its major investments in renewable energy, financial services ventures and Northern Private Capital, an investment fund co-formed by CFFI Ventures Inc. Mr. Risley has been recognized with a number of awards, including Atlantic Canadian Entrepreneur of the Year and a Canada Award for Business Excellence in Entrepreneurship. He was named an Officer of the Order of Canada and was inducted into the Nova Scotia Junior Achievement Business Hall of Fame in 1997.

2023 Shareholder votes in favour: 91.67%

Other Public Board Memberships: -

BOARD / COMMITTEE MEMBERSHIPS	ATTENDANCE AT REGULAR MEETINGS IN 2023	OVERALL ATTENDANCE
Board (Chair) ⁽¹⁾	9/9	100%

COMMON SHARES CONTROLLED OR DIRECTED	DSUs HELD	OPTIONS HELD	SHARE OWNERSHIP GUIDELINES MET OR TARGET DATE TO MEET
3,271,831 ⁽²⁾	43,253	-	Yes

Notes:

- (1) As part of our efforts to refresh the Board, John Risley will be stepping down as Chair of our Board immediately following the Meeting, but he remains a director nominee seeking re-election at the Meeting. Based on a determination by our Board, upon the successful election of nominees at the Meeting, it is expected that Brendan Paddick will serve as the new Chair of our Board.
- (2) Mr. Risley owns 3,271,831 Common Shares through CFFI Ventures Inc. (an affiliate of John Risley).



JILL SMITH, Massachusetts, USA

INDEPENDENT

Principal occupation: Corporate Director

Director Since: March 18, 2021

Age: 65

Education: Ms. Smith earned an MSc Management from MIT Sloan School of Management.

Experience: Ms. Smith brings more than 25 years of experience as an international business leader, including 17 years as chief executive officer of private and public companies in the technology and information services markets. Most recently, Ms. Smith served as the President and Chief Executive Officer of Allied Minds, a technology commercialization company, and prior to that she served as Chairman, Chief Executive Officer and President of DigitalGlobe Inc., a global provider of satellite imagery products and services. Ms. Smith started her career as a consultant at Bain & Company, where she rose to become Partner. She subsequently joined Sara Lee as Vice President, and went on to serve as President and Chief Executive Officer of SRDS, a business-to-business publishing firm, and eDial, a VoIP collaboration company. She also served as Chief Operating Officer of Micron Electronics, and co-founded Treacy & Company, a consulting and boutique investment business.

2023 Shareholder votes in favour: 92.53%

Other Public Board Memberships:

Aspen Technology, Inc. (NASDAQ: AZPN)

R1 RCM, Inc. (NASDAQ: RCM),

Check Point Software Technologies Ltd. (NASDAQ: CHKP)

BOARD / COMMITTEE MEMBERSHIPS	ATTENDANCE AT REGULAR MEETINGS IN 2023	OVERALL ATTENDANCE
Board	9/9	100%
Nominating & Governance Committee (Chair)	4/4	100%
Human Resources, Development & Compensation Committee	4/4	100%

COMMON SHARES CONTROLLED OR DIRECTED	DSUs HELD	OPTIONS HELD	SHARE OWNERSHIP GUIDELINES MET OR TARGET DATE TO MEET
53,511	19,824	-	Yes

Notes:

(1) See "Director Compensation – Share Ownership Guidelines".



YUNG WU, ICD.D, Ontario, Canada

INDEPENDENT

Principal occupation: Chair, NFQ Ventures Ltd.

Director Since: February 14, 2024

Age: 64

Education: Mr. Wu holds a Bachelor of Science in Computer Science, Economics and Mathematics from the University of Toronto and is a graduate of the Entrepreneurial Masters Program from the Massachusetts Institute of Technology.

Experience: Yung is the recently retired CEO of MaRS Discovery District, one of the world’s largest innovation hubs with over 1,200 companies in the health, cleantech, fintech, and platform technologies sectors, at all stages of growth and scale. Under Mr. Wu’s leadership, MaRS’s innovation community grew by over 450% in six years, raising over \$17 billion in capital and contributing over \$23 billion to Canada’s GDP. Mr. Wu has been recognized as one of Canada’s “Top 40 under 40” and for leading one of Canada’s “50 Best Managed Private Companies” in the nation. He is also a member of MENSA, the Young Presidents Organization (YPO) and the Institute of Corporate Directors (ICD.D) and the National Association of Corporate Directors (NACD).

2023 Shareholder votes in favour: N/A

Other Public Board Memberships:
Antipe Therapeutics (TSX: ATE)

BOARD / COMMITTEE MEMBERSHIPS	ATTENDANCE AT REGULAR MEETINGS IN 2023	OVERALL ATTENDANCE
Board	N/A ⁽¹⁾	-
Audit Committee	N/A ⁽²⁾	-

COMMON SHARES CONTROLLED OR DIRECTED	DSUs HELD	OPTIONS HELD	SHARE OWNERSHIP GUIDELINES MET OR TARGET DATE TO MEET
-	-	-	February 14, 2029 ⁽³⁾

Notes:

- (1) Mr. Wu was appointed to the Board on February 14, 2024 and was therefore not on the Board for any meetings in 2023.
- (2) Mr. Wu joined the Committee on February 26, 2024 and was therefore not on the Committee for any meetings in 2023.
- (3) See “*Director Compensation – Share Ownership Guidelines*”.


Board and Committee Meeting Frequency and Overall Attendance in Fiscal 2023

During Fiscal 2023, director attendance was 98.7% at regular Board meetings and 100% at committee meetings, as set out below. Individual director nominee attendance is in their biographies starting on page 14 of this Circular. As outlined in our Board Charter, all directors are expected to maintain a high attendance record at meetings of our Board and the committees of which they are members.

BOARD AND COMMITTEES	NUMBER OF MEETINGS		OVERALL ATTENDANCE AT REGULAR MEETINGS
	Number of Regular Meetings	Number of Special Meetings	
Board	9	2	98.7%
Human Resources, Development & Compensation Committee	4	0	100%
Audit Committee	4	0	100%
Nominating & Governance Committee	4	0	100%

Director Nominee Skills and Experience

All director nominees have a variety of skills and experience acquired from their senior roles in various organizations. In the table below are the skills identified by each director nominee through a self-assessment.

	C-SUITE LEADERSHIP	GOVERNMENT	SW / TECHNOLOGY	SPACE	CAPITAL MARKETS / INVESTOR RELATIONS	FINANCE AND / OR LEGAL	MANUFACTURING	MERGERS & ACQUISITIONS	COMMERCIAL / GO-TO-MARKET	HUMAN RESOURCES & COMPENSATION	COMPLIANCE / RISK MANAGEMENT	INFORMATION TECHNOLOGY / CYBER
JOHN RISLEY <i>Chief Executive Officer, CFFI Ventures Inc.</i>	•	•			•	•		•	•	•	•	•
MICHAEL GREENLEY <i>Chief Executive Officer and Director of MDA Ltd.</i>	•	•	•	•	•	•	•	•	•	•	•	•
YAPRAK BALTACIOGLU <i>Senior Distinguished Fellow at Munk School Global Affairs and Public Policy</i>	•	•				•				•	•	•

	C-SUITE LEADERSHIP	GOVERNMENT	SW / TECHNOLOGY	SPACE	CAPITAL MARKETS / INVESTOR RELATIONS	FINANCE AND / OR LEGAL	MANUFACTURING	MERGERS & ACQUISITIONS	COMMERCIAL / GO-TO-MARKET	HUMAN RESOURCES & COMPENSATION	COMPLIANCE / RISK MANAGEMENT	INFORMATION TECHNOLOGY / CYBER
DARREN FARBER <i>Founder and Managing Partner, Albion River</i>	•	•	•	•	•	•	•	•		•	•	•
JILL SMITH <i>Retired President and Chief Executive Officer, Allied Minds plc, and former Chair, Chief Executive Officer and President of DigitalGlobe Inc.</i>	•	•	•	•	•	•		•	•	•	•	•
BRENDAN PADDICK <i>Chief Executive Officer, Columbus Capital Corporation</i>	•	•	•		•	•		•	•	•	•	•
ALISON ALFERS <i>Former Chief Legal and Compliance Officer, Study Group Ltd.</i>	•	•	•	•		•		•	•	•	•	•
YUNG WU <i>Retired Chief Executive Officer, MaRS Discovery District and Chair, NFQ Ventures Ltd.</i>	•	•	•		•	•		•	•	•	•	•

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of MDA, no nominee proposed for election is, or has been within ten years before the date of this Circular, a director, chief executive officer or chief financial officer of any other company (including MDA) that:

- (a) was subject to a cease trade order or similar order or an order that denied MDA access to any exemption under securities legislation for a period of more than 30 consecutive days while the nominee was acting in such capacity; or

- (b) was subject to a cease trade order or similar order or an order that denied MDA access to any exemption under securities legislation for a period of more than 30 consecutive days that was issued after the nominee ceased to act in such capacity and which resulted from an event that occurred while the nominee was acting in such capacity.

To the knowledge of MDA, no nominee proposed for election is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including MDA) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

To the knowledge of MDA, no nominee proposed for election has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director.

Penalties or Sanctions

Except as set forth below, no nominee proposed for election has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

On July 13, 2018, two holding companies (directly or indirectly) controlled by John Risley, entered into a settlement agreement with the United States Securities and Exchange Commission with respect to a failure to timely file a report under the reporting provisions of Section 13(d) of the Securities Exchange Act of 1934. The settlement agreement included a cease and desist order and a fine of \$92,383 for each entity.

Conflicts of Interest

To MDA's knowledge, there are no existing potential conflicts of interest among MDA or its subsidiaries as a result of their outside business interests at the date of this Circular. Certain members of our Board are also members of the boards of directors of other public companies. Our Board has not adopted a director interlock policy but will keep informed of other public directorships held by our members (see "*Election of our Board of Directors – Nominees*"). Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of MDA.

MDA's directors and officers are required by law to act honestly and in good faith with a view to the best interests of MDA and are also required to comply with the conflict of interest provisions of the *Business Corporations Act* (Ontario) ("**OBCA**"). A director who has a material interest in a matter before our Board or any committee on which they serve is required to disclose such interest as soon as the director becomes aware of it. In situations where a director has a material interest in a matter to be considered by our Board or any committee on which they serve, such director may be required to recuse themselves from the meeting while discussions and voting with respect to the matter are taking place. The contract or transaction resulting from the matter is not invalid, and the director is not accountable to MDA or its shareholders for any profits realized from the contract or transaction, because of the director's interest in the contract or transaction or because the director was present or was counted to determine whether a quorum existed at the meeting of directors that considered the contract or transaction, if the interest was properly disclosed as detailed above, the directors approved the contract or transaction, and the contract or transaction was reasonable and fair to MDA when it was approved. In appropriate cases, we will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict of interest.

APPOINTMENT AND REMUNERATION OF AUDITOR

Management of MDA is proposing to appoint KPMG LLP as the auditor until the next annual general meeting of shareholders at a remuneration to be fixed by our Board. KPMG LLP was first appointed as the auditor of MDA on June 17, 2020.

Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote FOR the appointment of KPMG LLP as the auditor of MDA until the next annual general meeting of shareholders and authorizing our Board to fix their remuneration.

NAME CHANGE

As part of a global rebranding to better reflect our strategic focus, market opportunity and established position as a trusted space mission partner, MDA proposes amending its articles of incorporation in order to change its name from “MDA Ltd.” to “MDA Space Ltd.” subject to such regulatory approvals as may be necessary under the OBCA.

Pursuant to the OBCA, amending MDA’s articles of incorporation in order to change its legal name requires the approval of our Shareholders by way of a special resolution, being a resolution passed by not less than two thirds of the votes cast by the Shareholders, in person or by proxy, at the Meeting. Accordingly, at the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation the following special resolution to approve the change of the name of MDA (the “**Name Change Resolution**”):

“BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE SHAREHOLDERS THAT:

- (a) the change of name of MDA to “MDA Space Ltd.”, or such other name as our Board of Directors may determine in its sole discretion and as may be permitted under the *Business Corporations Act* (Ontario), is hereby approved and the articles of MDA shall be amended to effect such change of name;
- (b) any one director or officer of MDA is authorized and directed, on behalf of MDA, to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all other acts and things that such director or officer may determine to be necessary or desirable to give effect to this resolution (including, without limitation, the delivery of articles of amendment in the prescribed form to the relevant legal or regulatory bodies), the execution, delivery and filing of any such declarations, agreements, documents or other instruments and the doing of such acts and things being conclusive evidence of such determination; and
- (c) notwithstanding approval of the Shareholders of MDA as herein provided, the Board of Directors is hereby authorized, in its sole discretion, to revoke this special resolution without further approval, ratification or confirmation of the Shareholders of MDA at any time before it is acted upon.”

If the Name Change Resolution is approved at the Meeting, it is the intention of our Board to effect the name change as soon as practicable after the Meeting (subject to receipt of all regulatory approvals, including the approval of the Toronto Stock Exchange (the “**TSX**”)) through the filing of articles of amendment under the provisions of the OBCA. The name change is expected to become effective on the date shown in the certificate of amendment issued pursuant to the OBCA. Notwithstanding approval of the Name Change Resolution, our Board, in its sole discretion may revoke the special resolution and abandon the name change without further action by, or prior notice to, the Shareholders.

Our Board has unanimously approved the name change of MDA and recommends to the Shareholders that they vote FOR the Name Change Resolution. Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote FOR the Name Change Resolution. As a special resolution is required to approve the Name Change Resolution, at least two-thirds of the votes cast by Shareholders, in person or by proxy, at the Meeting are required to approve the Name Change Resolution.

RE-APPROVAL OF UNALLOCATED OPTIONS, RIGHTS AND OTHER ENTITLEMENTS UNDER THE OMNIBUS PLAN

In connection with our initial public offering ("IPO") on April 7, 2021, MDA implemented the Omnibus Plan. For a description of the Omnibus Plan, see "*Securities Authorized For Issuance Under Equity Incentive Plans - Omnibus Plan*".

The Omnibus Plan does not have a fixed number of Common Shares issuable thereunder, but permits the issuance of up to an aggregate of 10% of MDA's total issued and outstanding Common Shares from time to time. The rules of the TSX require that, if a listed issuer has security based compensation plans that do not have a fixed maximum number of shares issuable thereunder, the directors and shareholders of the issuer re-approve and re-affirm the unallocated options, rights or entitlements under such plans every three years.

At the Meeting, the Shareholders will be asked to adopt an ordinary resolution to re-approve all the unallocated options, rights or entitlements (including the restricted share units, the deferred share units, the performance share units and other share-based awards) under our Omnibus Plan (the "**Unallocated Options Resolution**"). This re-approval will be effective for three years following the date of the Meeting. This re-approval does not constitute a change of the Omnibus Plan, or an increase of the previously approved limit. Whether or not the Unallocated Options Resolution is approved, all options, rights or entitlements already granted and currently outstanding will remain in effect. However, if the Unallocated Options Resolution is not re-approved, any unallocated options, rights or entitlements under the Omnibus Plan will not be available for future grants, and previously granted options, rights or entitlements will not be available for reallocation if they are cancelled prior to exercise, or if they are exercised.

Accordingly, at the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation the following ordinary resolution to approve the Unallocated Options Resolution below:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS THAT:

- (a) all the unallocated options, rights or entitlements (including the restricted share units, the deferred share units, the performance share units and other share-based awards) under MDA's omnibus equity incentive plan (the "**Omnibus Plan**") be and are hereby approved;
- (b) MDA has the ability to continue granting options, rights or entitlements (including the restricted share units, the deferred share units, the performance share units and other share-based awards) under the Omnibus Plan until May 9, 2027, which is the date that is three (3) years from the date of the shareholder meeting at which shareholder approval is being sought; and
- (c) any director or officer of MDA be, and each of them hereby is, authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determine to be necessary or desirable in order to give full effect to the intent and purpose of this resolution."

Our Board has unanimously re-approved all unallocated options, rights and other entitlements under the Omnibus Plan and recommends to Shareholders that they vote FOR the Unallocated Options Resolution. Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote FOR the Unallocated Options Resolution.

OTHER BUSINESS

MDA knows of no other matters to be brought before the Meeting as of the date of mailing of this Circular. If any amendment, variation or other business is properly brought before the Meeting, the enclosed form of proxy and voting instruction form confers discretion on the persons named on the form of proxy to vote on such matters.

Interest of Certain Persons or Companies in Matters to be Acted Upon

To the knowledge of the directors and executive officers of MDA, other than the election of directors, none of the directors or executive officers of MDA who have been a director or executive officer at any time since the beginning of MDA's last financial year, none of the proposed nominees for election as directors of MDA, and no associate or affiliate of any of the foregoing, have any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

Interest of Informed Persons in Material Transactions

Except as set out herein, no informed person of MDA, any proposed director of MDA, or any associate or affiliate of any informed person or proposed director has any material interest, direct or indirect, in any transaction since the commencement of MDA's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect MDA or any of its subsidiaries.

Corporate Governance Disclosure

Our Board and management are dedicated to strong corporate governance practices designed to maintain high standards of oversight, accountability, integrity and ethics while promoting long-term growth. In accordance with the corporate governance guidelines set out under National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”) and National Policy 58-201 – *Corporate Governance Guideline*, the following is a summary of the governance practices of MDA.

GOVERNANCE HIGHLIGHTS

GOVERNANCE ELEMENT	MDA CURRENT PRACTICE
Board size	9 directors.
Board independence	8 (88.9%) directors are independent.
Gender diversity	3 (33.3%) directors identify as female.
Independent committees	All committees are 100% independent.
Independent board and committee meetings	Unless otherwise determined by our Board, to enhance independent judgement, independent directors hold <i>in camera</i> sessions at the conclusion of all regularly scheduled Board and committee meetings.
Board meetings and attendance	9 meetings held in 2023.
Audit Committee meetings and attendance	4 meetings held in 2023. 4 members.
Nominating & Governance Committee meetings and attendance	4 meetings held in 2023. 3 members.
Human Resources, Development & Compensation Committee meetings and attendance	4 meetings held in 2023. 3 members.
Voting standard for board elections	Annually by a majority of votes cast.
Majority voting policy	Yes.

GOVERNANCE ELEMENT	MDA CURRENT PRACTICE
Annual board assessments	Yes, the Nominating & Governance Committee annually assesses the performance and effectiveness of our Board, its committees and each individual member of our Board. In 2023, the Nominating & Governance Committee conducted its annual evaluation and assessment of our Board and its committees. The Nomination & Governance Committee reviewed the results of the assessment for the 2023 financial year, and reported results and recommendations to our Board resulting from the assessment.

MDA's strong corporate governance practices are reflected in our approach and application of policies and practices, some of which are outlined below.

GUIDANCE	REFERENCE IN CIRCULAR	OVERVIEW	APPLICATION
Code of Business Conduct and Ethics (the "Code")	See p. 32	Sets out our Board's expectations for MDA's directors, officers and employees in their dealings on behalf of MDA.	Our Board monitors compliance with the Code by delegating responsibility for investigating and enforcing matters related to the Code to the Chair of the Audit Committee of MDA.
Majority Voting Policy	See p. 12	Annual election of directors by shareholders. Shareholders will vote for the election of individual directors rather a fixed slate. Any director who receives a greater number of votes withheld must tender resignation.	Each director received a majority of the votes cast at the last meeting in 2023.
Director Independence	See p. 31	Determination of independence of Board members. Open and candid discussion among independent directors to facilitate independent judgment.	8 of 9 directors are deemed to be independent. All committees are comprised entirely of independent directors. Each Board meeting agenda includes in-camera sessions; with only the independent directors in attendance.
Board Responsibilities	See p. 31	Written charter setting out Board mandate.	Our Board is responsible for supervising the management of MDA's business and affairs.
Board Meetings	See p. 32	Board meets not less than four times a year.	Board met 9 times in 2023.

GUIDANCE	REFERENCE IN CIRCULAR	OVERVIEW	APPLICATION
Position Descriptions	See p. 32	Written position descriptions for each of the Chair of the Board, the Chair of the Audit Committee, Chair of the Nominating & Governance Committee, Chair of the Human Resources, Development & Compensation Committee and the Lead Director.	Sets out clear requirements and responsibilities of each such position.
Board Assessment	See p. 35	Nominating & Governance Committee assesses the performance and effectiveness of our Board.	Annual Board evaluation survey completed, reviewed and results reported.
Succession Planning	See p. 36	Our Board, with the assistance of the HRDCC, oversees ordinary source succession planning for the CEO and, together with the CEO, for other executive officers. Our Board, with the assistance of the Nominating & Governance committee engages in emergency succession planning for the CEO.	CEO succession exercise conducted in 2023 through partnership with a global Talent and Human Resources Advisory Firm. At least annually, the Nominating & Governance committee identifies candidates for the purposes of emergency succession planning.
Environmental, Social and Governance (ESG)	See p. 36	To align ESG with MDA's corporate purpose, vision and values.	Through our capabilities in Earth observation ("EO"), MDA gathers imagery and data that is used for environmental monitoring. MDA has identified important topics to advance in 2024, including calculating the carbon footprint within operations; advancing our diversity, equity and inclusion initiatives – including Indigenous participation, progressing our health and safety practices; and enhancing risk mitigation to address cybersecurity threats.
Diversity	See p. 36	To retain diversity and inclusion at all levels of its organization.	33.3% of directors identify as women. 42.9% of executive officers identify as women.
Risk Oversight	See p. 39	To achieve a proper balance between risks incurred and the potential return to shareholders and other stakeholders, and ensure effective monitoring and management of risks.	Key responsibility of our Board includes to ensure there are systems in place which effectively monitor and manage risks with a view of long-term viability of MDA. Our Board relies on senior management to supervise day-to-day risk management.

