EXELTECH AEROSPACE INC.

STOCK OPTION PLAN

JUNE 21, 2004,
AMENDED AS OF AUGUST 29, 2007

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STOCK OPTION PLAN

1. PURPOSE OF THE PLAN

1.1 Purpose

The ExelTech Stock Option Plan is instituted to enable certain employees, directors, officers and consultants of ExelTech to acquire ExelTech Shares directly, provided that they are bona fide employees, consultants or management companies of ExelTech, and ExelTech represents that they are such.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

For the purposes of the Plan, the following terms shall have the meaning hereinafter ascribed to them:

2.1.1 "**Board**" means the Board of Directors of ExelTech.

2.1.2 "**Change of Control**" includes: (i) the acquisition by any person or corporation, or by any person or corporation acting jointly, directly or indirectly, of Shares constituting, in the aggregate, more than fifty percent (50%) of the aggregate Shares; (ii) the sale, exchange or alienation of all or substantially all of the property of ExelTech, other than in the ordinary course of business; or (iii) an amalgamation, merger, arrangement or corporate reorganization of ExelTech with another person or corporation which results in the holders of voting Shares of this other person or corporation holding, in the aggregate, more than fifty percent (50%) of the aggregate voting and participating Shares of the person or corporation resulting from the