GUIDANCE	REFERENCE IN CIRCULAR	OVERVIEW	APPLICATION
Share Ownership Guidelines	See pp. 60 and 72	Aligns the interests of directors and executives with those of shareholders. Applies to each Director and executive officers reporting to the CEO.	6 of 8 independent directors satisfy the required level of share ownership and 2 of 8 independent directors have additional time to comply. Each of our NEOs has either met their ownership guidelines or has additional time to comply. See p. 42 for the list of NEOs.
Conflicts of Interest	See p. 24	Directors and officers are obligated to act at all times in good faith and in the interest of MDA and to disclose any conflicts.	There are no existing potential conflicts of interest among the Directors.
Disclosure and Confidential Information Policy	See p. 36	Ensures oversight and monitoring of public disclosure processes and practices and reports. Ensures protection of confidential information.	Reviewed and approved all public disclosure prior to release.
Anti-Corruption Policy	See p. 36	Establishes our commitment to comply fully with relevant Anti-Corruption legislation.	Bribes, kickbacks or other questionable inducements directly or indirectly to government officials to influence business are prohibited.
Anti-Harassment Policy	See p. 36	Establishes our commitment to anti-harassment.	Protects our employees and protects those who act in good faith from retaliation.
Whistleblower Policy	See p. 36	Confidential access to the Audit Committee Chair to report any alleged violations or complaints.	Anonymous, third-party whistleblower hotline is available to all employees.
Insider Trading Policy	See p. 59	Prohibits trading in our securities while in possession of material undisclosed information about MDA.	All directors, executive officers (including the named executive officers) and certain employees are deemed insiders. Insiders can trade in MDA securities only during prescribed trading windows, as set out in our Insider Trading Policy. Insiders are prohibited from entering into certain types of hedging transactions involving MDA securities.

DIRECTOR INDEPENDENCE

In accordance with NI 58-101, our Board considers a director to be “independent” if he or she has no direct or indirect material relationship with MDA or our subsidiaries, as determined by our Board in consultation with the Nominating & Governance Committee. A “material relationship” is a relationship which could, in the view of our Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

Based on the definition of independence and a review of the applicable factual circumstances (including financial, contractual and other relationships), our Board has determined that seven of the eight nominees are independent. Our Board has determined Michael Greenley is not considered independent on the basis that he is the Chief Executive Officer of MDA.

Our Board recognizes the importance of independent leadership on our Board, and appointed John Risley, independent director, as Chair. If at any time the Chair of our Board is not independent, our Board will appoint an independent director as a Lead Director and consider other possible steps and processes to ensure that independent leadership is provided for our Board.

Our Board believes that given our size and structure, including the fact that a majority of our directors are independent, we are able to facilitate independent judgment in carrying out our responsibilities and will continue to do so going forward. To enhance such independent judgment, the independent members of our Board held *in camera* meetings without members of management and the non-independent directors present, at each regularly scheduled Board meeting (9, in 2023) and at every regularly scheduled Committee meeting (a combined total of 12 Committee meetings, in 2023).

BOARD RESPONSIBILITIES

Our Board is responsible for supervising the management of MDA’s business and affairs. The mandate of our Board is set out in the Charter of the Board (the “**Board Charter**”) attached as Appendix A to this Circular. Our Board’s key responsibilities are outlined below.

- **Culture of Integrity** - Our Board oversees MDA’s Code and is responsible for satisfying itself as to the culture of integrity throughout MDA and for promoting a corporate culture that is based on ethical values and behaviours.
- **Strategic Planning** - Our Board reviews and approves MDA’s long-term goals and strategic and financial plans, and monitors their effectiveness. At each meeting, our Board holds detailed discussions on strategy and the implementation of MDA’s strategic plan and priorities.
- **Risk Management** - Our Board oversees MDA’s risk profile and processes to identify, measure, monitor and mitigate MDA’s principal business risks.
- **Internal Control** - Our Board oversees the integrity and effectiveness of MDA’s internal controls and management information systems.
- **Human Resources Management** - With support from the Human Resources, Development & Compensation Committee, our Board oversees MDA’s human capital strategy, including talent and incentive awards.
- **Corporate Governance** - The Nominating & Governance Committee reviews current and developing corporate governance, including environmental, social and governance, best practices and refines MDA’s corporate governance policies, as appropriate. The Nominating & Governance Committee makes recommendations to our Board to enhance corporate governance and Board effectiveness and to ensure our Board’s continued independence.
- **Leadership Development and Succession Planning** - Our Board provides oversight of performance assessment and ordinary course succession planning for the Chief Executive Officer and, together with the Chief Executive Officer, for other executive officers.

BOARD MEETINGS

Our Board meets at least four times per year, including at least once in each quarter to carry out its responsibilities under its charter, including a review of our business operations and financial results. Our Board meets as many additional times as deemed necessary to carry out its duties. At each Board meeting, unless otherwise determined by our Board, an *in camera* meeting of independent directors takes place and such *in camera* sessions are chaired by the Chair of the Board or Lead Director if the Chair is not independent within the meaning of National Instrument 52-110 – *Audit Committees* (“NI 52-110”).

Our Board appreciates having certain members of senior management attend each Board meeting to provide information and opinions to assist the members of our Board in their deliberations. Management attendees who are not Board members are excused for any agenda items which are reserved for discussion among directors only.

POSITION DESCRIPTIONS

Our Board has adopted written position descriptions for each of the Chair of the Board, the Chair of the Audit Committee, Chair of the Nominating & Governance Committee, Chair of the Human Resources, Development & Compensation Committee and the Lead Director. Each position description sets out, without limitation, the requirements and responsibilities of each such position.

Generally, the Chief Executive Officer oversees MDA’s strategic plan and has responsibility for the operation of MDA’s business in accordance with such plan and the operating and capital expenditure budgets as previously approved by the Board. Our Board annually reviews the Chief Executive Officer’s goals, objectives and compensation for the upcoming year.

ORIENTATION AND CONTINUING EDUCATION

Our Board oversees an appropriate orientation for new Board members in order to familiarize them with MDA and our business (including our reporting and organizational structure, strategic plans, significant financial, accounting and risk issues, compliance programs and policies, management and the external auditors), the role of our Board and its committees and the contribution that an individual director is expected to make to our Board, its committees (as applicable) and MDA. Our Board also coordinates the development of continuing education activities or programs for directors, from time to time as appropriate, including, without limitation, continuing education to assist directors to maintain or enhance their skills and abilities as directors, and assist directors in ensuring that their knowledge and understanding of MDA and our business remains current. Additionally, MDA is a corporate member of the Institute of Corporate Directors (“ICD”). The ICD membership includes an individual membership for each director and our executive team and provides access to resources, education and professional development programs on corporate governance, board effectiveness and other matters.

In addition, Board members are expected to keep themselves current with industry trends and developments and are encouraged to communicate with management and, where applicable, auditors, advisors and other consultants of MDA. Board members have access to MDA’s in-house and external legal counsel in the event of any questions or matters relating to our Board members’ corporate and director responsibilities and to keep themselves current with changes in legislation. Board members also have full access to MDA’s records.

ETHICAL BUSINESS CONDUCT

Our Board has adopted the Code for MDA’s directors, officers and employees that sets out our Board’s expectations for the conduct of such persons in their dealings on behalf of MDA. Our Code establishes confidential reporting procedures, either internally or through MDA’s anonymous, independently administered, third-party hotline service, in order to encourage employees, directors and officers to raise concerns regarding matters addressed by the Code on a confidential basis free from discrimination, retaliation or harassment. Employees who violate the Code may face disciplinary actions, including dismissal.

Our Code is designed to deter wrongdoing and promote honest and ethical conduct, the avoidance of conflicts of interests, confidentiality of corporate information, protection and proper use of corporate assets and opportunities and compliance with applicable governmental laws, rules and regulations. Our Code mandates the prompt reporting of any violations of the Code and has been designed to promote MDA’s culture of transparency and accountability.

Our Board monitors compliance with the Code by delegating responsibility for investigating and enforcing matters related to the Code to the Chair of the Audit Committee of MDA or his/her designate (the “Investigator”), who may enlist the assistance of Company personnel, legal counsel, accounting, external investigators or other advisors as deemed appropriate to conduct the investigation and evaluation of any complaint. The relevant Investigator(s) will report to the Audit Committee (and, where appropriate, to the Board) on a quarterly basis with respect to the investigation and evaluation of a complaint, as well as on any proposed remedial action or disciplinary action. The action determined by the Audit Committee to be appropriate under the circumstances will then be brought to the Board or to the appropriate member(s) of senior management for authorization and implementation. The Chair of the Audit Committee will maintain a log of all complaints that are received, tracking their receipt, investigation, resolution, and any applicable corrective action to be taken. Any employee who becomes aware of a violation of the Code is required to report the violation either directly to their supervisor, manager or Human Resources business partner, or confidentially and anonymously through our independently administered, third-party hotline service. Directors and executive officers are required by applicable law and the Code to promptly disclose any potential conflict of interest that may arise. If a director or executive officer has a material interest in an agreement or transaction, the Code and principles of sound corporate governance require them to declare the interest in writing or request to have such interest entered in the minutes of meetings of directors and, where required by applicable law, abstain from voting with respect to the agreement or transaction. The Nominating & Governance Committee is responsible for monitoring such conflicts of interest under the Code. Our Board delegates the communication of the Code to employees and to management who will be expected to encourage and promote a culture of ethical business conduct.

The Code of Conduct has been filed with the Canadian securities regulatory authorities on SEDAR+ at www.sedarplus.com.

NOMINATION OF DIRECTORS

When directorships become vacant, or it is anticipated that they will be vacated, the Nominating & Governance Committee is responsible for identifying and recommending suitable candidates to be directors of MDA. In seeking suitable candidates to be directors, the Nominating & Governance Committee, all of whose members are independent directors, seeks individuals qualified (in the context of the needs of MDA and any formal criteria established by our Board) to become members of our Board for recommendation to our Board. Recommendations concerning director nominations are to be, foremost, based on merit, performance and experience.

When new directors are considered for appointment to our Board, diversity is also to be taken into consideration, as it is beneficial that a diversity of backgrounds, views and experiences be present on our Board, having regard to, among other attributes, gender, status, age, business experience, professional expertise, education, nationality, race, culture, language, personal skills and geographic background (see “*Corporate Governance Disclosure – Diversity*”).

COMMITTEES OF THE BOARD OF DIRECTORS

The directors have established three committees: the Audit Committee, the Nominating & Governance Committee and the Human Resources, Development & Compensation Committee. Key responsibilities of each committee are outlined below.

AUDIT COMMITTEE	NOMINATING & GOVERNANCE COMMITTEE	HUMAN RESOURCES, DEVELOPMENT & COMPENSATION COMMITTEE
<ul style="list-style-type: none"> • Oversee MDA's financial controls and reporting • Monitor whether MDA complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management • Review, monitor and report on MDA's major enterprise and financial risk exposures and guidelines, policies and practices regarding financial risk assessment and management, including MDA processes for strategic risks (including those related to information security, cyber security and data protection) 	<ul style="list-style-type: none"> • Oversee and evaluate MDA's governance and nominating policies • Assess the effectiveness of our Board, each of its committees and individual directors • Oversee the recruitment and selection of director candidates to be nominated by MDA • Review and make recommendations to our Board concerning the size, composition and structure of our Board and its committees • Oversee and review MDA's ESG strategy and implementation, consistent with MDA's corporate purpose, vision and values • Monitor Board diversity, including the level of female representation, and consider recruiting qualified diverse candidates 	<ul style="list-style-type: none"> • Review, oversee and evaluate the compensation and human resources policies of MDA • Administer any securities-based compensation or incentive plans of MDA • Assess the performance of the CEO, and, together with the CEO, the performance of the other NEOs • Review and make recommendations to our Board concerning the level and nature of compensation payable to the CEO • Review and, where applicable, approve the recommendations of the CEO concerning the compensation payable to the other NEOs • Review overall strategy in respect of DEI and monitor diversity among senior management

Audit Committee

MDA's Audit Committee currently consists of Brendan Paddick (Chair), Darren Farber, Louis Vachon and Yung Wu, each of whom is and must at all times be financially literate. All of our Audit Committee members are considered independent within the meaning of NI 52-110. In addition to each member's general business experience, the relevant education and experience of each member of the Audit Committee is described as part of their respective biographies herein and in MDA's current annual information form ("AIF") dated February 28, 2024 under "*Directors and Executive Officers*". The AIF is available on MDA's profile on SEDAR+ at www.sedarplus.com. Each of the Audit Committee members has adequate education and/or experience that will be relevant to his performance as an Audit Committee member, including broad experience reviewing financial statements and dealing with related accounting and auditing issues.

Our Board has adopted a written Charter for the Audit Committee, which sets out the Audit Committee's responsibilities, including, without limitation, reviewing and approving the financial statements of MDA and public disclosure documents containing financial information and reporting on such review to our Board, ensuring that adequate procedures are in place for the reviewing of MDA's public disclosure documents that contain financial information, overseeing the work and reviewing the independence of the external auditors, reviewing and monitoring MDA's internal controls systems, oversight of MDA's enterprise risk management framework, and oversight of internal audit activity.

The members of the Audit Committee are appointed annually by our Board, and each member of the Audit Committee serves at the request of our Board until the member resigns, is removed, or ceases to be a member of our Board.

All non-audit services to be provided by MDA's external auditor are required to be pre-approved by the Audit Committee.

Reference is made to the AIF for information relating to the Audit Committee, as required under Form 52-110F1 – *Audit Committee Information Required in an AIF*. The AIF also includes a copy of the Charter of the Audit Committee. Upon request, MDA will provide a copy of the AIF free of charge to a securityholder of MDA.

Nominating & Governance Committee

Our Nominating & Governance Committee currently consists of Jill Smith (Chair), Louis Vachon and Yaprak Baltacioglu, each of whom is independent within the meaning of NI 52-110. The relevant education and experience of each member of the Nominating & Governance Committee is described as part of their respective biographies herein and in MDA's current AIF. The primary mandate of the Nominating & Governance Committee is to (i) assess the effectiveness of our Board, each of its committees and individual directors; (ii) oversee the recruitment and selection of director candidates to be nominated by MDA; (iii) design an orientation and education program for new directors; (iv) consider and approve proposals by the directors to engage outside advisors on behalf of our Board as a whole or on behalf of the independent directors; (v) review and make recommendations to our Board concerning the size, composition and structure of the Board and its committees; (vi) review and make recommendations to our Board concerning the level and nature of the compensation payable to directors; (vii) maintain oversight of MDA's environmental, social and governance strategy plan, practices, related policies, and disclosure with respect to same; and (viii) advise our Board on enhancing MDA's corporate governance including in respect of environmental, social & governance matters, through a continuing assessment of MDA's approach to corporate governance.

Our Board has established a written charter setting forth the purpose, composition, authority and responsibility of the Nominating & Governance Committee consistent with MDA's corporate governance guidelines. The members of the Nominating & Governance Committee are appointed annually by our Board, and each member of the Nominating & Governance Committee serves at the request of our Board until the member resigns, is removed, or ceases to be a member of our Board. Each member of the Nominating & Governance Committee must be independent within the meaning of NI 52-110.

Human Resources, Development & Compensation Committee

Our Human Resources, Development & Compensation Committee (the "HRDCC") currently consists of Yaprak Baltacioglu (Chair), Alison Alfors and Jill Smith, each of whom is independent within the meaning of Section 1.4 of NI 52-110. The relevant education and experience of each member of the HRDCC is described as part of their respective biographies herein and in our current AIF. The primary mandate of the HRDCC is to (i) administer any securities-based compensation or incentive plans of MDA; (ii) assess the performance of the CEO, and together with the CEO, the performance of other NEOs; (iii) review and make recommendations to our Board concerning the level and nature of compensation payable to the Chief Executive Officer; (iv) review and, where applicable, approve the recommendations of the CEO concerning the compensation payable to the other NEOs; and (v) review and approve the compensation paid by MDA, if any, to advisors of the HRDCC.

Our Board has established a written charter setting forth the purpose, composition, authority and responsibility of the HRDCC consistent with MDA's corporate governance guidelines. The members of the HRDCC are appointed annually by our Board, and each member of the HRDCC serves at the request of our Board until the member resigns, is removed, or ceases to be a member of our Board. Each member of the HRDCC must be independent within the meaning of NI 52-110.

BOARD ASSESSMENT

Our Nominating & Governance Committee annually assesses the performance and effectiveness of our Board, its committees and each individual member of our Board. In 2023, the Nominating & Governance Committee conducted its annual evaluation and assessment of our Board and its committees. The Nomination & Governance Committee reviewed the results of the assessment for the 2023 financial year, and reported results and recommendations to our Board resulting from the assessment.

DIRECTOR TERM LIMITS AND OTHER MECHANISMS OF BOARD RENEWAL

Our Board has considered the matters of term limits and mandatory retirement. At this time, our Board does not believe that these types of policies are necessary. Our Board believes that its self-evaluation process combined with input from an external third-party governance firm is an effective and transparent manner to ensure that MDA's directors add value and remain strong contributors.

SUCCESSION PLANNING

Succession planning is critical to MDA's long-term sustainable growth and is an ongoing process. In 2023, consistent with the standards of good governance, MDA's Board, through direct action of the HRDCC, has conducted a proactive and deliberate ordinary course CEO succession exercise in alignment with best practices, through partnership with a global Talent and Human Resources Advisory firm. Key outcomes of this process were to align the unique success profile for the role of Chief Executive Officer to MDA business strategy, review and assess the internal candidate pipeline, and to conduct a market assessment in order to understand the external CEO talent landscape. Additionally, at least annually, the Nominating & Governance Committee also identifies CEO candidates for the purposes of emergency succession planning.

Additionally, ordinary course succession planning for key senior management roles is discussed among the HRDCC, the CEO and the Chief People, Culture and Transformation Officer in order to secure a balanced and diverse bench of future leaders to ensure the sustainable growth of MDA. This includes preparing for planned and unplanned executive transitions arising from business changes, employee movements, retirements, and voluntary and involuntary exits, and includes the review of leadership development plans.

The HRDCC also oversees MDA's human resources policies and practices that enable senior management to review the performance of their team members at least annually and develop plans for personal growth and career advancement.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

As we continue to make progress in our ESG initiatives, we have identified a number of important topics in which we will advance further in 2024. These include, calculating the carbon footprint within our operations; advancing our diversity, equity and inclusion initiatives - including Indigenous participation; progressing our health and safety practices; and enhancing risk mitigation to address cybersecurity threats.

One of our core values at MDA is "do the right thing". We act ethically in all that we do, take ownership of our work and responsibility for the outcomes. Our business contributes to and impacts environmental and social initiatives around the world. Through our capabilities in EO, MDA gathers imagery and data that is used for environmental monitoring including natural disaster and response management, tracking ice floes and shoreline erosion, deforestation, illegal and unregulated fishing and providing maritime protection awareness. MDA's operations comply with applicable environmental regulations and aim to continuously improve our environmental practices.

We are committed to running our business ethically and responsibly and have a number of important policies to maintain our high level of business trust and integrity, including a Disclosure and Confidential Information Policy, Anti-Corruption Policy, Anti-Harassment Policy, Whistleblower Policy, Insider Trading Policy and a Code of Ethics and Business Conduct Policy. See page 28 for an overview of the policies. Further, MDA requires its employees to undergo annual training on ethical standards, including sessions on Ethics & Business Conduct, Anti-Corruption and Anti-Harassment. We have also introduced a Supplier Code of Conduct that outlines our expectations within our supply chain, including, among other things, the protection of individuals working directly or indirectly with MDA from any form of forced labour, child labour, modern slavery and human trafficking.

DIVERSITY

We are investing in Diversity, Equity and Inclusion ("DEI"), in line with our core values, and in reflection of our belief that greater diversity leads to a stronger corporate culture, deeper talent pool, and better outcomes for our customers and our organization.

MDA understands diversity to be the presence of a wide range of human qualities and attributes within a group, organization, or society. Dimensions of diversity include, but are not limited to, ancestry, culture, nationality, ethnicity, gender, gender identity, language, physical and intellectual ability, pregnancy, age, race, colour, religion, sex, sexual orientation, political convictions, civil status, and socio-economic status.

In 2023, MDA advanced our DEI efforts in a number of important areas.

This past year, MDA formed a DEI steering committee with representatives from all levels of management and employees to advance our objectives and build alignment and engagement across the organization. In a number of our locations, we have employee affinity groups representing Women, Black employees, and 2SLGBTQIA+ employees.

Additionally, in order to support our rapid growth while ensuring a diverse candidate pool, MDA's talent acquisition team advertises job vacancies on a number of specific websites and LinkedIn channels dedicated to the hiring of both indigenous and female candidates. Our own team members have been certified in diversity sourcing under the Advanced Internet Recruitment Strategy (AIRS) Certified Diversity and Inclusion program. MDA also frequently participates in diversity-focused career events, such as the Stardust Festival, the Society for Canadian Women in Science and Technology (SCWIST) and Women in Defence and Security (WiDS).

To further entrench diversity as part of our company culture, we host events and communicate annually in support of Black History Month, International Women's Day and 2SLGBTQIA+ Pride Month. MDA also acknowledges and recognizes the National Day for Truth and Reconciliation in Canada. MDA has active social committees who participate in multiple fundraising events, including local food banks and initiatives that empower women to achieve economic independence.

Additionally, a key action, as part of our DEI strategy, was to understand the current composition of MDA's workforce across our company. In December 2023, MDA conducted a Diversity, Equity and Inclusion employee self-identification survey with a participation rate from 68% of our full time employee population. Based on this self-reported survey, 69% of our employee base identified as male, 29% as female, 0.9% non-binary/gender non-conforming and 0.6% as transgender. Of the responding employees, 41% identified as a member of a racial or ethnic group. 69% of our employees reported that they are multi-lingual and speak over 70 different languages in aggregate. In addition, 6% of our employees identified as a member of the 2SLGBTQIA+ community. MDA has a highly educated workforce, with 46% of employees identifying with a Bachelor's degree, 26% of employees with a Master's degree, and 7% of employees with a Doctorate level degree. Finally, our total workforce represents four different generations (Baby Boomers, X, Millennials, Z) with millennials representing 40% of our total population.

MDA believes that greater diversity at our Board and senior management levels enhances business performance and demonstrates our values. We will continue to evaluate the adoption of targets in the future to ensure our Board and the senior management team is comprised of individuals with diverse attributes and backgrounds.

Board of Directors

Currently, three of the nine directors and director nominees (33.3%) identify as women. We recognize the value of the contribution of members with diverse attributes on our Board.

Our Board aims to be comprised of directors who have a range of perspectives, insights and views in relation to the issues affecting MDA. We believe that our Board should include individuals from diverse backgrounds, having regard to, among other attributes, gender, status, age, business experience, professional expertise, education, nationality, race, culture, language, personal skills and geographic background.

MDA has not yet adopted a written diversity policy; however, the Nominating & Governance Committee continuously monitors diversity on our Board, including the level of female representation, and continually considers recruiting qualified diverse candidates, including qualified female candidates, as part of MDA's overall recruitment and selection process to fill Board positions, as the need arises, through vacancies, growth or otherwise.

Additionally, the Human Resources, Development & Compensation Committee incorporates diversity as part of their consideration in appointments of executive officers and with regard to ordinary course succession planning.

Management

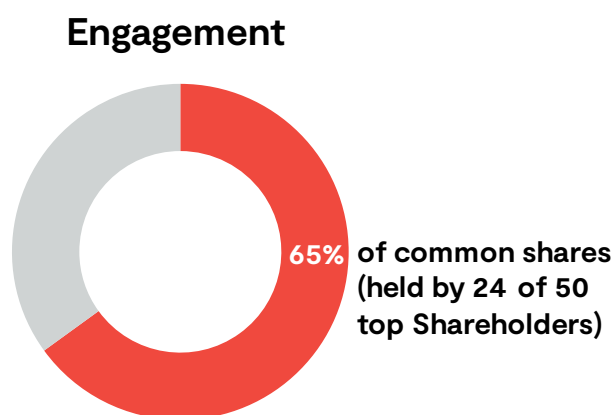
Currently, three of seven executive officers (43%) identify as women.

We believe that greater diversity drives increased customer understanding, promotes innovation and performance and supports effective decision making. As such, we are committed to diversity and inclusion at all levels of the organization to attract, retain, develop and promote the brightest and most talented individuals.

SHAREHOLDER ENGAGEMENT

MDA's management and Board are committed to engaging in an open and constructive dialogue with current and prospective shareholders and value feedback on a wide range of topics including strategy, operations, corporate governance, executive compensation and sustainability practices. We carefully consider shareholder feedback, advice from our independent compensation consultant, and input from proxy advisory firms in board discussions and deliberations throughout the year.

In Fiscal 2023, MDA's management, including CEO Michael Greenley and CFO Vito Culmone, carried out approximately 140 engagements with institutional investors through both in-person and virtual meetings, representing approximately 65% of the issued and outstanding shares as of December 31, 2023 (excluding shares held by officers and directors) and engaging with 24 of the top 50 shareholders.



MDA communicates and engages with shareholders and other stakeholders through a variety of channels including:

- Hosting quarterly earnings calls with financial analysts and institutional investors to present and review financial and operating results for the quarter. The calls are webcast and include a formal management presentation as well as question-and-answer session with financial analysts
- Regularly meeting with institutional investors and financial analysts to provide timely updates on MDA's business and operations
- Participating in industry and investor conferences in Canada, the United States and Europe
- Holding other ad-hoc events such as site tours of MDA's facilities in Canada
- Hosting an annual general meeting of shareholders, which allows shareholders to use an internet-enabled device to watch and listen to the meeting in real time, submit comments and questions as well as vote during the meeting
- Issuing timely news releases, annual and quarterly reports, annual information forms, and management information circulars

We also post relevant and useful disclosures on our investor relations website at mda-en.investorroom.com.

MDA values shareholder, employee and other interest party opinions, concerns and feedback. We invite you to communicate directly with Board members either by email at boardofdirectors@mda.space or by mail at the address below (in an envelope marked “Confidential – Board of Directors”).

MDA Ltd.
Attn: MDA Board of Directors
7500 Financial Drive
Brampton, ON L6Y 6K7 Canada

RISK OVERSIGHT

Our Board is responsible for understanding the principal risks of the business in which MDA is engaged, achieving a proper balance between risks incurred and the potential return to shareholders and other stakeholders, and for ensuring that there are systems in place which effectively monitor and manage those risks with a view of long-term viability of MDA. Our Board relies on senior management to supervise day-to-day risk management, and management reports quarterly to the Audit Committee.

A discussion of the primary risks facing MDA’s business is included in the AIF available on our profile on SEDAR+ at www.sedarplus.com.

Letter to Shareholders from Chair of Human Resources, Development & Compensation Committee

Dear Shareholders,

On behalf of the members of the Human Resources, Development & Compensation Committee (the “HRDCC”) of the Board, I would like to share with you our performance and pay results for the 2023 fiscal year. The HRDCC is responsible for overseeing the design and implementation of a competitive executive compensation program that demonstrates strong pay-for-performance alignment to support shareholder value creation.

Financial and Operational Results³

In 2023, MDA delivered another year of strong growth and execution which helped further solidify our position as a trusted mission partner and leader in the expanding space industry. Our revenues grew to \$807.6 million, up 26% year over year driven by strong contributions from our Satellite Systems and Robotics & Space Operations businesses. We achieved solid profitability with Adjusted EBITDA of \$174.2 million, up 24% year over year,⁴ and Adjusted EBITDA Margin of 21.6% driven by our team’s execution. On the bottom line, Adjusted Net Income in 2023 increased to \$97.9 million, up 24% compared to 2022 levels. Order Bookings for the full year totalled an impressive \$2.5 billion and backlog grew to \$3.1 billion as of December 31, 2023, up 125% year over year and a record level for MDA that sets us up well for 2024 and beyond. On the operational front, we continued to execute well against our strategic growth plan and achieved multiple milestones across our business areas in 2023 positioning us well to capitalize on the demand we see in our end markets.⁵

Pay for Performance

Our executive compensation program is designed to retain, motivate and reward our executive officers for their performance and contribution to MDA’s short- and long-term success through a salary, annual bonus, and equity-based compensation, including performance share units (“PSUs”) and restricted share units (“RSUs”). We believe equity-based compensation motivates executive officers to achieve our business and financial objectives and aligns their interests with long-term shareholder value creation.

In line with our commitment to link executive compensation to company performance, we have made certain changes to our Short-Term Incentive Plan (“STIP”) to drive sustainable growth and create long-term shareholder value. To align executive incentives with MDA’s strong focus on execution and operational efficiency, this year we shifted the weighting between the three core financial metrics in the STIP program. In 2022, these three metrics were weighted evenly. In 2023, Revenue and Adjusted EBITDA were each weighted 40% and Order Bookings was weighted 20%. Also, the threshold achievement and corresponding threshold payout were rebalanced for Revenue and Adjusted EBITDA so achievement of 75% of the target level performance is required to achieve a payout of 50% of the target payout. Threshold performance remained at 65% of target for Order Bookings. This reflects the higher variability in orders, and the need for greater precision on execution once orders have been secured and are available to be converted into revenue and profit.

Also, we adjusted the weighting of our CEO’s STIP performance measures. For 2022, the CEO STIP was based 50% on MDA’s financial results and 50% on the CEO’s individual objectives. For 2023, the HRDCC re-balanced the weightings of these elements so 80% was based on financial objectives and 20% on personal objectives in alignment with the evolution of MDA post IPO and market best practice.

In 2023, MDA’s corporate financial performance under the executive STIP was 140% of the target. This, along with the results of personal objectives for the named executives, resulted in STIP awards ranging from 128% to 145% of target. These results demonstrate the influence that each of our executives has on the achievement of our long-

³ For a detailed review of our operational performance, refer to our 2023 Management’s Discussion and Analysis, a copy of which is available on MDA’s profile on SEDAR+ at www.sedarplus.com.

⁴ Adjusted EBITDA of \$174.2 million in 2023 up 24% year over year compared to adjusted EBITDA of \$141.1 million in 2022; 2022 adjusted EBITDA excludes \$16.8 million in historical investment tax credit (ITC) settlement income recognized in 2022.

⁵ Adjusted EBITDA, Adjusted EBITDA Margin, Order Bookings and Adjusted Net Income are financial measures that are not calculated in accordance with IFRS. For a reconciliation to the most directly comparable measure calculated in accordance with IFRS, see the section entitled “Reconciliation of Non-IFRS Measures” in MDA’s latest Management Discussion and Analysis available on SEDAR+ at www.sedarplus.com, which is hereby incorporated by reference.

term success. MDA's compensation is aligned with objectives that directly impact MDA's financial health, while also recognizing the continued importance of strategic decision-making that will deliver a sustainable long-term impact for the business and value creation for MDA's shareholders.

Best Pay Practices

At MDA, we are committed to adhering to best pay practices and maintaining transparency in our compensation programs. We regularly benchmark our executive compensation against industry peers to ensure competitiveness and alignment with market trends. As outlined, our compensation philosophy emphasizes pay for performance, with a significant portion of executive compensation at risk.

In addition, we implement rigorous governance and oversight mechanisms to ensure that our compensation programs are fair, reasonable, and in the best interests of our shareholders. These mechanisms include the adoption of a clawback policy, share ownership guidelines, and an insider trading policy with restrictions against hedging transactions. The HRDCC, comprised of independent directors, reviews and approves executive compensation decisions, considering input from external advisors and shareholder feedback. MDA engages with its shareholders through a variety of channels, including conference calls and in-person meetings, hosting site visits and other ad-hoc events. In 2023, MDA's management, including our CEO and CFO met with shareholders representing approximately 65% of our outstanding shares. Shareholders were generally supportive of our executive pay policies and practices. The shareholder feedback we received on our pay program focused on clarifying the metrics we use for our STIP and long-term incentive plan ("LTIP"). In response to this feedback, we have enhanced the disclosure of our incentive plan metrics in this Circular. For more on shareholder engagement, see "*Executive Compensation – Shareholder Engagement*."

Executive Transitions

To keep up with the pace of growth in the space market and to position MDA to continue to capitalize on such growth, we have expanded the executive leadership team to better enable business transformation and growth. In July 2023, MDA appointed Stephanie McDonald to the newly-created role of Chief People, Culture and Transformation Officer. Ms. McDonald is a seasoned executive with a strong record in enabling business transformation and growth in companies that are scaling.

MDA also appointed Luigi Pozzebon as Vice President of Satellite Systems in April 2023 and David Snarch as Vice President, General Counsel and Corporate Secretary in November 2023. Mr. Pozzebon brings more than 30 years of experience to the position and has been a long-term member of MDA's Satellite Systems management team. He is a widely respected executive in the global satellite industry and has played an instrumental role in some of the most complex satellite technology programs undertaken in the industry. Mr. Snarch has been a valuable member of the MDA team since April 2016 when he started with MDA as Legal Counsel. Since April 2021, Mr. Snarch has been our Associate General Counsel. He has contributed to many of our strategic initiatives and has proven to be a strong business partner with a solid understanding of the industry, in addition to his deep legal expertise.

In an era where industries, people, and places are impacted every day by space technology, MDA is well positioned to power the space economy as a trusted mission partner with tested solutions aligned to our mission to build the space between proven and possible.

We are pleased with the progress MDA has made in delivering strong financial and operational results. Our revised STIP structure, annual long-term incentive awards, commitment to best pay practices and shareholder engagement reflect our dedication to driving sustainable growth, rewarding performance, and creating long-term shareholder value.

We want to thank you for your continued support and trust in MDA. We remain committed to upholding the highest standards of corporate governance and delivering superior returns by leveraging our diversified and differentiated portfolio of space technology and expertise.

Sincerely,

Yaprak Baltacioglu
Chair of Human Resources, Development & Compensation Committee

Executive Compensation

COMPENSATION DISCUSSION AND ANALYSIS

The following discussion describes the significant elements of the compensation program for the named executive officers (“NEOs”) of MDA. The NEOs for Fiscal 2023 are:

MICHAEL GREENLEY	Chief Executive Officer and Director
VITO CULMONE	Chief Financial Officer
STEPHANIE MCDONALD⁽¹⁾	Chief People, Culture and Transformation Officer
HOLLY JOHNSON	Vice President, Robotics & Space Operations
LUIGI POZZEBON⁽²⁾	Vice President, Satellite Systems
AMER KHOURI⁽³⁾	Former Vice President, Satellite Systems

Notes:

- (1) Ms. McDonald was appointed Chief People, Culture and Transformation Officer July 3, 2023.
- (2) Mr. Pozzebon was appointed Vice President of Satellite Systems April 24, 2023.
- (3) Mr. Khouri resigned from his position with MDA effective January 20, 2023.



Michael Greenley,
Chief Executive Officer and Director

Mr. Greenley is the Chief Executive Officer of MDA. Prior to joining MDA, Mr. Greenley was Sector President of L-3 WESCAM, a provider of systems for defence, homeland security and law enforcement. From 2013 to 2016, he served as Vice President and General Manager of CAE Canada, supporting defence and security markets. From 2008 to 2013 he served first as Vice President, Strategy and Business Development for General Dynamics (GD) Canada, then as Vice President, International for GD Mission Systems. From 2004 to 2008, he was Vice President of the modeling and simulation business at CAE. Mr. Greenley has 30 years of experience in the defence and security business, with broad experience serving the Land, Air, Maritime, Joint, and Public Safety sectors. Mr. Greenley is Chair of Space Canada’s Board of Directors and is a member of the Business Council of Canada. He recently served as the Vice-Chair of the Government of Canada’s Economic Strategy Table for Advanced Manufacturing. He served as a Board Member of the Aerospace Industries Association of Canada (AIAC) and the Ontario Aerospace Council. He was previously Chairman of the Advisory Board for Defence and Security Export to the Department of Foreign Affairs and International Trade (DFAIT) in Canada, and was a member of the Industry Advisory Boards to Department of National Defence, Defence R&D Canada, Public Services and Procurement Canada, and the CEO of Export Development Canada (EDC). Mr. Greenley also has served on a number of non-profit boards including 6 years as the Chair of the Board of the Canadian Association of Defence and Security Industries (CADSI), and Chair of the Board for the Elmwood School for Girls. Mr. Greenley has been recognized for his business and community leadership as an Ottawa Top 40 under 40 business leader, a PROFIT 100 CEO for leading one of Canada’s fastest growing companies for three years running, and as a recipient of the Queen Elizabeth II Diamond Jubilee Medal for service to peers and country in the defence sector. Most recently, Mr. Greenley received the 2023 Satellite Executive of the Year award. Mr. Greenley holds a Bachelor of Science and a Masters of Science from University of Waterloo, as well as an Executive Leadership Development certificate from The Wharton School.



Vito Culmone, Chief Financial Officer

Mr. Culmone brings 34 years of financial and operations expertise, serving as a chief financial officer for the last 15 years in large publicly-traded Canadian companies in a diverse range of sectors. He has demonstrated exceptional strategic thinking and a focus on building sustainable shareholder value. Through it all, Mr. Culmone has earned a reputation with investors and the broader capital markets community as a strong, proven leader, passionate about transformation and for growing businesses. Most recently, Mr. Culmone served as the Executive Vice President and Chief Financial Officer to Element Fleet Management, the largest pure-play commercial vehicle fleet manager in the world, where he led the successful transformation of the company. He led all financial, audit and accounting aspects of the business, including financial reporting, planning/analysis, tax and credit functions. Prior to joining Element Fleet, Mr. Culmone served as Chief Financial Officer at Shaw Communications, one of the country's largest cable and communications enterprises and before that was the Chief Financial Officer at WestJet Airlines, one of Canada's largest air carriers. Between 1995 and 2001, he held increasingly senior positions at Molson Coors Brewing, including overseeing commercial finance as well as finance and strategy for the U.S. Mr. Culmone began his career at Price Waterhouse, where he also completed his designation as a Chartered Accountant. In January 2021, Mr. Culmone was recognized as a Fellow of the Chartered Professional Accountants profession, the highest distinction conferred upon its members. Mr. Culmone also serves as a Board member and Chair of the audit committee for EPCOR. EPCOR builds, owns and operates electrical, natural gas and water transmission and distribution networks, water and wastewater treatment facilities, sanitary and stormwater systems, and infrastructure in Canada and the United States.



Stephanie McDonald, Chief People, Culture and Transformation Officer

Ms. McDonald joined MDA in July 2023 in a newly created executive role with a mandate to drive MDA's transformation strategy and initiatives. With global responsibility for MDA's people, culture and transformation agenda and associated functions, Ms. McDonald brings a demonstrated track record of long-term strategic planning and value creation in publicly-traded companies. A seasoned executive with a background in large multinationals undergoing transformation, Ms. McDonald has served in multiple executive and leadership roles as a trusted strategic business leader. Before joining MDA, Ms. McDonald was the Chief Human Resources Officer at Ontex, a global private label manufacturer of personal hygiene products. Previously, she was the Senior Vice President of People & Culture at Parkland, an international fuel distributor and retailer with operations in 25 countries. Ms. McDonald also spent over 16 years in progressive leadership roles while working at Holcim, a global leader in sustainable construction. Throughout her career, Ms. McDonald has led a series of organizations through a variety of significant transformations and corporate events, including rapid scaling and growth, complex business integrations and corporate turnarounds. Ms. McDonald is a past Committee Chair and former Board Member for HR People & Strategy (HRPS), now called the SHRM Executive Network, an exclusive community of practicing senior HR leaders dedicated to revolutionizing the world of work. Ms. McDonald holds a Masters of Business Administration (Academic Distinction) from Georgetown University in Washington, DC, and a Bachelor of Commerce from the University of Saskatchewan. She is also a certified Culture Coach from the Maslow Research Center.



Holly Johnson, Vice President, Robotics & Space Operations

Ms. Johnson has an extensive 14-year career in the robotics and space operations industry, with experience in systems engineering, business development, business leadership, operations management and strategy development. Ms. Johnson most recently led business transformation initiatives as the Vice President of Operations at MDA, working with the executive leadership team to modernize and harmonize practices and systems in human resources, finance, information technology, marketing and business operations. During her tenure in the Operations group, Ms. Johnson played a key role in corporate development initiatives, including the sale of MDA in 2019 to a Canadian-based private equity group, the subsequent divestiture and establishment of stand-alone operations as a private company, taking MDA through its initial public offering and other mergers and acquisitions activity. Ms. Johnson started her career at MDA in 2010 as a systems engineer working on Canadarm space robotics programs, medical robotics technology and early design concepts for Canadarm3 and other large projects. Following this, she leveraged her engineering skills and industry expertise to hold a multi-year term as Business Development Manager in the robotics division, where she engaged with commercial space customers to develop solutions for on-orbit robotics systems and interfaces. Ms. Johnson has a Bachelor's of Applied Science degree in Mechanical Engineering from the University of Toronto and is a member of Professional Engineers Ontario. In 2019, Ms. Johnson received a top 40 under 40 recognition, and was presented with the University of Toronto Alumni Network's Early Career Award. She was also recognized for her professional accomplishments in 2016 when she received the Northern Lights Aero Foundation Rising Star Award.



Luigi Pozzebon, Vice President, Satellite Systems

Mr. Pozzebon is a long-term member of MDA's Satellite Systems engineering and management team and is a widely respected executive in the global satellite industry. Mr. Pozzebon brings more than 33 years of experience to his current role as MDA's Vice-President of Satellite Systems. He is responsible for MDA's state-of-the-art satellite design and manufacturing facilities, including its high-volume satellite production facility. In his decades-long career, he has played an instrumental role in some of the most complex satellite technology programs that have fundamentally changed the space industry in the fields of robotics, SAR, navigation, and satellite communications, in a wide range of functions including digital engineering, systems engineering, engineering management, chief architect, business execution, business leadership and strategy development. Prior to working at MDA, he was Project Engineer at CMC Electronics where he was responsible for the design of an all-glass large-format high resolution cockpit display product, with night vision (NVIS) option, and a family of Flight Management Systems products for modern digital cockpits in fixed and rotary wing aircraft for both civil and military applications. Mr. Pozzebon holds an Honors Bachelor of Engineering degree from McGill University.

Compensation Philosophy and Objectives

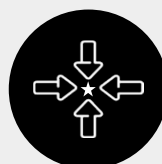
In the highly dynamic and rapidly evolving space economy, MDA's compensation must support the business strategy by directly linking pay outcomes to the achievement of our business and financial objectives. Additionally, compensation is used to align executives to creating shareholder value, attract and retain an experienced executive team, and support a culture that ensures appropriate oversight and risk taking. We have designed our executive officer compensation program to achieve the following objectives:



Attract and retain talented, high-performing and experienced executive officers, whose knowledge, skills, and performance are critical to success.



Motivate the executive team to achieve its business and financial objectives.



Align the interests of its executive officers with those of its shareholders by tying a meaningful portion of compensation directly to the long-term value and growth of the business.



Encourage appropriate oversight and risk taking.

MDA reevaluates its compensation philosophy and compensation program as appropriate and continues to review compensation each year. As part of this review process, MDA is guided by the philosophy and objectives outlined above, and by market competitiveness.

We offer executive officers cash compensation in the form of base salary, an annual bonus, and equity-based compensation. We grant long-term incentives consisting of stock options ("**Options**"), performance share units ("**PSUs**") and restricted share units ("**RSUs**") to our executive officers and employees, under an omnibus equity incentive plan (the "**Omnibus Plan**").

Primary elements of MDA's executive compensation program, its objectives and key features are outlined in the table below:

COMPENSATION ELEMENT	OBJECTIVE	KEY FEATURES
Base salary	Attract and retain talent and provide a competitive fixed level of annual cash compensation.	Reflects competitive market value by referencing the median of the peer group in setting salaries with adjustments for individual performance and experience, including knowledge, skills, responsibilities in the role and internal equity.
Short-term incentives	Variable cash award based on the achievement of MDA's annual financial and personal objectives.	Defined as a percentage of base salary, the short-term incentive plan (STIP) is a cash incentive award that could pay out at up to two times target based on levels of achievement against three financial metrics: Revenue, Adjusted EBITDA, and Order Bookings, as well as personal objectives for each NEO.

COMPENSATION ELEMENT	OBJECTIVE	KEY FEATURES
Long-term incentives	Variable compensation to align management interests with long-term shareholder value creation, encourage retention and reward long-term company performance.	Equity-based incentive awards with overlapping successive three-year periods: <ul style="list-style-type: none"> • 50% PSUs that cliff vest at up to two times target after three years based on the achievement of financial metrics: Revenue growth (weighted 50%) and Adjusted EBITDA growth (weighted 50%), with a relative total shareholder return (“TSR”) <i>modifier</i> relative to the TSX Composite Index • 50% RSUs that vest ratably over three years Options awarded as one-time special awards to attract new hires and reward executives upon promotion.
Benefits	To provide a competitive total compensation package consistent with market practice and support the health and wellness of our executive team to drive the performance and success of MDA.	<ul style="list-style-type: none"> • Life, disability, health and dental insurance programs • Retirement Benefits

PAY POLICIES AND PRACTICES

We have implemented the following best pay practices that reflect our compensation philosophy:

✔ WHAT WE DO	✘ WHAT WE DON'T DO
Link executive pay to company performance through the annual incentive plan and long-term equity awards in the form of PSUs, RSUs and Options	Single-trigger change-in-control provisions
Balance among short- and long-term incentives, cash and equity and fixed and variable pay	Hedging or pledging by executives or directors of equity holdings
Cap short-term incentives at 200% of target	Guarantee annual base salary increases
Maintain overlapping performance periods for long-term incentives	Overemphasize any single performance metric
Compare executive compensation and company performance to relevant peer group companies	Reprice underwater stock options
Target pay at the median of our peer group	Use an aspirational peer group of significantly larger companies
Require executives to meet minimum share ownership guidelines	Provide tax gross ups on perquisites or on change in control benefits
Maintain a compensation Clawback Policy to recapture unearned incentive pay	Apply pay policies or practices that pose material adverse risk to MDA
Provide only limited perquisites	Provide supplemental executive retirement plans
Retain an independent compensation consultant	

SHAREHOLDER ENGAGEMENT

MDA engages with shareholders and values their feedback on a broad range of subjects, including executive compensation and corporate governance. During 2023, MDA's management team, led by CEO Michael Greenley and CFO Vito Culmone, participated in approximately 140 meetings with institutional investors either in-person or virtually. These engagements represented approximately 65% of the total outstanding shares as of December 31, 2023 (excluding shares held by officers and directors). Management or members of the Board also engaged with 24 out of the top 50 shareholders during fiscal 2023. During these discussions, our shareholders did not raise any concerns or issues regarding our executive pay programs and were aligned with our decisions on pay and governance. As a result, our HRDCC and Board did not make significant changes to the pay program in response to shareholder feedback. For more details on shareholder engagement, see “*Corporate Governance Disclosure – Shareholder Engagement*.”

COMPENSATION-SETTING PROCESS

The HRDCC oversees MDA's policies, processes and practices with respect to all aspects of Human Resources, including talent management, ordinary course succession planning and compensation, and is responsible for ensuring that these are consistent with MDA's strategic goals and objectives and with shareholder interests. This includes ensuring that MDA's compensation policies and practices provide an appropriate balance of risk and reward consistent with MDA's risk profile. See “*Risk and Executive Compensation*” below for more on compensation risk and risk mitigation features. In executing these responsibilities, the HRDCC considers analyses, recommendations and proposals developed by management, and also has the authority to seek the expertise of external advisors as needed.

Our Board has adopted a written charter for the HRDCC, which sets out the committee's responsibilities for overseeing our compensation programs, reviewing and making recommendations to our Board concerning the level and nature of the compensation payable to our executive officers. The HRDCC's oversight includes reviewing objectives, evaluating performance and ensuring that total compensation paid to our executive officers is competitive and appropriate, and consistent with the objectives and philosophy of our compensation program. See also “*Corporate Governance – Committees of the Board of Directors – Human Resources, Development and Compensation Committee*.”

MDA's Chief Executive Officer makes recommendations to the HRDCC each year with respect to the compensation for the other NEOs but is not involved in setting, or decisions with respect to, his own compensation.

Compensation Consultant

Since 2021, the HRDCC has engaged Mercer (Canada) Ltd. (“**Mercer**”) to review the competitiveness of MDA's executive compensation program against market practice and an appropriate peer group. Mercer reports directly to the HRDCC.

In 2023, Mercer's advisory services included:

- Assessing the executive team's base salaries, short-term incentive opportunities, target total cash and long-term incentives against the market
- Assessing the Board's compensation package, including cash and equity compensation
- Providing advice on the design of MDA's STIP and annual long-term incentive awards
- Providing advice on the design of a potential employee share purchase plan for the broader MDA employee population
- Assisting with drafting the compensation discussion and analysis portion of the Circular

The HRDCC has sole authority to hire the compensation consultant, approve its compensation, determine the nature and scope of its services, evaluate its performance, and terminate and replace (or supplement) its engagement with an alternative consultant.

The provision of any services by Mercer to the HRDCC in addition to any executive compensation-related services requires the approval of the HRDCC. The fees for services rendered by Mercer in the 12-month period ending December 31, 2022 (“Fiscal 2022”) and Fiscal 2023, are set forth in the table below.

MERCER	2022 FEES	2023 FEES
Executive compensation-related fees	\$130,000	\$305,404
All other fees	\$13,391 ⁽¹⁾	\$76,116 ⁽²⁾

Notes:

- (1) Fees in connection with compensation survey data products for positions below the executive level.
- (2) Fees in connection with DEI strategy support, diversity benchmarking and succession planning framework development.

Compensation Peer Group

As compensation consultants, Mercer analyzed market compensation and recommended a comparative group of companies to set executive compensation levels to the HRDCC for approval. Recognizing that the advanced space technology industry is evolving rapidly, Mercer developed recommendations that were presented to the HRDCC for its consideration after analyzing executive compensation paid at both Canadian and U.S. companies. U.S. companies were included to recognize that the advanced space technology industry in Canada is extremely limited, and that MDA must compete with U.S.-based companies for key talent. The criteria used to determine the composition of the peer group were the following:

MARKET	OPERATIONS		SIZE
Companies competing in the same talent markets in Canada and the U.S.	Canadian and U.S. companies operating primarily in the Aerospace and Defence industry	Canadian and U.S. companies operating in the High-Tech / Software industry	Companies of similar size, measured by revenue (generally 0.33x to 3x that of MDA) and also considering assets, EBITDA, market capitalization, and enterprise value

MDA used the same peer group for setting 2023 and 2022 pay and has updated this group for the purpose of setting 2024 compensation levels, given the significant growth at both MDA and in the industry. The companies in the 2023 peer group are listed below, along with the changes made for 2024, including their industry and whether they are listed in Canada and/or the U.S.:

Comparator Group

COMPANY	INDUSTRY	CANADIAN	U.S.
Absolute Software Corporation	Systems Software	TSX	Nasdaq
AeroVironment, Inc.	Aerospace & Defence		Nasdaq
AerSale Corporation	Aerospace & Defence		Nasdaq
Astronics Corporation	Aerospace & Defence		Nasdaq
Axon Enterprise, Inc.	Aerospace & Defence		Nasdaq
Blackberry Limited	Systems Software	TSX	NYSE
CAE Inc.	Aerospace & Defence	TSX	NYSE
Calian Group Ltd.	Diversified Support Services	TSX	

COMPANY	INDUSTRY	CANADIAN	U.S.
Converge Technology Solutions Corp.	IT Consulting and Other Services	TSX	
The Descartes Systems Group Inc.	Application Software	TSX	Nasdaq
Ducommun Incorporated	Aerospace & Defence		NYSE
Dye & Durham Limited	Application Software	TSX	
Enghouse Systems Limited	Application Software	TSX	
Héroux-Devtek Inc.	Aerospace & Defence	TSX	
Iridium Communications Inc.	Alternative Carriers		Nasdaq
Kinaxis Inc.	Application Software	TSX	
Kratos Defense & Security Solutions, Inc.	Aerospace & Defence		Nasdaq
Magellan Aerospace Corporation	Aerospace & Defence	TSX	
Maxar Technologies Inc. ⁽¹⁾	Aerospace & Defence	TSX	NYSE
Mercury Systems, Inc.	Aerospace & Defence		Nasdaq
National Presto Industries, Inc.	Aerospace & Defence		NYSE
Sifco Industries, Inc. ⁽²⁾	Aerospace & Defence		NYSE
2024 Peer Company Additions			
Hexcel Corporation ⁽³⁾	Aerospace & Defence		NYSE
Rocket Lab, Inc. ⁽³⁾	Aerospace & Defence		Nasdaq
Telesat ⁽³⁾	Aerospace & Defence	TSX	Nasdaq

Notes:

- (1) Maxar Technologies Inc. has been removed from the 2024 peer group because it is no longer listed.
- (2) Sifco Industries, Inc. has been removed from the 2024 peer group because it is no longer of comparable size to MDA.
- (3) Hexcel Corporation, Rocket Lab, Inc., and Telesat have been added to the 2024 peer group because they meet the market, operations and size criteria listed above for peer group companies.

The peer group was an important input in reviewing compensation levels and structure for Fiscal 2023. MDA's philosophy is to use market median for total direct compensation (base salary and short- and long-term incentives) as the primary reference point for decision-making. Actual compensation levels for each NEO were established considering the peer group data, while also looking at differences between the Canadian and U.S. peers for specific NEO roles, as well as the progression and performance of each individual NEO. Similarly, peer group practices were considered when establishing the design features and performance metrics within MDA's incentive plans, while also ensuring that these remain tailored to MDA's specific context and strategic objectives to promote long-term shareholder value creation.

The table below shows MDA's size relative to the peer companies, measured by assets, revenue, EBITDA, market capitalization and enterprise value.

COMPARATOR	MDA LTD. (\$ MILLIONS)	MDA PERCENTILE RANK
Assets ⁽¹⁾	1,807	59%
Revenue ⁽²⁾	715	52%
EBITDA ⁽²⁾	128	67%
Market Capitalization ⁽³⁾	962	46%
Enterprise Value ⁽³⁾	1,169	43%

Notes:

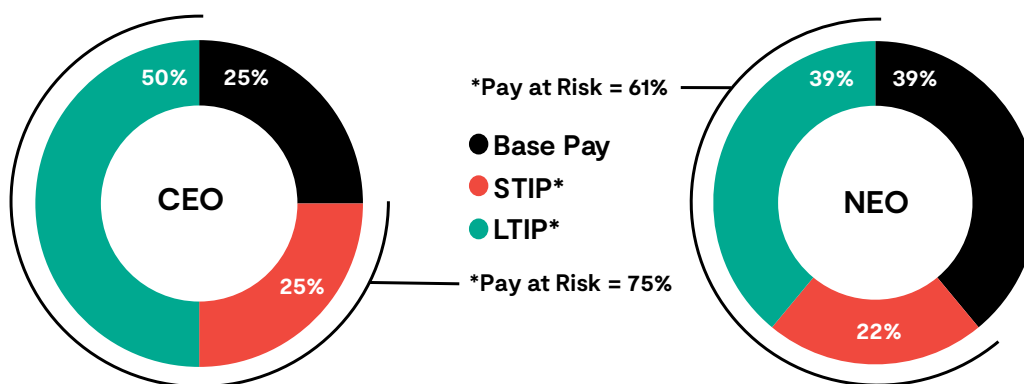
- (1) Most recently reported total assets as of June 14, 2023.
- (2) 12-month trailing revenue and EBITDA as of June 14, 2023.
- (3) Market capitalization and enterprise value on June 14, 2023.

COMPONENTS OF COMPENSATION

The compensation of MDA's executive officers includes three major elements: (a) base salary; (b) short-term incentives; and (c) long-term equity incentives, including PSUs, RSUs and Options. Perquisites and benefits are not a significant element of compensation of MDA's executive officers.

Pay Mix

In 2023, we targeted a specific pay mix as demonstrated in the following charts, which illustrate the 2023 target pay mix for the CEO and the average target pay mix for the other NEOs. The majority of our NEOs' target total direct compensation opportunity in 2023 was provided in the form of performance-based compensation (variable pay), 75% for our CEO and 61% on average for our other NEOs.



Base Salary

Base salary is provided as a fixed source of compensation for our executive officers. Base salaries are determined by considering market competitiveness and the individual performance and experience of each NEO, including knowledge, skills, responsibilities in the role and internal equity. Base salaries are reviewed annually by the HRDCC and approved by our Board and may be increased based on market competitiveness, among other factors. In addition, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of an executive officer's role or responsibilities.

Base salaries for the NEOs generally are positioned at the market median level to attract and retain individuals with superior executive talent. Individual pay levels may be above or below the market median based on the NEO's experience, position and performance.

In 2022, our Board engaged Mercer to conduct a comprehensive benchmarking of our executive pay. After that, our Board, together with the HRDCC, approved adjustments to ensure that NEO pay levels, including those of our CEO, are consistent with our overall pay philosophy. The following table sets forth the annual base salaries for each of the NEOs for Fiscal 2022 and Fiscal 2023.

NAMED EXECUTIVE OFFICER	2022 BASE SALARY (\$)	2023 BASE SALARY (\$)
Michael Greenley	720,000	738,000
Vito Culmone	566,500	582,079
Stephanie McDonald ⁽¹⁾	-	460,000
Holly Johnson ⁽²⁾	350,000	450,000
Luigi Pozzebon ⁽³⁾	217,474	450,000
Amer Khouri ⁽⁴⁾	474,915	462,910

Notes:

- (1) Stephanie McDonald joined MDA as Chief People, Culture and Transformation Officer on July 3, 2023.
- (2) Holly Johnson's salary was increased to \$450,000 effective July 1, 2023 to reflect market competitiveness.
- (3) Luigi Pozzebon's salary was increased to \$223,998 in January 2023 and to \$350,000 effective April 3, 2023 to reflect his formal promotion. On July 1, 2023, his salary was adjusted to \$450,000 to reflect market competitiveness.
- (4) Amer Khouri resigned from his position with MDA effective January 20, 2023 and did not earn base salary after such date. Mr. Khouri's base salary for 2022 and 2023 was USD 350,000. The amounts in the table have been converted to CAD using an exchange rate of 1.3569 for 2022 (being the daily rate of exchange posted by the Bank of Canada for conversion of USD to CAD on December 31, 2022) and an exchange rate of 1.3226 for 2023 (being the daily rate of exchange posted by the Bank of Canada for conversion of USD to CAD on December 31, 2023).

Short-term Incentives

Annual incentive awards are granted under the MDA STIP, which is designed to motivate our executive officers to meet financial and personal performance targets. STIP targets are set as a percentage of each NEO's base salary, which varies based on their position. Individual annual payouts will be higher or lower than the target amount depending on the level of achievement of the applicable performance targets. STIP payments for the executive officers (except the CEO) are recommended to the HRDCC by the CEO and approved by the HRDCC. The CEO's STIP payment is recommended by the HRDCC to our Board for approval.

The NEOs are eligible to receive annual bonuses of up to a specified percentage of each executive's base salary as specified in their employment agreement based on individual performance, company performance or as otherwise determined appropriate by the HRDCC. Target awards are set at the market median with actual awards higher or lower based on performance.

The 2023 STIP is designed to reward executives for the achievement of financial and personal performance objectives:



Financial Objectives ⇒ Drive ownership and accountability toward the achievement of MDA business objectives for the fiscal year based on achieving specified levels of corporate financial performance.

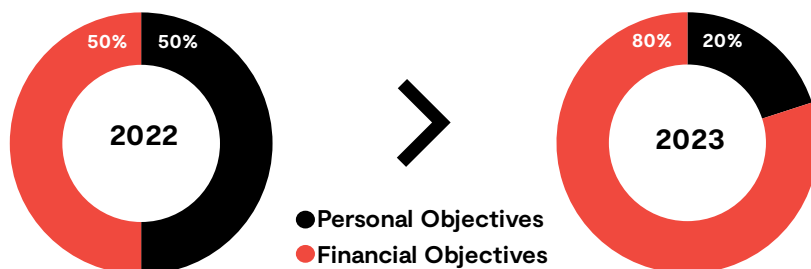


Personal Objectives ⇒ Reward the attainment of personal performance results that are strategic and operational in nature and extend beyond the participant's core job responsibilities and contribute to the long-term success of MDA.

CEO Weighting Change

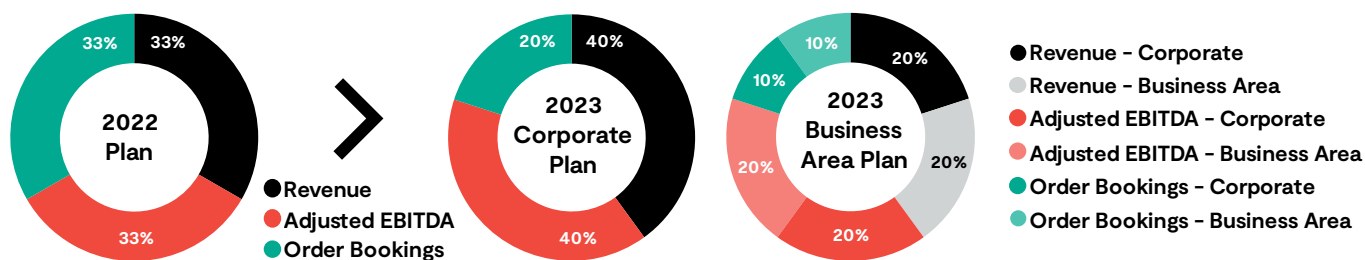
In 2023, the HRDCC changed the weighting of the CEO’s STIP performance measures. For 2022, the CEO’s STIP was weighted 50% on MDA’s financial results and 50% on his individual objectives. For 2023, the weightings for the CEO were 80% financial objectives and 20% personal objectives. By aligning the CEO's incentives more closely with MDA’s financial objectives, we emphasize strategic decision-making and operational results that directly impact the financial health of the organization and shareholder value. Financial objectives provide clear and measurable targets that are objective and easily understood, allowing for a transparent evaluation of performance.

CEO STIP Performance Metrics Weighting Change



Financial Objectives

In 2022, awards under the STIP were calculated based on levels of achievement against three equally weighted corporate financial metrics. In 2023, the HRDCC changed the weighting of the financial objectives in the STIP for both the Corporate and Business Area goals, to put greater emphasis on Revenue and Adjusted EBITDA, and decrease the weighting on Order Bookings.



Notes:

- (1) In 2023, for the CEO, CFO and Chief People, Culture and Transformation Officer, corporate financial weightings were 40% on Revenue, 40% on Adjusted EBITDA and 20% on Order Bookings. For Business Area Leaders, measures were the same, but with a split weighting between Corporate and Business Areas for each financial metric (as illustrated above), with the achievement of Adjusted EBITDA measured at the Business Operating Income level for Business Areas.

These metrics and weightings were chosen to support the following objectives of MDA’s business strategy:

REVENUE	ADJUSTED EBITDA*	ORDER BOOKINGS
We use Revenue as a performance metric because it directly reflects MDA’s financial success. Revenue is a key indicator of a company’s ability to execute on business awarded. Aligning incentives with revenue targets can motivate executives to prioritize activities that lead to increased productivity and profitability.	We use Adjusted EBITDA, a non-IFRS measure, as a performance metric because it provides a more accurate measure of MDA’s operational performance and profitability than net income, the closest IFRS measure. Net income is typically not used because it includes non-cash items such as depreciation and amortization, as well as other non-recurring items. Adjusted EBITDA eliminates non-operating expenses and one-time charges, allowing for a clearer assessment of core business performance. Adjusted EBITDA can incentivize executives to focus on improving operational efficiency, cost management, and revenue generation, which are crucial for long-term financial success.	We use Order Bookings as a performance metric because it directly reflects MDA’s ability to generate new business and secure customer orders. Order Bookings measures the volume and value of new orders received within a specific period, indicating sales growth and market demand. By incentivizing executives based on Order Bookings, we can motivate them to focus on acquiring new customers, expanding market share, and driving future growth compared to revenue, which measures in-year conversion or execution of bookings.

Note: *Adjusted EBITDA is a financial measure that is not calculated in accordance with IFRS. For a reconciliation of Adjusted EBITDA to the most directly comparable measure calculated in accordance with IFRS, see the section entitled “Reconciliation of Non-IFRS Measures” in MDA’s latest Management Discussion and Analysis available on SEDAR+ at www.sedarplus.com, which is hereby incorporated by reference.

In 2023, the HRDCC placed greater emphasis on Revenue and Adjusted EBITDA due to their direct impact on MDA’s financial performance and profitability. By assigning a higher weight to these metrics, we aim to align executive incentives with our strategic goals of driving sales growth and improving operational efficiency. The decrease in the weighting of Order Bookings to 20% reflects a shift in focus toward our ability to convert orders into revenue and profitability, rather than on the volume of new orders. The refinement around the weighting of metrics for 2023 was in recognition of the strategic importance of converting backlog to Revenue on a timely and expeditious basis. Also, the threshold achievement and corresponding threshold payout were rebalanced for Revenue and Adjusted EBITDA so achievement of 75% of the target level performance is required to achieve a payout of 50% of the target payout. Threshold performance remained at 65% of target for Order Bookings.

Both the Corporate and Business Area performance metrics and targets for the STIP are below:

1 – Corporate-level Objectives

The financial performance of the CEO, CFO and Chief People, Culture and Transformation Officer is based on meeting three Corporate-level financial performance metrics under the Corporate Leader Plan. The 2023 targets are considered challenging and require significant effort to accomplish. For the other NEOs, the Corporate-level objectives represent 50% of their financial performance objectives, as noted below under “*Business Area Objectives*.”

2023 CORPORATE LEADER SHORT-TERM INCENTIVE PLAN (FINANCIAL METRICS)						
Financial Metric <i>In Cad Millions</i>	Weighting	Threshold ⁽⁴⁾ (\$)	Target (100% Payout)	Maximum (Payout is 200% of Target)	Actual Result (\$)	Actual Payout ⁽⁵⁾ (As of % of Target)
Revenue ⁽¹⁾	40%	\$592	\$789	\$947	\$808	110%
Adjusted EBITDA ⁽²⁾	40%	\$121	\$162	\$194	\$174	140%
Order Bookings ⁽³⁾	20%	\$336	\$518	\$777	\$2,526	200%
Total	100%	-	-	-	-	140%

Notes:

- (1) The achievement of Revenue is calculated on a linear basis with a maximum payout of 200% at 120% of target performance. The actual performance to target for Revenue is 102% which corresponds to a payout of 110% of target.
- (2) The achievement of Adjusted EBITDA is calculated on a linear basis with a maximum payout of 200% at 120% of target performance. The actual performance to target for Adjusted EBITDA is 108% which corresponds to a payout of 140% of target.
- (3) The achievement of Order Bookings is calculated on a linear basis with a maximum payout of 200% at 150% of target performance. The actual performance to target for Order Bookings is 488% which corresponds to a payout capped at 200% of target.
- (4) Threshold payout is 75% for Revenue and Adjusted EBITDA and 65% on Order Bookings, each as a percentage of target.
- (5) Based on actual performance against the financial measures, the actual payout is 140% of target as indicated.

2 – Business Area Objectives

For the other NEOs, who are leaders of one of MDA's three business areas, the financial performance portion of their STIP award is based 50% on Corporate-level performance metrics (set forth above) and 50% on Business Area goals under the Business Area Leader Plan. For 2023, the weighting of the Business Area performance metrics was 50% to emphasize driving execution within individual Business Areas, while still focusing the team on achieving enterprise results. MDA has not disclosed specific dollar targets under our Business Area Leader Plan because doing so would seriously prejudice its interests, as disclosure of such information would reveal details of its strategy to our competitors. The targets are considered challenging and require significant effort to accomplish.

2023 BUSINESS AREA LEADER SHORT-TERM INCENTIVE PLAN (FINANCIAL METRICS)			
Financial Metric	Overall Weighting	Corporate MDA (weighting)	Business Area (weighting)
Revenue ⁽¹⁾	40%	20%	20%
Adjusted EBITDA ⁽¹⁾	40%	20%	20%
Order Bookings ⁽²⁾	20%	10%	10%
Total	100%	50%	50%

Notes:

- (1) The achievement of Revenue and Adjusted EBITDA is calculated on a linear basis with a maximum payout of 200% at 120% of target performance. For the Business Areas, the achievement of Adjusted EBITDA is measured at the Business Operating Income level.
- (2) The achievement of Order Bookings is calculated on a linear basis with a maximum payout of 200% at 150% of target performance.

Individual Performance Objectives (weighted 20% for our CEO and 10% for all other NEOs)

In 2023, 20% of the STIP award of our CEO and 10% of the awards for the other NEOs was based on performance against personal objectives that extend beyond the participant's core job responsibilities and contribute to the long-term success of MDA. These included objectives related to the following:

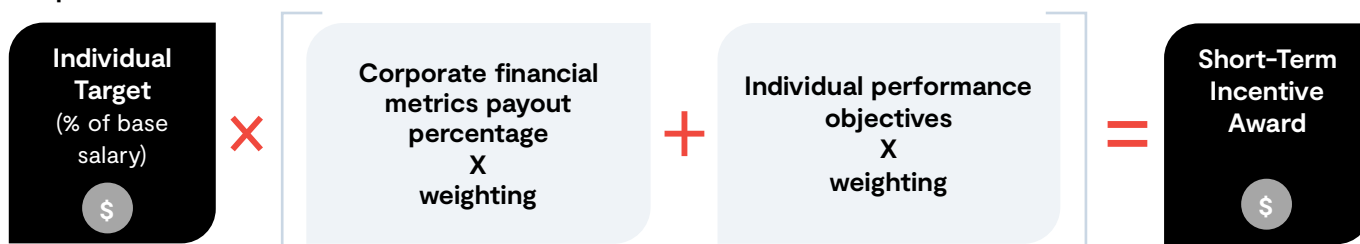
- Successfully completing specific strategic projects in alignment with business strategy.
- Continuing to scale the business to match growth and opportunity pipeline.
- Delivering the annual operating plan.

2023 CEO Performance Highlights Against Personal Objectives

GOAL	COMMENTS
Deliver operating plan on Revenue, Adjusted EBITDA and Order Bookings.	Far exceeded annual operating plan targets, demonstrating strong execution while delivering exponential growth in Order Bookings and above target growth in Revenue and Adjusted EBITDA.
Effectively implement agreed upon corporate strategy, including executing key strategic initiatives and projects for 2023.	Strong progress on strategy execution in each business area, evidenced by pipeline expansion in the Geointelligence, Robotics & Space Operations, and Satellite Systems business areas, with numerous repeat orders from key customers. 2023 demonstrated MDA's continued leadership in bringing advanced technology to market.
Continue to advance executive level management team to ensure scalability.	Continued progression to advance MDA's scalability through appointment of key talent in executive roles, including the new Chief People, Culture and Transformation Officer and the promotion of a new Vice President, Satellite Systems and a new Vice President, General Counsel and Corporate Secretary.
Sustain strong investor relations.	Increased engagement with shareholders in 2023 through multiple discussions between quarterly earning calls, in-person and virtual meetings, industry and investor conferences, and other ad-hoc events such as site tours of MDA's facilities in Canada.

STIP Payouts

Corporate Leader Short-Term Incentive Plan Calculations:



Business Area Leader Short-Term Incentive Plan Calculations:



The table below outlines the target and actual awards each NEO received under the STIP based on performance against the financial and personal objectives discussed above.

SHORT-TERM INCENTIVE PLANS - TARGETS AND ACTUAL AWARDS					
Named Executive Officer	2023 Base Salary (\$)	2023 Target (% of Base Salary)	2023 Target (\$)	Actual Award (% of Target)	Actual Award (\$)
Michael Greenley	738,000	100%	738,000	128%	944,640
Vito Culmone	582,079	75%	436,559	133%	580,624
Stephanie McDonald ⁽¹⁾	460,000	50%	230,000	135%	153,123
Holly Johnson ⁽²⁾	450,000	50%	225,000	145%	254,601
Luigi Pozzebon ⁽³⁾	450,000	50%	225,000	136%	219,880
Amer Khouri ⁽⁴⁾	462,910	40%	185,164	0%	0

Notes:

- (1) Ms. McDonald's actual award (as a % of target) is calculated on a prorated base salary given her July 3, 2023 start date with MDA.
- (2) Ms. Johnson's actual award (as a % of target) is calculated by taking into account the adjustment to her base salary on July 1, 2023.
- (3) Mr. Pozzebon's actual award (as a % of target) is calculated by taking into account the changes to his base salary throughout 2023.
- (4) Mr. Khouri resigned from his position with MDA effective January 20, 2023. Pursuant to the STIP, Mr. Khouri was not paid any award in 2023.

Equity-Based Incentive Awards

Equity awards are granted under the Omnibus Plan, which provides MDA with a share-related mechanism to align management interests with long-term shareholder value creation, encourage retention and reward long-term company performance. MDA's equity incentive plans are discussed under "*Securities Authorized for Issuance under Equity Incentive Plans – Omnibus Plan.*"

The NEOs are eligible to receive equity awards under the Omnibus Plan, which is administered by the HRDCC. The Omnibus Plan provides for the grant of Options, RSUs, PSUs and other share-based awards. For 2023, annual long-term incentive awards were granted to each NEO 50% in PSUs and 50% in RSUs, which was the same allocation as in 2022. MDA chose these vehicles and this allocation of PSUs and RSUs to emphasize company performance and align executives' interests with those of shareholders.

PSUs (50%)	RSUs (50%)
<p>Granting executives PSUs aligns the interests of executives with the long-term success of MDA. Tying compensation to the company's performance incentivizes executives to make decisions and take actions that will drive the company's growth and profitability and enhance shareholder value. PSUs also allow us to reward executives for achieving specific performance targets with respect to Revenue and Adjusted EBITDA.⁽¹⁾ We also have included a relative TSR modifier that compares MDA's performance relative to the TSX Composite Index as a relevant and objective measure of MDA's performance compared to the overall market to account for market conditions and industry trends. This ensures executives are rewarded based on their ability to outperform the market and generate value for shareholders, which promotes a long-term focus on delivering sustained performance.</p>	<p>RSUs are used to attract and retain executive talent and align the interests of our executive team to long-term shareholder value creation. RSUs serve as a retention incentive that encourages executives to stay with MDA and contribute to its success over the long term. Additionally, RSUs can be an effective way to reward executives for their contributions and achievements, as the value of RSUs can increase over time if the company performs well.</p>

Notes:

- (1) Adjusted EBITDA is a financial measure that is not calculated in accordance with IFRS. For a reconciliation of Adjusted EBITDA to the most directly comparable measure calculated in accordance with IFRS, see the section entitled "Reconciliation of Non-IFRS Measures" in MDA's latest Management Discussion and Analysis available on SEDAR+ at www.sedarplus.com, which is hereby incorporated by reference.

2023 targets for awards under our LTIP were set as a percentage of base salary as determined by the HRDCC as outlined in the table below. The 2023 targets for awards under our LTIP as a percentage of base salary are unchanged from the 2022 targets.

NAMED EXECUTIVE OFFICER	TARGET LTIP AWARD AS % OF BASE SALARY	NUMBER OF PSUS	GRANT DATE VALUE	NUMBER OF RSUS	GRANT DATE VALUE
Michael Greenley	200%	100,762	\$720,005	100,761	\$719,998
Vito Culmone	100%	39,640	\$283,252	39,640	\$283,252
Stephanie McDonald ⁽¹⁾	100%	11,204	\$114,057	11,204	\$114,057
Holly Johnson ⁽²⁾	100%	28,549	\$208,035	28,548	\$208,027
Luigi Pozzebon ⁽³⁾	100%	24,491	\$175,003	24,490	\$174,996
Amer Khouri ⁽⁴⁾	100%	0	\$0	0	\$0

Notes:

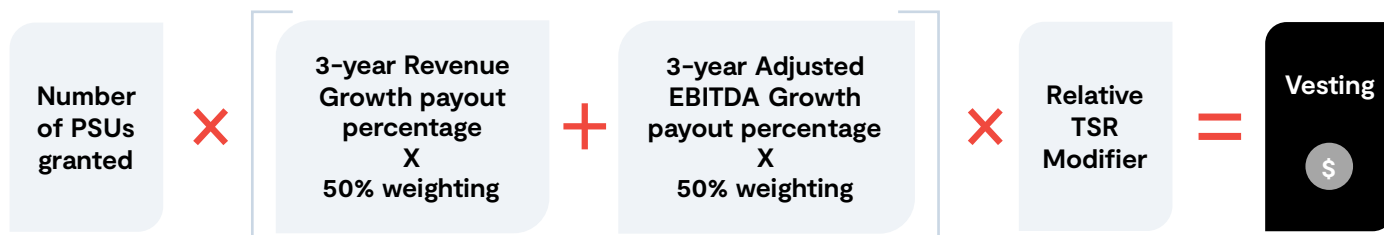
- (1) Ms. McDonald joined MDA as Chief People, Culture and Transformation Officer on July 3, 2023.
- (2) Ms. Johnson's base salary was increased to \$450,000 effective July 1, 2023 to reflect market competitiveness.
- (3) Mr. Pozzebon's base salary was increased to \$223,998 in January 2023 and to \$350,000 effective April 3, 2023 to reflect his formal promotion. On July 1, 2023, his salary was adjusted to \$450,000 to reflect market competitiveness.
- (4) Mr. Khouri resigned from his position with MDA effective January 20, 2023. Pursuant to the LTIP, Mr. Khouri was not granted any equity awards in 2023.

Restricted Share Units

Time-based RSUs vest one-third each year over three years and executives must be actively employed on the vesting date to receive a payout. The Plan Administrator determines whether awards will be settled in cash or shares. NEOs must hold their after-tax value of vested RSUs as common shares until they achieve the minimum share ownership guidelines. The terms and conditions of grants of RSUs, including the quantity, grant date, vesting periods, settlement date and other terms and conditions with respect to the awards, are set out in the grant agreement.

Performance Share Units

PSUs have a three-year performance period with cliff vesting at the end of the period and executives must be actively employed on the vesting date to receive a payout. The Plan Administrator determines whether payouts will be settled in cash or shares. The calculations of the 2023 PSU grant and vesting are illustrated below:



Revenue growth, Adjusted EBITDA growth and relative TSR (as a modifier) were chosen because they align executive interests with long-term shareholder growth expectations. See “*Short-term incentive, Financial Objectives*” above for an explanation of the rationale for the selection of Revenue growth and Adjusted EBITDA growth metrics.

Relative TSR as a modifier for PSUs

Relative TSR was included as a modifier for the PSUs to recognize the importance of delivering superior returns for shareholders over the long term. In establishing the TSR peers for the relative performance analysis, the HRDCC considered several different alternatives, recognizing that there are very few advanced space technology organizations that are publicly traded in Canada, and that the performance of the Canadian stock markets could be impacted by macro-economic factors that may not have the same impact on MDA (either positive or negative).

The Relative TSR modifier to the PSU payouts has a multiplicative factor ranging from 0.75, when MDA’s relative TSR performance is at or below the 25th percentile of the TSX Composite Index, up to 1.25 when MDA’s TSR performance is at or above the 75th percentile of the TSX Composite Index. This ensures that executive PSU payouts are directly impacted by MDA’s share-price performance relative to other Canadian publicly-traded organizations, while minimizing the impact of factors unrelated to MDA’s performance and shareholder experience.

Financial metrics for both short- and long-term incentives

The HRDCC chose to use Revenue and Adjusted EBITDA⁶ as the metrics in the short-term and long-term incentive plans because they are widely recognized and commonly used financial metrics that provide a clear and objective measure of a Company’s financial performance. These metrics are easily understood by executives and shareholders, and they provide a transparent and consistent basis for evaluating and rewarding performance. Furthermore, the metrics have distinct time horizons under the two plans. The use of Revenue and Adjusted EBITDA in the short-term incentive focuses on annual performance, while these metrics in the PSU plan consider a longer time horizon, spanning three years, to capture sustained profitability and shareholder value creation.

2023 One-time Equity Grants

Stephanie McDonald. In 2023, our Board granted a total of 311,269 Options to Stephanie McDonald under the Omnibus Plan as a recruitment incentive to join MDA. 240,000 Options were granted on August 14, 2023 with an exercise price equal to the volume weighted average trading price of the Shares on the TSX, for the five trading days immediately preceding the date of grant. An additional 60,000 premium-priced Options were granted on

⁶ Adjusted EBITDA is a financial measure that is not calculated in accordance with IFRS. For a reconciliation of Adjusted EBITDA to the most directly comparable measure calculated in accordance with IFRS, see the section entitled “Reconciliation of Non-IFRS Measures” in MDA’s latest Management Discussion and Analysis available on SEDAR+ at www.sedarplus.com, which is hereby incorporated by reference.

August 14, 2023 with an exercise price of \$15, which was above the stock price on the date of grant. 11,269 Options were granted on September 22, 2023 with an exercise price equal to the volume weighted average trading price of the Shares on the TSX, for the five trading days immediately preceding the date of grant. All such Options vest in five equal portions with 20% vesting at date of grant. Options are not exercisable after 10 years from the date of grant and will terminate on that date, unless terminated earlier in accordance with the terms of the Omnibus Plan.

Luigi Pozzebon. In 2023, our Board made a one-time grant of 200,000 Options to Luigi Pozzebon given his promotion to Vice President, Satellite Systems to recognize the increased importance of his role within MDA. The grant under the Omnibus Plan was Options with an exercise price equal to the volume weighted average trading price of the Shares on the TSX, for the five trading days immediately preceding the date of grant. Options vest in equal portions over three years. Options are not exercisable after 10 years from the date of grant and will terminate on that date, unless terminated earlier in accordance with the terms of the Omnibus Plan.

The one-time Option awards to Ms. McDonald and Mr. Pozzebon are set forth in the table below:

NAMED EXECUTIVE OFFICER	OPTION GRANT (#)	OPTION GRANT VALUE (\$)	OPTION GRANT DATE	EXERCISE PRICE
Stephanie McDonald	240,000 ⁽¹⁾	\$1,097,006	August 14, 2023	\$10.18
Stephanie McDonald	60,000 ⁽¹⁾	\$200,819	August 14, 2023	\$15.00
Stephanie McDonald	11,269 ⁽¹⁾	\$57,955	September 22, 2023	\$11.39
Luigi Pozzebon	200,000 ⁽²⁾	\$760,679	June 13, 2023	\$8.45

Notes:

- (1) Options vest in five equal portions with 1/5th vesting at date of grant, and 1/5th vesting at each of December 31 of 2023, 2024, 2025, and 2026.
- (2) Options vest in three equal portions with 1/3rd vesting on June 13, 2024, 1/3rd vesting on June 13, 2025, and 1/3rd vesting on June 13, 2026.

BENEFIT PLANS

MDA provides its executive officers, including the NEOs, with life, disability, health, dental insurance and paid time off programs on the same basis as other MDA employees. MDA offers these benefits consistent with local market practice. In addition to the standard benefit package, NEOs are granted an annual executive medical benefit.

Retirement Plan Benefits

MDA sponsors several different retirement plans for the NEOs, including defined benefit pension plans and defined contribution pension plans. Participation in the plan is determined based on the geographical location of employment.

Perquisites

MDA generally does not offer significant perquisites as part of its compensation program, other than those described below under “*Executive Compensation – Employment Agreements.*”

Risk and Executive Compensation

In reviewing MDA’s compensation policies and practices each year, the HRDCC will seek to ensure the executive compensation program provides an appropriate balance of risk and reward consistent with the risk profile of MDA. The HRDCC will also seek to ensure MDA’s compensation practices do not encourage excessive risk-taking behaviour by the executive team. To mitigate compensation risk, our Board has adopted an Insider Trading Policy, including restrictions against hedging transactions, and in 2022, adopted a Clawback Policy, and Share Ownership Guidelines for NEOs.

Insider Trading Policy and Hedging Prohibition

MDA’s executive officers, including the NEOs, directors and certain employees are subject to its insider trading policy, which prohibits trading in MDA’s securities while in possession of material undisclosed information about

MDA. Under this policy, these individuals are also prohibited from entering into certain types of hedging transactions involving the securities of MDA, such as short sales, puts and calls or other derivative securities, prepaid variable forwards, equity swaps, collars, and common shares of exchange funds that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held directly by the employee. Furthermore, executive officers, including the NEOs and certain employees, may trade in MDA's securities, including exercising Options, only during prescribed trading windows.

Clawback Policy

In 2022, MDA adopted a clawback policy allowing it to recoup unearned incentive-based pay (“**Clawback Policy**”). The Clawback Policy relates to any bonus, equity-based or other incentive-based compensation awarded or granted to MDA's current and former executive officers, including the NEOs, to mitigate compensation risk. In the event MDA is required to prepare an accounting restatement of its financial statements due to MDA's material noncompliance with any financial reporting requirement under the federal securities laws or misstatements of financial results, our Board will assess whether MDA should seek to recover any excess incentive compensation received by any covered executives during the three completed fiscal years immediately preceding the date on which MDA is required to prepare an accounting restatement. In making this determination, our Board will look at factors it deems appropriate, including whether the executive engaged in fraud or intentional misconduct which contributed to the need for the restatement.

Share Ownership Guidelines

MDA adopted a policy to require executives to meet minimum share ownership guidelines effective May 10, 2022 (“**Share Ownership Guidelines**”). NEOs can meet the share ownership guidelines through direct or beneficial ownership of MDA's securities, including common shares owned directly or indirectly, vested or unvested RSUs and fully vested PSUs issued under our LTIP. Options and unvested PSUs do not count toward the guidelines. Executives have five years from the effective date of the Share Ownership Guidelines to comply. Executives who are promoted or appointed into a position that is subject to these requirements have five years to meet the minimum requirement. Our NEOs should hold the after-tax value of any vested RSUs as common shares and hold shares received upon the settlement of PSUs until the guidelines have been met. Each of our NEOs has either met their ownership guidelines or has time remaining to do so.

The ownership guidelines for our NEOs as a multiple of annual base salary are set forth in the table below.

NAMED EXECUTIVE OFFICER	MULTIPLE OF BASE SALARY	SHARE OWNERSHIP GUIDELINES MET OR ON TRACK TO MEET
Michael Greenley	3x	On Track
Vito Culmone	1.5x	Yes
Stephanie McDonald	1.5x	On Track
Holly Johnson	1.5x	On Track
Luigi Pozzebon	1.5x	On Track
Amer Khourj ⁽¹⁾	-	-

Notes:

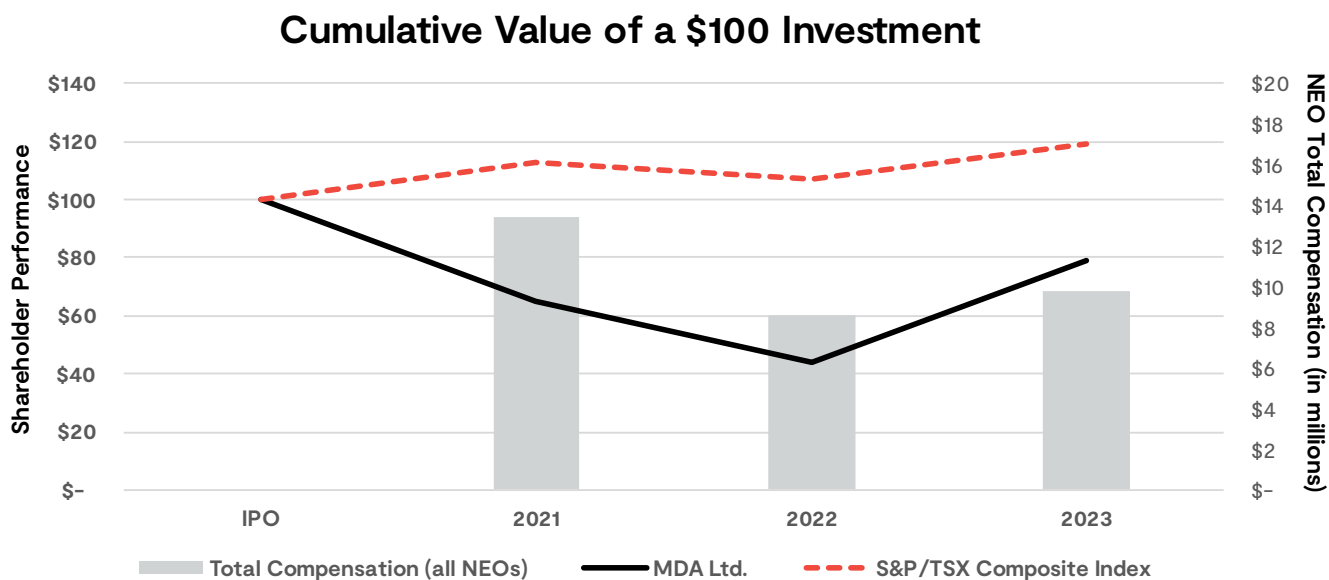
(1) Mr. Khourj resigned from his position with MDA effective January 20, 2023. The Share Ownership Guidelines are no longer applicable to Mr. Khourj.

Performance Graph

The following graph compares the yearly cumulative total shareholder return on a \$100 investment in MDA's common shares against the cumulative total shareholder return of the S&P/TSX Composite Index from the period beginning April 7, 2021 (the date of our IPO) and ending on December 31, 2023. It assumes reinvestment of all dividends during the covered period. The performance graph and table both show an increase in MDA's total

shareholder return in fiscal 2023 driven by solid MDA stock performance in the latest fiscal year (stock appreciated 80% in fiscal 2023). Over the period from April 7, 2021 to December 31, 2023, MDA's total shareholder return was -21% compared to 19% for the S&P/TSX Composite Index.

The compensation structure for the NEOs is heavily equity weighted and there is strong alignment between share price performance and total compensation. The total return on MDA shares declined from the IPO to 2022 but increased in 2023. Similarly, total NEO compensation declined from 2021 to 2022 and increased in 2023.



ALL AMOUNTS ARE IN \$C	APRIL 7, 2021 (IPO)	DECEMBER 31, 2021	DECEMBER 31, 2022	DECEMBER 31, 2023
MDA Ltd.	\$100	\$65	\$44	\$79
S&P/TSX Composite Index	\$100	\$113	\$107	\$119
NEO COMPENSATION (\$C MILLIONS)				
Total Compensation (all NEOs)		\$13.4	\$8.6	\$9.8

Summary Compensation Table

The following table sets out information concerning the compensation earned by, paid to, or awarded to the NEOs for each of MDA's completed financial years since its IPO.

NAME AND PRINCIPAL POSITION	FISCAL YEAR	BASE SALARY (\$) ⁽³⁾	SHARE BASED AWARDS (\$) ⁽⁴⁾	OPTION BASED AWARDS (\$) ⁽⁵⁾	NON-EQUITY INCENTIVE PLAN COMPENSATION		PENSION (\$)	ALL OTHER COMPENSATION (\$) ⁽⁶⁾	TOTAL COMPENSATION (\$)
					Annual Incentive Plans (\$)	Long-Term Incentive Plans (\$)			
Michael Greenley Chief Executive Officer and Director	2023	738,000	1,440,003	-	974,160	-	16,700	32,038	3,200,900
	2022 ⁽⁷⁾	703,846	1,200,000	-	723,600	-	23,600	35,951	2,686,997
	2021	600,000	-	-	361,200	-	25,100	28,550	1,014,850
Vito Culmone Chief Financial Officer	2023	581,481	566,503	-	593,721	-	8,900	27,114	1,777,719
	2022 ⁽⁷⁾	555,289	566,496	796,403	450,368	-	-	22,570	2,391,126
	2021	444,231	2,630,804	4,239,991	304,113	-	-	121,520	7,740,659
Stephanie McDonald⁽¹⁾ Chief People, Culture and Transformation Officer	2023	212,308	228,113	1,355,780	154,258	-	-	51,036	2,001,494
Holly Johnson Vice President, Robotics & Space Operations	2023	401,842	416,062	-	256,362	-	3,000	8,516	1,085,782
	2022 ⁽⁷⁾	347,129	350,004	733,187	180,600	-	10,800	7,601 ⁽⁸⁾	1,628,781
Luigi Pozzebon Vice President, Satellite Systems	2023	347,441	349,999	760,679	219,880	-	13,898	44,501	1,736,397
Amer Khouri⁽²⁾ Former Vice President, Satellite Systems	2023	44,510	-	-	-	-	13,094	2,216,990	2,274,595
	2022	474,915	454,402	-	-	-	12,416	60,189	1,001,921
	2021	335,246	1,930,825	1,095,145	104,066	-	9,343	289,087	3,763,712

Notes:

- (1) Ms. McDonald joined MDA as Chief People, Culture and Transformation Officer on July 3, 2023.
- (2) Mr. Khouri resigned from his position with MDA effective January 20, 2023.
- (3) Represents the base salary earned in the fiscal year ended December 31, 2021 ("Fiscal 2021"), Fiscal 2022 and Fiscal 2023.
- (4) Amounts in Fiscal 2023 represent PSUs and RSUs issued to the applicable NEOs. PSUs and RSUs are measured at the fair value of MDA's Common Shares on the date of grant.

- (5) The fair value of the Options has been calculated using the Black-Scholes option-pricing model and the assumptions presented in the table below. The Black-Scholes option pricing model was chosen because it is recognized as a common and appropriate methodology for valuing options.

DATE	RISK FREE RATE	EXPECTED LIFE OF GRANT	VOLATILITY
25-Jan-21	0.45% - 1.27%	5.94 - 6.97	40.00% - 40.00%
17-Feb-21	0.73% - 1.27%	5.94 - 6.94	40.00% - 40.00%
31-Jan-22	1.62% - 1.62%	5.50 - 5.50	40.00% - 40.00%
23-Jun-22	3.14% - 3.15%	5.26 - 6.26	42.37% - 43.87%
29-Nov-22	3.08% - 3.21%	5.04 - 6.05	42.98% - 44.62%
13-Jun-23	3.55% - 3.67%	5.50 - 6.50	40.23% - 41.34%
14-Aug-23	3.77% - 3.99%	5.00 - 6.69	40.26% - 42.28%
22-Sep-23	4.01% - 4.17%	5.00 - 6.64	40.31% - 42.31%

- (6) Mr. Greenley's All Other Compensation for 2023 was comprised of \$29,819 of excess vacation pay and \$2,219 of taxable benefits. Mr. Culmone's All Other Compensation for 2023 was comprised of \$25,175 of excess vacation pay and \$1,319 of taxable benefits. Mr. Culmone's All Other Compensation for 2023 was comprised of \$25,074 of housing and car reimbursement, \$962 of taxable benefits and \$25,000 directed at her personal Registered Retirement Savings Plan ("RRSP"). Ms. Johnson's All Other Compensation for 2023 was comprised of \$6,610 of excess vacation pay and \$1,906 of taxable benefits. Mr. Pozzebon's All Other Compensation for 2023 was comprised of a \$27,500 assignment premium for his role as Acting Vice President, Satellite Systems, \$8,740 of excess vacation pay and \$8,531 of taxable benefits. Mr. Khouri's All Other Compensation for 2023 was comprised of a US\$1,500,000 bonus pursuant to his employment agreement, \$11,660 of housing reimbursement, \$79 of taxable benefits and a \$221,352 tax equalization payment resulting from Mr. Khouri being a U.S. citizen working in Canada.
- (7) 2022 base salary amounts were adjusted from MDA's previous management information circular ("2022 Circular") in order to represent actual base salary dollars earned in the year instead of the contractual base salary.
- (8) Ms. Johnson's All Other Compensation for 2022 was adjusted from the 2022 Circular in order to include excess vacation pay of \$5,460.

Employment Agreements

MDA has entered into employment agreements with each of the NEOs. The agreements set forth the terms and conditions of each executive's employment with MDA, including base salary, short-term incentive, eligibility for employee benefits and severance benefits upon a qualifying termination of employment, and certain restrictive covenants such as non-solicitation provisions. Any potential payments and benefits due upon a qualifying termination of employment or a change of control are further described below.

Michael Greenley, Chief Executive Officer and Director

Mr. Greenley's employment agreement provides for base salary, an annual performance bonus, participation in the LTIP and benefits.

If Mr. Greenley is terminated without cause or resigns for good reason, then in addition to his accrued but unpaid base salary and vacation pay up to the termination date, and benefits continuation, MDA will provide Mr. Greenley, as severance, an amount equal to 200% of his annual base salary; as well as his annual bonus (if any) for the year of termination, prorated to the termination date. If Mr. Greenley's employment agreement is terminated for any other reason other than as set out immediately above, he will receive only his accrued but unpaid base salary and vacation pay up to the termination date, and all entitlement to benefits and participation in MDA's STIP or incentive plans shall terminate on the termination date.

Mr. Greenley's employment agreement also contains customary confidentiality and non-disparagement covenants and certain restrictive covenants that will continue to apply following the termination of his employment, including non-competition provisions which are in effect during Mr. Greenley's employment and for 12 months following the termination of his employment if terminated without cause or due to resignation with good reason, and for 24 months following the termination of his employment for any other reason, and non-solicitation provisions which are in effect during Mr. Greenley's employment and for the 24 months following the termination of his employment.

Vito Culmone, Chief Financial Officer

Mr. Culmone's employment agreement provides for base salary, a signing bonus, an annual performance bonus, participation in the LTIP, and benefits.

If Mr. Culmone resigns or is terminated for cause, he will be entitled to receive only his accrued but unpaid base salary up to the termination date, and all entitlement to benefits shall terminate on the termination date. If Mr. Culmone is terminated without cause, then in addition to his accrued but unpaid base salary and vacation pay up to the termination date and benefits continuation, MDA will provide Mr. Culmone as severance an amount equal to 24 months' base salary as well as his annual bonus prorated to the termination date and for a period of 24 months thereafter. For the purposes of calculating such annual bonus for the 24 months following termination, the annual amount used shall be the average of the annual bonus paid in respect of the two (2) contemplated fiscal years immediately preceding the date of termination. Additionally, if Mr. Culmone is involuntarily terminated during a year prior to an upcoming December 31 vesting date, the options allotment for that year will be included in any severance agreement on a prorated basis based on the date of termination.

Mr. Culmone's employment agreement also contains customary confidentiality covenants and certain restrictive covenants that will continue to apply following the termination of his employment, including non-competition and non-solicitation provisions which are in effect during Mr. Culmone's employment and for the 12 months following the termination of his employment.

Stephanie McDonald, Chief People, Culture and Transformation Officer

Ms. McDonald employment agreement provides for base salary, an annual performance bonus, a relocation allowance, participation in the LTIP, and benefits.

If Ms. McDonald resigns or is terminated for cause, she will be entitled to receive only her accrued but unpaid base salary up to the termination date, and all entitlement to benefits shall terminate on the termination date. If Ms. McDonald is terminated without cause, then in addition to her accrued but unpaid base salary and vacation pay up to the termination date and benefits continuation, MDA will provide Ms. McDonald as severance an amount equal to 24 months' base salary as well as her annual bonus prorated to the termination date and for a period of 24 months thereafter. For the purposes of calculating such annual bonus for the 24 months following termination, the annual amount used shall be the average of the annual bonus paid in respect of the two (2) contemplated fiscal years immediately preceding the date of termination (except that in the event that Ms. McDonald has not completed two (2) fiscal years prior to the date of termination, in which case it will be based on her target bonus amount under the STIP). Additionally, pursuant to option award agreements, if Ms. McDonald is terminated without cause, any unvested Options granted to her pursuant to shall vest immediately.

Ms. McDonald's employment agreement also contains customary confidentiality covenants and certain restrictive covenants that will continue to apply following the termination of her employment, including non-competition and non-solicitation provisions which are in effect during Ms. McDonald's employment and for the 12 months following the termination of her employment.

Holly Johnson, Vice President, Robotics & Space Operations

Ms. Johnson's employment agreement provides for base salary, an annual performance bonus, and benefits.

Ms. Johnson's employment agreement provides that, if Ms. Johnson resigns without good reason or is terminated for cause, she will be entitled to receive only her accrued but unpaid base salary up to the termination date, and all entitlement to benefits shall terminate on the termination date. If Ms. Johnson's employment is terminated for any other reason other than as set out immediately above, then in addition to her accrued but unpaid base salary to the termination date, and benefits continuation, MDA will provide Ms. Johnson, as severance, an amount equal to 12 months' base salary plus an additional month per year of service to an overall maximum of 24 months as well as her annual bonus prorated for a period of 12 months plus one month for every completed year of service up to an overall maximum of 24 months. For the purposes of calculating such annual bonus, the annual amount used shall be the average of the annual bonus paid in respect of the two (2) contemplated fiscal years immediately preceding the date of termination.

Ms. Johnson's employment agreement also contains customary confidentiality covenants and certain restrictive covenants that continue to apply following the termination of her employment, including non-competition and non-solicitation provisions which are in effect during Ms. Johnson's employment and for the 12 months following the termination of her employment.

Luigi Pozzebon, Vice President, Satellite Systems

Mr. Pozzebon's employment agreement provides for base salary, an annual performance bonus, participation in the LTIP, and benefits.

If Mr. Pozzebon resigns or is terminated for cause, he will be entitled to receive only his accrued but unpaid base salary up to the termination date, and all entitlement to benefits shall terminate on the termination date. If Mr. Pozzebon is terminated without cause then in addition to his accrued but unpaid base salary and vacation pay up to the termination date, MDA will provide Mr. Pozzebon, as severance, an amount equal to 12 months' base salary plus one month base salary for each completed year of service up to a maximum of 24 months; as well as his annual bonus prorated for a period of 12 months plus one month for every completed year of service up to a maximum of 24 months. For the purposes of calculating such annual bonus, the annual amount used shall be the average of the annual bonus paid in respect of the two (2) contemplated fiscal years immediately preceding the date of termination. Additionally, pursuant to an option award agreement, if Mr. Pozzebon is terminated without cause, 200,000 Options granted to him June 13, 2023 shall vest immediately. The balance of any unvested Options will be forfeited.

Mr. Pozzebon's employment agreement also contains customary confidentiality covenants and certain restrictive covenants that will continue to apply following the termination of his employment, including non-competition and non-solicitation provisions which are in effect during Mr. Pozzebon's employment and for the 12 months following the termination of his employment.

Amer Khouri, Former Vice President, Satellite Systems

Mr. Khouri resigned from his position with MDA effective January 20, 2023.

Prior to his resignation, Mr. Khouri's employment agreement provided for base salary, a signing bonus, an annual performance bonus, participation in the Legacy Stock Option Plan, a relocation allowance and benefits. Mr. Khouri also participated in the Omnibus Plan. Mr. Khouri's employment agreement was amended in February 2022 to provide for an increase in his base salary effective as of the date of amendment, as well as an additional bonus in the amount of US\$1,500,000 subject to his continuous employment with MDA until January 17, 2023. MDA paid such amount, less applicable withholdings and deductions, on January 17, 2023.

Mr. Khouri's employment agreement provided that, if Mr. Khouri resigns or is terminated for cause, he will be entitled to receive only his accrued but unpaid base salary up to the termination date, and all entitlement to benefits shall terminate on the termination date. Per his employment agreement, if Mr. Khouri is terminated without cause then in addition to his accrued but unpaid base salary and vacation pay up to the termination date, MDA will provide Mr. Khouri, as severance, an amount equal to 12 months' base salary plus one month base salary for each completed year of service up to a maximum of 24 months; as well as his annual bonus prorated for a period of 12 months plus one month for every completed year of service up to a maximum of 24 months.

Mr. Khouri's employment agreement also contained customary confidentiality covenants and certain restrictive covenants that will continue to apply following the termination of his employment, including non-competition and non-solicitation provisions which are in effect during Mr. Khouri's employment and for the 12 months following the termination of his employment.

Outstanding Option-Based Awards and Share-Based Awards

The following table sets out information concerning the option-based and share-based awards granted to MDA's NEOs that are outstanding as of December 31, 2023.

NAME AND PRINCIPAL POSITION	OPTION-BASED AWARDS				SHARE-BASED AWARDS		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$) ⁽¹⁾	Number of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$) ⁽²⁾	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$)
Michael Greenley Chief Executive Officer and Director	3,023,250	6.00 - 15.36	October 30, 2030	\$8,997,192	324,375	\$3,736,800	-
Vito Culmone Chief Financial Officer	1,395,407	6.60 - 30.00	February 17, 2031 November 29, 2032	\$1,331,727	171,651	\$1,997,420	-
Stephanie McDonald ⁽³⁾ Chief People, Culture and Transformation Officer	311,269	10.18 - 15.00	August 14, 2033 September 22, 2033	\$323,065	22,408	\$258,140	-
Holly Johnson Vice President, Robotics & Space Operations	401,550	6.00 - 15.36	November 5, 2030 January 31, 2032 June 23, 2032	\$1,160,243	84,814	\$977,057	-
Luigi Pozzebon Vice President, Satellite Systems	401,550	6.00 - 15.36	November 2, 2030 June 13, 2033	\$1,213,053	55,215	\$636,077	-
Amer Khouri ⁽⁴⁾ Former Vice President, Satellite Systems	-	-	-	-	-	-	-

Notes:

- (1) Amounts shown represents the difference between the closing price of MDA's Common Shares on the TSX of \$11.52 on December 29, 2023 and the option exercise price.
- (2) Based on the closing price of MDA's Common Shares on the TSX of \$11.52 on December 29, 2023.
- (3) Ms. McDonald joined MDA as Chief People, Culture and Transformation Officer on July 3, 2023.
- (4) Mr. Khouri resigned from his position with MDA effective January 20, 2023. All option-based awards and share-based awards previously granted to Mr. Khouri were immediately forfeited upon his resignation on January 20, 2023. Pursuant to the STIP, Mr. Khouri was not paid any award in 2023.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out, for each of MDA's NEOs, the value of the option-based and share-based awards that vested in accordance with their terms during Fiscal 2023.

NAME AND PRINCIPAL POSITION	OPTION-BASED AWARDS – VALUE VESTED DURING THE YEAR (\$) ⁽¹⁾	SHARE-BASED AWARDS – VALUE VESTED DURING THE YEAR (\$) ⁽²⁾	NON-EQUITY INCENTIVE PLAN COMPENSATION – VALUE EARNED DURING THE YEAR (\$) ⁽³⁾
Michael Greenley Chief Executive Officer and Director	\$1,499,532	\$203,931	\$723,600
Vito Culmone Chief Financial Officer	\$443,911	\$1,322,772	\$450,368
Stephanie McDonald ⁽⁴⁾ Chief People, Culture and Transformation Officer	\$71,333	-	-
Holly Johnson Vice President, Robotics & Space Operations	\$213,773	\$59,470	\$180,600
Luigi Pozzebon Vice President, Satellite Systems	\$99,964	\$25,871	-
Amer Khouri ⁽⁵⁾ Former Vice President, Satellite Systems	-	-	-

Notes:

- (1) Option-based amounts represent the difference between the various closing prices of MDA's Common Shares on the TSX on the respective vesting dates and the option exercise prices, multiplied by the number of vested Options.
- (2) Share-based amounts represent the number of vested shares multiplied by the various closing prices of MDA's Common Shares on the TSX on the respective vesting dates.
- (3) Non-equity incentive plan compensation amounts represent awards under the STIP earned in 2022 and paid in 2023.
- (4) Ms. McDonald joined MDA as Chief People, Culture and Transformation Officer on July 3, 2023.
- (5) Mr. Khouri resigned from his position with MDA effective January 20, 2023. All option-based awards and share-based awards previously granted to Mr. Khouri were immediately forfeited upon his resignation on January 20, 2023.

Burn Rate

The annual burn rate for each security-based compensation arrangement for the three most recently completed financial years, expressed as a percentage and calculated by dividing the number of awards granted during the financial year by the weighted average number of Common Shares outstanding for the financial year, is set forth in the following table:

BURN RATE	2021 (%)	2022 (%)	2023 (%)
Number of share-based awards granted / Basic weighted average number of Common Shares outstanding at year end	2.35	1.32	1.61

Pension Plan Benefits

The following table summarizes information for the NEOs participating in MDA's defined benefit pension plan arrangements as at December 31, 2023.

NAME AND PRINCIPAL POSITION ⁽¹⁾	NUMBER OF YEARS CREDITED SERVICE (#)	ANNUAL BENEFITS PAYABLE (\$)		OPENING PRESENT VALUE OF DEFINED BENEFIT OBLIGATION (\$)	COMPENSATORY CHANGE (\$)	NON-COMPENSATORY CHANGE (\$)	CLOSING PRESENT VALUE OF DEFINED BENEFIT OBLIGATION (\$)
		At Year End	At Age 65				
Michael Greenley Chief Executive Officer and Director	5.92	16,400	33,500	204,300	16,700	36,700	257,700
Vito Culmone ⁽²⁾ Chief Financial Officer	0.58	1,200	13,000	0	8,900	2,800	11,700
Holly Johnson ⁽³⁾ VP Robotics and Space Operations	12.33	23,300	80,000	66,600	3,000	27,300	96,900

Notes:

- (1) All amounts disclosed in the table are in Canadian dollars and at year-end, have been calculated using the same assumptions and methods that are used for financial statement reporting, including a December 31, 2023 discount rate of 4.8%.
- (2) Vito Culmone joined the ONR pension plan as of June 1, 2023.
- (3) Amounts disclosed in the table for Holly Johnson reflect membership in the SPATEA and ONR pension plans.

MDA's sponsored defined benefit plan is subject to a two-year waiting period. Stephanie McDonald will participate in this plan following the two-year waiting period. During the waiting period, Ms. McDonald will receive \$25,000 per year which she will direct to a personal RRSP.

The following table summarizes information for the NEOs participating in MDA's defined contribution pension plan arrangements as at December 31, 2023.

NAME AND PRINCIPAL POSITION ⁽¹⁾	ACCUMULATED VALUE AT START OF YEAR (\$)	COMPENSATORY (\$) ⁽¹⁾	ACCUMULATED VALUE AT YEAR END (\$)
Luigi Pozzebon VP, Satellite Systems	\$435,735	\$24,229	\$484,893
Amer Khouri ⁽²⁾ Former VP, Satellite Systems	\$71,523	\$39,281	\$0

Notes:

- (1) Represents MDA's employer contribution to the plan and the interest earned on employer contributions.
- (2) Amer Khouri resigned on January 20, 2023 and transferred his 401K funds out of the Company plan on January 22, 2023. The amounts for Mr. Khouri in the table have been converted to CAD using an exchange rate of 1.3226, being the daily rate of exchange posted by the Bank of Canada for conversion of USD to CAD on December 31, 2023.

Termination and Change of Control Benefits

For a summary of the termination and change of control benefits provided under each long-term incentive plan, please refer to “*Components of Compensation – Equity-Based Incentive Awards.*” For a summary of the termination benefits provided under the NEOs’ employment agreements, please refer to the “*Executive Compensation – Employment Agreements*” section.

The following table provides the estimated amounts of incremental payments, payables and benefits to which each NEO would be entitled based on differing departure scenarios, assuming the triggering event took place on December 31, 2023. Incremental benefits in connection with a change of control are realized only in the event of a termination of employment following a change of control and no incremental benefit is realized solely on a change of control, except as otherwise set out in the Omnibus Plan – please refer to “*Components of Compensation – Equity-Based Incentive Awards.*”

NAME	DEPARTURE SCENARIO	CASH SEVERANCE (\$)	SHORT-TERM INCENTIVE (\$) ⁽¹⁾	CONTINUATION OF BENEFITS (PRESENT VALUE) (\$) ⁽²⁾	PSUS (\$) ⁽³⁾	RSUS (\$) ⁽³⁾	EMPLOYEE TRUST SHARES (\$) ⁽³⁾	STOCK OPTIONS (\$) ⁽³⁾	TOTAL
Michael Greenley Chief Executive Officer and Director	Resignation	-	-	-	-	-	-	-	-
	Termination for cause	-	-	-	-	-	-	-	-
	Termination without cause	1,476,000	974,160	295,200	-	-	-	-	2,745,360
	Change of control	1,476,000	974,160	295,200	2,009,929	1,726,871	-	8,997,192	15,479,352
Vito Culmone Chief Financial Officer	Resignation	-	-	-	-	-	-	-	-
	Termination for cause	-	-	-	-	-	-	-	-
	Termination without cause	1,164,158	1,343,953	232,832	-	-	-(4)	-(4)	2,740,943
	Change of control	1,164,158	1,343,953	232,832	857,514	723,905	396,000	1,331,727	6,050,089
Stephanie McDonald ⁽⁴⁾ Chief People, Culture and Transformation Officer	Resignation	-	-	-	-	-	-	-	-
	Termination for cause	-	-	-	-	-	-	-	-
	Termination without cause	920,000	614,258	184,000	-	-	-	323,065 ⁽⁷⁾	2,041,323
	Change of control	920,000	614,258	184,000	129,070	129,070	-	323,065	2,299,463
Holly Johnson Vice President, Robotics & Space Operations	Resignation	-	-	-	-	-	-	-	-
	Termination for cause	-	-	-	-	-	-	-	-
	Termination without cause	900,000	251,979	180,000	-	-	-	-	1,331,979
	Change of control	900,000	251,979	180,000	529,805	447,252	-	1,160,243	3,469,279
Luigi Pozzebon Vice President, Satellite Systems	Resignation	-	-	-	-	-	-	-	-
	Termination for cause	-	-	-	-	-	-	-	-
	Termination without cause	900,000	91,205	180,000	-	-	-	613,240 ⁽⁸⁾	1,784,445
	Change of control	900,000	91,205	180,000	282,136	353,940	-	1,213,053	3,020,335
Amer Khouri ⁽⁵⁾ Former Vice President, Satellite Systems	Resignation	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-

Notes:

- Pursuant to their employment agreements: Mr. Greenley’s amount represents his 2023 actual award under the STIP; Mr. Culmone’s amount represents his 2023 actual award under the STIP and an annual bonus prorated for a period of 24 months after termination; Ms. McDonald’s amount represents her 2023 actual award under the STIP and an annual bonus prorated for a period of 24 months after termination; Ms. Johnson’s amount represents an annual bonus prorated for a period of 24 months after termination; and Mr. Pozzebon’s amount represents an annual bonus prorated for a period of 24 months after termination.
- Continuation of benefits reflect amounts for health and dental benefits and insurance benefits, pursuant to the terms of the NEO’s employment contracts, as applicable. The present value of such continuation of benefits has been calculated using an estimate of 20% of cash severance amount.
- Payouts for PSUs, RSUs, Employee Trust shares and Options in the event of a Change of Control assume the Plan Administrator under the Omnibus Plan deemed it necessary or desirable to cause outstanding Awards to vest and become exercisable. Value of PSUs, RSUs and Employee Trust shares calculated based on the closing price of MDA’s Common Shares on the TSX of \$11.52 on December 29, 2023. Value of Options calculated based on the difference between the closing price of MDA’s Common Shares on the TSX of \$11.52 on December 29, 2023 and the option exercise price.
- Ms. McDonald joined MDA as Chief People, Culture and Transformation Officer on July 3, 2023.
- Mr. Khouri resigned from his position with MDA effective January 20, 2023 and did not receive any incremental payments.

- (6) Mr. Culmone's employment agreement provides that if he is involuntarily terminated during a year prior to an upcoming December 31 vesting date, the options allotment for that year will be included in any severance agreement on a prorated basis based on the date of termination. However, since the assumed triggering event occurred on December 31, 2023, there is no incremental benefit.
- (7) Pursuant to option award agreements, if Ms. McDonald is terminated without cause, any unvested Options granted to her shall vest immediately.
- (8) Pursuant to an option award agreement, if Mr. Pozzebon is terminated without cause, 200,000 Options granted to him June 13, 2023 shall vest immediately.

Director Compensation

GENERAL

The following discussion describes the significant elements of the compensation program for members of our Board and its committees. The compensation of MDA's directors is designed to attract and retain committed and qualified directors and to align their compensation with long-term shareholder value creation. MDA's CEO, Michael Greenley (an "Excluded Director"), does not receive any compensation for his service as a director of our Board and is not included in the table below, see the "Summary Compensation Table" above for the compensation he received from MDA in 2023.

Our Board, on the recommendation of our Nominating & Governance Committee, is responsible for reviewing and approving any changes to the directors' compensation arrangements. In consideration for serving on our Board, each director (other than the CEO) is paid an annual retainer. All directors are reimbursed for their reasonable out-of-pocket expenses incurred while serving as directors.

DIRECTOR COMPENSATION TABLE

The chart below outlines MDA's director compensation program. In 2023, our Board engaged Mercer to conduct a benchmarking of MDA's director compensation program, using the same comparator group that was used to benchmark compensation of our NEOs.

TYPE OF FEE		AMOUNT FOR 2023 (\$)
Board Retainer	Excluded Director	Nil
	Board Chair	\$180,000
	Board Member	\$150,000
Annual Retainer for Committees Chair	Non-Excluded directors	\$15,000

Deferred Share Units

MDA's Omnibus Plan provides for the grant of DSUs to each director, other than the CEO. Our Board has mandated that 50% of each director's annual cash retainer shall be payable to such director in the form of DSUs. In addition, each year, our directors may elect to take all or a portion of the remaining amount of their annual Board retainer in the form of DSUs.

Following the end of an eligible director's tenure as a member of our Board, the director will receive Common Shares, a payment in cash at the fair market value of the Common Shares represented by his or her DSUs, or a combination of the two on the director's elected redemption date. Each director's elected redemption date will not be earlier than the date the director's tenure as a member of our Board ceases and will not be later than December 15th of the year following the year in which the director's tenure as a member of our Board ceases.

The following table sets forth the value of all compensation earned by directors of MDA (other than the Excluded Director) in their capacity as directors for Fiscal 2023:

NAME OF DIRECTOR	CASH COMPENSATION EARNED (\$) ⁽¹⁾	DSU COMPENSATION EARNED (\$)	TOTAL COMPENSATION (\$)
John Risley	-	\$180,000	\$180,000
Brendan Paddick	\$45,000	\$120,000	\$165,000
Darren Farber	-	\$150,000	\$150,000
Yaprak Baltacioglu	\$41,250	\$123,750	\$165,000
Jill Smith	\$82,500	\$82,500	\$165,000
Louis Vachon	-	\$150,000	\$150,000
Alison Alfes	-	\$150,000	\$150,000
Jim Balsillie ⁽²⁾	\$16,896	\$37,500	\$54,396

Notes:

- (1) Includes all fees awarded, earned, paid or payable in cash for services as a director, including annual retainer fees, committee, chair and meeting fees.
(2) Ceased to be a director as of May 12, 2023.

OUTSTANDING OPTION-BASED AND SHARE-BASED AWARDS

The following table sets out information concerning the share-based awards granted to MDA's directors (other than the Excluded Director) that are outstanding as of December 31, 2023. None of MDA's directors (other than the Excluded Director) has been granted any option-based awards.

NAME OF DIRECTOR	SHARE-BASED AWARDS			
	Number of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)	Number of Vested Share-Based Awards Not Paid Out or Distributed (#) ⁽¹⁾	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$) ⁽²⁾
John Risley	-	-	43,252	\$489,263
Brendan Paddick	-	-	28,835	\$332,179
Darren Farber	-	-	36,044	\$415,227
Yaprak Baltacioglu	-	-	29,735	\$342,547
Jill Smith	-	-	19,824	\$228,372
Louis Vachon	-	-	30,471	\$351,026
Alison Alfes	-	-	27,001	\$311,052
Jim Balsillie ⁽³⁾	-	-	-	-

Notes:

- (1) Represents all DSUs issued to directors during their tenure with MDA, including during Fiscal 2023. All DSUs are immediately vested upon grant. Each director's DSUs will be redeemed following the end of such director's tenure as a member of our Board.
(2) Based on the closing price of MDA's Common Shares on the TSX of \$11.52 on December 29, 2023.
(3) Ceased to be a director as of May 12, 2023. All of Mr. Balsillie's DSUs were released on May 15, 2023 as a result of his resignation as a director.

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following table sets out, for each of MDA's directors (other than the Excluded Director), the value of the option-based and share-based awards that vested in accordance with their terms during Fiscal 2023.

NAME OF DIRECTOR	OPTION-BASED AWARDS – VALUE VESTED DURING THE YEAR (\$)	SHARE-BASED AWARDS – VALUE VESTED DURING THE YEAR (\$) ⁽¹⁾	NON-EQUITY INCENTIVE PLAN COMPENSATION – VALUE VESTED DURING THE YEAR (\$)
John Risley	-	\$180,000	-
Brendan Paddick	-	\$120,000	-
Darren Farber	-	\$150,000	-
Yaprak Baltacioglu	-	\$123,750	-
Jill Smith	-	\$82,500	-
Louis Vachon	-	\$150,000	-
Alison Alfery	-	\$150,000	-
Jim Balsillie ⁽²⁾	-	\$37,500	-

Notes:

- (1) DSUs issued to directors are immediately vested upon grant. Each director's DSUs will be redeemed following the end of such director's tenure as a member of our Board. The values represent the number of vested shares at the closing price of MDA's Common Shares at the various closing prices of MDA's Common Shares on the TSX on the respective vesting dates.
- (2) Ceased to be a director as of May 12, 2023.

DIRECTOR SHARE OWNERSHIP GUIDELINES

To align the interests of the directors of MDA with long-term shareholder value creation, the directors (other than any Excluded Director) are required to maintain an equity ownership interest in MDA equal to four times the applicable director's annual cash retainer, not including committee chair retainers. Our Board share ownership guidelines were adopted by our Board on December 26, 2021. Directors have five years from the effective date to comply. Newly appointed directors have five years from the date of their appointment to meet the minimum requirement. The HRDCC is authorized to further define the parameters of the foregoing share ownership guidelines.

DIRECTORS	MULTIPLE OF ANNUAL CASH RETAINER	SHARE OWNERSHIP GUIDELINES MET OR ON TRACK TO MEET
John Risley	4x	Yes
Brendan Paddick	4x	Yes
Darren Farber	4x	Yes
Yaprak Baltacioglu	4x	On Track
Jill Smith	4x	Yes
Louis Vachon	4x	Yes
Alison Alfery	4x	On Track
Jim Balsillie ⁽¹⁾	-	-

Notes:

(1) Ceased to be a director as of May 12, 2023.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

MDA's directors and officers are covered under its existing directors' and officers' liability insurance. Under this insurance coverage, MDA will be reimbursed for insured claims where payments have been made under indemnity provisions on behalf of MDA's directors and officers, subject to a deductible for each loss, which will be paid by MDA. MDA's individual directors and officers will also be reimbursed for insured claims arising during the performance of their duties for which they are not indemnified by MDA. Excluded from insurance coverage are illegal acts, acts which result in personal profit and certain other acts.

Securities Authorized for Issuance Under Equity Incentive Plans

As of the date hereof, there are 9,022,043 Options, 1,319,130 RSUs, 657,962 PSUs and 215,163 DSUs outstanding under MDA's equity incentive plans, each of which could be exercised or settled for one Common Share, which represent in the aggregate 9.35% of MDA's issued and outstanding Common Shares as at the date hereof.

The following table sets forth the equity securities authorized for issuance under MDA's equity incentive plans as of December 31, 2023.

	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, DSUS, RSUS AND PSUS	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS (\$)	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING SECURITIES REFLECTED IN COLUMN (A))
Plan Category	(A)	(B)	(C)
Equity compensation plans approved by securityholders	10,982,693	11.15	897,354
Equity compensation plans not approved by securityholders	-	-	-
Total	10,982,693	11.15	897,354

OMNIBUS PLAN

In connection with MDA's IPO, we amended and restated our Legacy Stock Option Plan to become the Omnibus Plan. On May 10, 2022, we amended our Omnibus Plan to clarify certain language regarding the payment of certain broker fees. On April 27, 2024, we further amended and restated our Omnibus Plan to make certain administrative amendments and to revise the treatment of Awards upon a Participant's retirement. The material features of the Omnibus Plan, as amended, are summarized below.

Purpose

The purpose of the Omnibus Plan is to provide MDA with a share-related mechanism to attract, retain and motivate qualified directors, employees and consultants of MDA, to reward such of those non-employee directors, employees and consultants as may be granted Awards (as hereinafter defined) under the Omnibus Plan by our Board from time to time for their contributions toward the long-term goals and success of MDA and to enable and

encourage such non-employee directors, employees and consultants to acquire Common Shares (as defined in the Omnibus Plan) as long-term investments and proprietary interests in MDA.

Types of Awards

The Omnibus Plan provides for the grant of Options, DSUs, PSUs and RSUs and other share-based awards (“**Other Share-Based Awards**” and together with the Options, DSUs, PSUs and RSUs, the “**Awards**”). All Awards will be granted by an agreement or other instrument or document evidencing the Award granted under the Omnibus Plan (an “**Award Agreement**”).

Plan Administration

The Omnibus Plan will be administered by our Board, which may delegate its authority to any duly authorized committee of the Board (the “**Plan Administrator**”). The Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the individuals (the “**Participants**”) to whom grants of Awards under the Omnibus Plan may be made;
- (b) make grants of Awards under the Omnibus Plan, whether relating to the issuance of Common Shares or otherwise (including any combination of Options, RSUs, PSUs, DSUs or Other Share-Based Awards), in such amounts, to such Participants and, subject to the provisions of the Omnibus Plan, on such terms and conditions as it determines, including, without limitation:
 - (i) the time or times at which Awards may be granted;
 - (ii) the conditions under which: (A) Awards may be granted to Participants; or (B) Awards may be forfeited to MDA, including any conditions relating to the attainment of specified performance goals;
 - (iii) the number of Common Shares to be covered by any Award;
 - (iv) the price, if any, to be paid by a Participant in connection with the purchase of Common Shares covered by any Awards;
 - (v) whether restrictions or limitations are to be imposed on the Common Shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
 - (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine;
- (c) establish the form or forms of Award Agreements;
- (d) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of the Omnibus Plan;
- (e) construe and interpret the Omnibus Plan and all Award Agreements;
- (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to the Omnibus Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws; and
- (g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Omnibus Plan.

Common Shares Available for Awards

Subject to adjustments as provided for under the Omnibus Plan, the maximum number of Common Shares available for issuance pursuant to Awards granted under the Omnibus Plan will not exceed 10% of MDA’s total issued and outstanding Common Shares from time to time. As of the date hereof, there are 11,293,681 Common Shares reserved and available for issuance under the Omnibus Plan, representing 9.42% of MDA’s issued and outstanding Common Shares, and 94.17% of Common Shares available for issuance under the Omnibus Plan. As of the date hereof, there are 699,757 Common Shares remaining available for issuance under the Omnibus Plan, representing 0.58% of MDA’s issued and outstanding Common Shares.

The Omnibus Plan is considered to be an “evergreen” plan, since the Common Shares covered by Awards which have been exercised, settled or terminated will be available for subsequent grants under the Omnibus Plan and the total number of Awards available to grant increases as the number of issued and outstanding Common Shares increases. Accordingly, pursuant to the rules of the TSX, the unallocated options, rights or entitlements under the Omnibus Plan must be submitted for re-approval by the Shareholders every three years. Such re-approval is being sought at the Meeting. See “*Particulars of Matters to be Acted Upon – Re-Approval of Unallocated Options, Rights and Other Entitlements under the Omnibus Plan*”.

The aggregate number of Common Shares: (a) issuable to Insiders (as defined under the Omnibus Plan) at any time under all of MDA’s security based compensation arrangements (which, for greater certainty, includes the Legacy Stock Option Plan) may not exceed 10% of MDA’s total issued and outstanding Common Shares; and (b) issued to Insiders within any one-year period, under all of MDA’s security based compensation arrangements may not exceed 10% of MDA’s total issued and outstanding Common Shares.

Blackout Period

In the event that the date of grant of an Award occurs, or an Award expires, at a time when an undisclosed material change or material fact in the affairs of MDA exists, the effective date of grant for such award, or expiry of such Award, as the case may be, will be six business days after which there is no longer such undisclosed material change or material fact, and the Market Price (as hereinafter defined) with respect to the grant of such Award will be calculated based on the five business days immediately preceding the effective grant date.

Description of Awards

Subject to the provisions of the Omnibus Plan and such other terms and conditions as the Plan Administrator may prescribe, including with respect to performance and vesting conditions, the Plan Administrator may, from time to time, grant the following types of Awards to any Participant.

Options

An Option entitles a holder thereof to purchase a Share at an exercise price set at the time of the grant, which exercise price must in all cases be not less than the Market Price on the date of grant. “**Market Price**” is defined as the volume weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the date of grant (or, if such Common Shares are not then listed and posted for trading on the TSX, on such stock exchange on which the Common Shares are listed and posted for trading as may be selected for such purpose by our Board); provided that, for so long as the Common Shares are listed and posted for trading on the TSX, the Market Price shall not be less than the market price, as calculated under the policies of the TSX. The term of each option will be fixed by the Plan Administrator, but may not exceed 10 years from the date of grant.

Deferred Share Units

A DSU is a unit equivalent in value to a Share that vests upon grant but does not settle until a future date, generally upon termination of service with MDA. The number of DSUs (including fractional DSUs) granted at any particular time will be calculated by dividing (a) the amount of any compensation that is to be paid in DSUs, as determined by the Plan Administrator, by (b) the Market Price of a Share on the grant date.

The Plan Administrator will have the sole authority to determine the settlement terms applicable to the grant of DSUs. Subject to the terms of the Omnibus Plan and except as otherwise provided in an Award Agreement, on the settlement date for any DSU, the Participant will redeem each vested DSU for a Share, a cash payment, or a combination thereof.

Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, DSUs will be credited with dividend equivalents in the form of additional DSUs as of each dividend payment date in respect of which normal cash dividends are paid on Common Shares. Dividend equivalents will vest in proportion to the DSUs to which they relate and will be settled in the same manner as the DSUs.

Restricted Share Units

An RSU is a unit equivalent in value to a Share that does not vest until after a specified period of time, or satisfaction of other vesting conditions as determined by the Plan Administrator, and which may be forfeited if vesting

conditions are not met. The number of RSUs (including fractional RSUs) granted at any particular time will be calculated by dividing (a) the amount of any compensation that is to be paid in RSUs, as determined by the Plan Administrator, by (b) the Market Price of a Share on the grant date.

The Plan Administrator will have the sole authority to determine the settlement terms applicable to the grant of RSUs. Subject to the terms of the Omnibus Plan and except as otherwise provided in an Award Agreement, on the settlement date for any RSU, the Participant will redeem each vested RSU for a Share, a cash payment, or a combination thereof.

Unless otherwise determined by the Plan Administrator and set forth in the particular Award Agreement, RSUs will be credited with dividend equivalents in the form of additional RSUs as of each dividend payment date in respect of which normal cash dividends are paid on Common Shares. Dividend equivalents will vest in proportion to the RSUs to which they relate and will be settled in the same manner as the RSUs.

Performance Share Units

The Plan Administrator will issue performance goals prior to the grant date to which such performance goals pertain. The performance goals may be based upon the achievement of corporate, divisional or individual goals and may be applied relative to performance relative to an index or comparator group, or on any other basis determined by the Plan Administrator. The Plan Administrator may modify the performance goals as necessary to align them with MDA's corporate objectives, subject to any limitations set forth in an Award Agreement or other agreement with a Participant. The performance goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

Each PSU will consist of a right to receive a Share, cash payment, or a combination thereof, upon the achievement of such performance goals during such performance periods as the Plan Administrator may establish.

Other Share-Based Awards

Each Other Share-Based Award shall consist of a right (a) which is other than an Award or right described above, and (b) which is denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Common Shares (including, without limitation, securities convertible into Common Shares) as are deemed by the Plan Administrator to be consistent with the purposes of the Omnibus Plan; provided, however, that such right will comply with applicable law. Subject to the terms of the Omnibus Plan and any applicable Award Agreement, the Plan Administrator will determine the terms and conditions of Other Share-Based Awards.

Effects of Termination on Awards

The following table describes the impact of certain events upon the Participants under the Omnibus Plan, including termination for cause, resignation, termination without cause, disability, death or retirement, subject, in each case, to the terms of a Participant's employment agreement, Award Agreement or other written agreement:

EVENT PROVISIONS	PROVISIONS
Termination for cause	Forfeiture of any unvested and vested Option or other Award.
Resignation (other than resignation with good reason or retirement)	Forfeiture of any unvested Option or any unvested or vested but unsettled other Award. Vested Options must be exercised before the earlier of the expiry date and 180 days after termination of employment.
Termination without cause (or resignation with good reason)	Forfeiture of any unvested Option or other Award. Vested Options or other Awards must be exercised or settled before the earlier of the expiry date and 180 days after termination of employment.
Death or Disability	12-month vesting period after death for all unvested Options or other Awards and the earlier of the expiry date and 30 days following such 12-month vesting period to exercise.
Retirement	Any unvested Option or other Award shall continue to vest and any vested Option or other Award may be exercised and settled, in each case, as if the Participant had remained employed.

Notwithstanding the foregoing, the Plan Administrator may, in its discretion, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator.

Change in Control

Except as may be set forth in an employment agreement, Award Agreement or other written agreement between MDA or a subsidiary of MDA and the Participant or as set out in the Omnibus Plan, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause:

- (a) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control (as defined in the Omnibus Plan);
- (b) outstanding Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such Change in Control;
- (c) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction net of any exercise price payable by the Participant (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction, the Plan Administrator determines, in good faith, that no amount would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights net of any exercise price payable by the Participant, then such Award may be terminated by MDA without payment);
- (d) the replacement of such Award with other rights or property selected by our Board in its sole discretion; or
- (e) any combination of the foregoing.

In taking any of the foregoing actions, the Plan Administrator will not be required to treat all Awards similarly in the transaction.

Notwithstanding the foregoing, and unless otherwise determined by the Plan Administrator or as set out in the Omnibus Plan, if, as a result of a Change in Control, the Common Shares will cease trading on a stock exchange, MDA may terminate all of the Awards granted under the Omnibus Plan at the time of and subject to the completion of the Change in Control by paying to each holder an amount for each Award equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably.

In the event a Participant is terminated without cause or resigns for good reason during the 12-month period following completion of a Change in Control, any Awards that were assumed or replaced by other awards upon a Change in Control and remain unvested shall vest in full and shall be exercisable until the earlier of (i) the close of business on the expiry date of the Award; and (ii) 90 days following the Participant's termination of employment.

Assignability

Except as required by law, the rights of a Participant under the Omnibus Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged unless otherwise approved by the Plan Administrator.

Amendment, Suspension or Termination of the Omnibus Plan

The Plan Administrator may from time to time, without notice and without approval of the Shareholders, amend, modify, change, suspend or terminate the Omnibus Plan or any Awards granted pursuant thereto as it, in its discretion, determines appropriate, provided, however, that: (a) no such amendment, modification, change, suspension or termination may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Omnibus Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or TSX requirements; and (b) any amendment that would cause an Award held by a U.S. taxpayer to be subject to the additional tax penalty under the U.S. tax code will be null and void with respect to the U.S. taxpayer unless his or her consent is obtained.

Without limiting the generality of the foregoing, but subject to the below, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Omnibus Plan for the purposes of:

- any amendments to the general vesting provisions of each Award;
- any amendment regarding the effect of termination of a participant's employment or engagement;
- any amendments to add covenants of MDA for the protection of Participants, provided that the Plan Administrator must be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants;
- any amendments not inconsistent with the Omnibus Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator must be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and non-employee directors; or
- any such changes or corrections which, on the advice of counsel to MDA, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator must be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

Notwithstanding the foregoing and subject to any rules of the TSX, shareholder approval will be required for any amendment, modification or change that:

- increases the percentage of Common Shares reserved for issuance under the Omnibus Plan, except pursuant to the provisions in the Omnibus Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting MDA or our capital;

- increases or removes the 10% limits on Common Shares issuable or issued to Insiders;
- reduces the exercise price of an Award except pursuant to the provisions in the Omnibus Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting MDA or our capital;
- extends the term of an Award beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the Participant or within five business days following the expiry of such a blackout period);
- permits an Award to be exercisable beyond 10 years from its grant date (except where an expiry date would have fallen within a blackout period);
- increases or removes the non-employee director participation limits;
- permits Awards to be transferred to a person;
- changes the eligible participants of the Omnibus Plan; or
- deletes or reduces the range of amendments which require shareholder approval.

Legacy Stock Option Plan

The Legacy Stock Option Plan is a part of a legacy compensation program pursuant to which certain directors, officers and employees of MDA or our subsidiaries were granted options to purchase shares in the capital of MDA. In connection with MDA's IPO, we amended and restated our Legacy Stock Option Plan to form the Omnibus Plan. All options previously granted under the Legacy Stock Option Plan continue to be governed by the Omnibus Plan, which contains substantially the same terms as the Legacy Stock Option Plan in respect of the options.

EMPLOYEE TRUST

In connection with the IPO, MDA settled the Employee Trust, the beneficiaries of which are certain executive officers and employees of MDA as of the date of closing of the IPO. The Employee Trust was established in consideration for past and ongoing services to MDA by such executive officers and employees and in some cases in furtherance of agreements made by MDA in our offers of employment to such executive officers and employees. The Common Shares held in the Employee Trust are subject to certain vesting conditions and forfeiture upon the occurrence of certain events, including termination for cause, resignation, termination without cause, disability, death or retirement, in a manner similar to the vesting of Awards, and the impact on awards as a result of the occurrence of such events, under our Omnibus Plan.

Indebtedness of Directors and Executive Officers

Except as set out below, none of our current or former directors, officers, or employees or any of our respective associates are indebted to MDA or have been subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by MDA or any of our subsidiaries.

- Certain employees (including one executive officer) of MDA are indebted to MDA in the aggregate amount of \$225,000, which amounts were loaned by MDA to such employees for the purpose of purchasing Common Shares. Such loans bear interest at a rate per annum equal to the rate prescribed for the purposes of subsection 80.4(1) of the *Income Tax Act* (Canada) and mature on March 19, 2028. The table below discloses details regarding the executive officers.

NAME AND PRINCIPAL POSITION	INVOLVEMENT OF COMPANY OR SUBSIDIARY	LARGEST AMOUNT OUTSTANDING DURING 2023 (\$)	AMOUNT OUTSTANDING AS AT MARCH 28, 2024 (\$)	FINANCIALLY ASSISTED SECURITIES PURCHASES DURING 2023 (#)	SECURITY FOR INDEBTEDNESS ⁽¹⁾	AMOUNT FORGIVEN DURING 2023 (\$)
Holly Johnson Vice President, Robotics & Space Operations	Company	30,000	30,000	-	Common Shares	-

Notes:

- (1) As collateral, each executive officer granted MDA a security interest in the financially-assisted Common Share purchases, all substitutions and replacements of such Common Shares, all dividends on, returns of capital, other distribution in respect of, and proceeds from such Common Shares, and all rights and claims of the executive officer in respect of each of the foregoing.

Additional Information

Additional information relating to MDA, including the annual audited financial statements for the year ended December 31, 2023 is available on SEDAR+ at www.sedarplus.com. Shareholders may contact MDA to request copies of our financial statements and Management Discussion and Analysis for the financial year ending December 31, 2023, and any documents incorporated by reference herein without charge by emailing investor.relations@mda.space. Financial information regarding MDA is provided in our comparative financial statements and the related Management's Discussion and Analysis for our most recently completed financial year.

Approval of Directors

The contents and the sending of this Circular have been approved by the Board.

DATED at Toronto, Ontario as at the 28th day of March, 2024.

By Order of the Board of Directors

(signed) "John Risley"

John Risley
Chair of the Board

Appendix A

Charter of the Board of Directors

This Charter of the Board of Directors (the “**Charter**”) was adopted by the board of directors (the “**Board**”) of the Corporation on April 1, 2021, as amended by the Board on May 10, 2022 and November 10, 2022.

1. Purpose

The purpose of this Charter is to set out the mandate and responsibilities of the Board of the Corporation. Pursuant to the *Business Corporations Act* (Ontario) (the “**Act**”) governing the Corporation, the Board is responsible for managing or supervising the management of the business and affairs of the Corporation. By approving this Charter, the Board confirms its responsibility for the stewardship of the Corporation and its affairs. This stewardship function includes responsibility for the matters set out in this Charter. The responsibilities of the Board described herein are pursuant to, and subject to, the Act and the by-laws of the Corporation in effect from time to time and do not impose any additional responsibilities or liabilities on the directors at law or otherwise.

2. Composition

The Board (a) shall be constituted with a majority of individuals who qualify as “independent” within the meaning of National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”) and who are resident Canadians, and (b) the Corporation’s Chief Executive Officer shall be a member of the Board. If at any time a majority of the Corporation’s directors are not independent because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any director who was an independent director within the meaning of NP 58-201, the remaining directors shall appoint a sufficient number of directors who qualify as “independent” to comply with this requirement at their earliest convenience. Pursuant to NP 58-201, an independent director is one who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director’s independent judgment.

At least annually, the Board shall, with the assistance of the Committees of the Board, determine: (i) the independence of each director based on the definition of independence contained in the listing standards of the TSX and NP 58-201; (ii) the independence of each Audit Committee member based on the definition of independence contained in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”); (iii) the independence of each Compensation and Governance Committee member; and (iv) the “financial literacy” of each Audit Committee member based on the definition of financial literacy contained in NI 52-110.

If at any time the Chair of the Board is not independent, the Board shall appoint an independent director as a Lead Director and consider other possible steps and processes to ensure that independent leadership is provided for the Board.

3. Responsibilities of the Board of Directors

The Board is responsible for the stewardship and oversight of the Corporation and its business and in that regard shall be specifically responsible for:

- (a) selecting from among its members a Chair and independent lead director if the Chair is not independent (the “**Lead Director**”);
- (b) appointing the Chief Executive Officer of the Corporation;
- (c) to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer and each of the other individuals who are from time to time appointed to offices of the Corporation by resolution of the Board (together with the Chief Executive Officer, collectively, the “**Executive Officers**”), and that the Chief Executive Officer and the other Executive Officers create a culture of integrity throughout the organization;
- (d) approving the long-term goals and the strategic and financial plans for the Corporation on an annual basis, while acting in the best interest of the Corporation, taking into account shareholders, wider stakeholders and social responsibilities and their implications for the Corporation’s long-term success;

- (e) reviewing and approving an annual budget for the Corporation prepared by the CEO and the CFO, with the input and recommendations from the applicable Executive Officers;
- (f) supervising the activities and managing the investments and affairs of the Corporation;
- (g) considering and approving all material decisions affecting the Corporation and its subsidiaries and controlled entities including all material acquisitions, dispositions, capital expenditures and debt financing;
- (h) assessing the performance of the CEO, and, together with the CEO, the performance of the CFO and each of the three most highly compensated executive officers of the Corporation (including its affiliates), or the three most highly compensated individuals acting in a similar capacity (the CEO, the CFO, and such other three executive officers or individuals being the “Named Executive Officers”), and ensuring that between them the directors of the Corporation have the necessary up-to-date experience, skills and capabilities;
- (i) issuing shares and other securities of the Corporation for such consideration as the Board may deem appropriate, subject to the Act, and applicable securities laws and stock exchange rules;
- (j) approving the re-purchase of securities of the Corporation, subject to the Act;
- (k) understanding the principal risks of the business in which the Corporation is engaged, for achieving a proper balance between risks incurred and the potential return to shareholders, and for ensuring that there are systems in place which effectively monitor and manage those risks with a view of long-term viability of the Corporation;
- (l) ensuring the integrity and adequacy of the Corporation’s internal controls and management information systems;
- (m) ensuring that the financial results are reported fairly and in accordance with generally accepted accounting standards;
- (n) succession planning for the CEO and, together with the CEO, succession planning for the Named Executive Officers;
- (o) establishing committees of the Board where required or prudent, which shall be comprised entirely of independent directors (provided that a sufficient number of independent, qualified directors are available to sit on any such committee), and defining their mandates;
- (p) maintaining records and providing reports to shareholders of the Corporation (“Shareholders”);
- (q) seeking to understand and meet Shareholder needs and expectations, in a manner consistent with their fiduciary duties;
- (r) ensuring that the Executive Officers provide effective and adequate communication with Shareholders, other stakeholders and the public;
- (s) determining the amount and timing of dividends and other distributions to Shareholders, if any;
- (t) developing the Corporation’s approach to corporate governance and evaluating the effectiveness of the Corporation’s corporate governance;
- (u) promoting a corporate culture that is based on ethical values and behaviours; and
- (v) fulfilling such other duties and responsibilities as set out in the Act, and applicable securities laws and stock exchange rules.

It is recognized that every member of the Board in exercising powers and discharging duties must act honestly and in good faith with a view to the best interests of the Corporation and its Shareholders. Directors must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In this regard, they will comply with their duties of honesty, loyalty, care, diligence, skill and prudence.

In addition, members of the Board are expected to carry out their duties in accordance with policies and regulations adopted by the Board from time to time.

It is expected that the Executive Officers will co-operate in all ways to facilitate compliance by the Board with its legal duties by causing the Corporation and its subsidiaries to take such actions as may be necessary in that regard and by promptly reporting any data or information to the Board that may affect such compliance.

4. Expectations of Directors

The Board has developed a number of specific expectations of directors to promote the discharge by the directors of their responsibilities and to promote the proper conduct of the Board.

- (a) **Commitment and Attendance.** All directors are expected to maintain a high attendance record at meetings of the Board and the committees of which they are members. Attendance by telephone or video conference may be used to facilitate a director's attendance.
- (b) **Preparation for Meetings.** All directors are expected to review the materials circulated in advance of meetings of the Board and its committees and should arrive prepared to discuss the issues presented. Directors are encouraged to contact the Chair of the Board, or, if one has been appointed, the Lead Director, and any other appropriate Executive Officer to ask questions and discuss agenda items prior to meetings.
- (c) **Participation in Meetings.** Each director is expected to be sufficiently knowledgeable of the business of the Corporation, including its financial statements, and the risks it faces, to ensure active and effective, and candid and forthright participation in the deliberations of the Board and of each committee on which he or she serves.
- (d) **Loyalty, Ethics and Personal Conduct.** In their roles as directors, all members of the Board owe a duty of loyalty to the Corporation. This duty of loyalty mandates that the best interests of the Corporation take precedence over any other interest possessed by a director. Directors are expected to: (i) exhibit high standards of personal integrity, honesty and loyalty to the Corporation; (ii) project a positive image of the Corporation to news media, the financial community, governments and their agencies, shareholders and employees; (iii) be willing to contribute extra efforts, from time to time, as may be necessary including, among other things, being willing to serve on committees of the Board; and (iv) disclose any potential conflict of interest that may arise with the affairs or business of the Corporation and, generally, avoid entering into situations where such conflicts could arise or could reasonably be perceived to arise.
- (e) **Other Board Memberships and Significant Activities.** The Corporation values the experience directors bring from other boards on which they serve and other activities in which they participate, but recognizes that those boards and activities also may present demands on a director's time and availability and may present conflicts or legal issues, including independence issues. Each member of the Board should, when considering membership on another board or committee, make every effort to ensure that such membership will not impair the member's time and availability for his or her commitment to the Corporation. Directors should advise the Chair before accepting membership on other public company boards or any audit committee or other significant committee assignment on any other board, or establishing other significant relationships with businesses, institutions, governmental units or regulatory entities, particularly those that may result in significant time commitments or a change in the member's relationship to the Corporation.
- (f) **Contact with Management and Employees.** All members of the Board should be free to contact the Executive Officers at any time to discuss any aspect of the Corporation's business. Directors should use their judgement to ensure that any such contact is not disruptive to the operations of the Corporation. The Board expects that there will be frequent opportunities for members of the Board to meet with the Executive Officers in meetings of the Board and committees, or in other formal or informal settings.
- (g) **Confidentiality.** The proceedings and deliberations of the Board and its committees are confidential. Each member of the Board will maintain the confidentiality of information received in connection with his or her service as a director.

5. Meetings

The Board will meet not less than four times per year: three meetings to review quarterly results and one meeting prior to the issuance of the annual financial results of the Corporation. The Board shall meet periodically without the Executive Officers present to ensure that the Board functions independent of management of the Corporation. At each Board meeting, unless otherwise determined by the Board, an *in camera* meeting of independent directors will take place, which session will be chaired by the Chair of the Board or Lead Director if the Chair is not independent within the meaning of NP 58-201. Any of the Chair, Chief Executive Officer (if he or she is a director), or Lead Director may call and provide formal notice of a directors meeting, provided it is done in consultation with the other members of such group.

In discharging its mandate, the Board and any committee of the Board will have the authority to retain and receive advice from outside financial, legal or other advisors (at the cost of the Corporation) as the Board or any such committee determines to be necessary to permit it to carry out its duties.

The Board appreciates having Executive Officers attend each Board meeting to provide information and opinion to assist the members of the Board in their deliberations. Executive Officers who attend Board meetings who are not Board members will be excused for any agenda items which are reserved for discussion among directors only.

6. Board Meeting Agendas and Information

The Chair, and, if one has been appointed, the Lead Director, based on the input and recommendations of the Chief Executive Officer and input from the other directors as needed, will develop the agenda for each Board meeting. Agendas will be distributed to the members of the Board before each meeting, and all Board members shall be free to suggest additions to the agenda in advance of the meeting.

Whenever practicable, information and reports pertaining to Board meeting agenda items will be circulated to the directors in advance of the meeting by the Executive Officers. Reports may be presented during the meeting by members of the Board, the Executive Officers and/or staff, or by invited outside advisors. It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it will not be prudent or appropriate to distribute written materials in advance.

7. Board Meetings by Electronic Means

A director may participate in a meeting of the Board or in a committee meeting by means of electronic, telephone or such other communications facilities as permit all persons participating in the meeting to communicate with each other and a director participating in such a meeting by such means is deemed to be present at the meeting.

While it is the intent of the Board to follow an agreed meeting schedule as closely as possible, from time to time, board meetings may be called in order for directors to be in a position to better fulfill their legal obligations. Alternatively, the Executive Officers may request the directors to approve certain matters by unanimous written consent.

8. Measures for Receiving Shareholder Feedback

All publicly disseminated materials of the Corporation shall provide for a mechanism for feedback of Shareholders.

9. Expectations of the Executive Officers

The Executive Officers shall be required to report to the Board at the request of the Board on the performance of the Corporation, new and proposed initiatives, the Corporation's business and investments, Executive Officer concerns and any other matter the Board or its Chair may deem appropriate. In addition, the Board expects the Executive Officers to promptly report to the Chair or Lead Director (as applicable) any significant developments, changes, transactions or proposals respecting the Corporation or its subsidiaries.

10. Communications Policy

The Board shall approve the content of the Corporation's major communications to Shareholders and, if applicable, the investing public including any Annual Report, Management Information Circular, Annual Information Form and any prospectuses which may be issued. The Audit Committee shall review and recommend to the Board the approval of the quarterly and annual financial statements (including, if applicable, the Management's Discussion &

Analysis). The Board also has responsibility for monitoring all of the Corporation's external communications. However, the Board believes that it is the function of the Executive Officers to speak for the Corporation in its communications with the investment community, the media, clients, suppliers, employees, governments and the general public.

The Board shall have responsibility for reviewing the Corporation's policies and practices with respect to disclosure of financial and other information including insider reporting and trading. The Board shall approve and monitor the disclosure policies designed to assist the Corporation in meeting its objective of providing timely, consistent and credible dissemination of information, consistent with disclosure requirements under applicable securities law. The Board shall review the Corporation's policies relating to communication and disclosure on an annual basis.

Generally, communications from Shareholders and, if applicable, the investment community will be directed to an Executive Officer, who will coordinate an appropriate response depending on the nature of the communication. It is expected, if communications from stakeholders are made to any individual members of the Board, that the relevant Executive Officers will be informed, if appropriate, and consulted to determine any appropriate response.

11. Internal Control and Management Information Systems

The Board has oversight for the integrity of the Corporation's internal control and management information systems. All material matters relating to the Corporation and its business require the prior approval of the Board, subject to the Board's ability to delegate such matters to, among others, the Corporation's Audit Committee, Compensation and Governance Committee, and the Executive Officers. The Executive Officers are authorized to act, without Board approval, on all ordinary course matters relating to the Corporation's business.

The Audit Committee has responsibility for ensuring internal controls are appropriately designed, implemented and monitored and for ensuring that management and financial reporting is complete and accurate, even though the Executive Officers may be charged with developing and implementing the necessary procedures.

12. Delegation of Powers

The directors may establish one or more committees and may, subject to the Act and other applicable laws, delegate to such committees any of the powers of the Board. The directors may also, subject to the Act and other applicable laws, delegate powers to manage the business and affairs of the Corporation to such of the officers of the Corporation as they, in their sole and absolute discretion, may deem necessary or desirable to appoint, and define the scope of and manner in which such powers will be exercised by such persons as they may deem appropriate.

The Board retains responsibility for oversight of any matters delegated to any director(s) or any committee of the Board, to the Executive Officers or to other persons.

13. Board Effectiveness

The Board shall review and, if determined appropriate, approve the recommendations of the applicable committee of the Board, if any, concerning formal position descriptions for the Chair of the Board and Lead Director, if any, and for each committee of the Board, and for the Chief Executive Officer, provided that in approving a position description for the Chief Executive Officer, the Board shall consider the input of the Chief Executive Officer and shall develop and approve corporate goals and objectives that the Chief Executive Officer is responsible for meeting (which may include goals and objectives relevant to the Chief Executive Officer's compensation, as recommended by the applicable committee of the Board, if any).

The Board shall review and, if determined appropriate, adopt a process recommended by the applicable committee of the Board, if any, for reviewing the performance and effectiveness of the Board as a whole, the committees of the Board and the contributions of individual directors on an annual basis.

14. Inconsistencies with Applicable Laws

In the event of any conflict or inconsistency between this Charter and the provisions of the Act or other applicable laws, in each case as amended, restated or amended and restated from time to time, the provisions hereof shall be ineffective and shall be superseded by the provisions of the Act or such other applicable laws to the extent necessary to resolve such conflict or inconsistency.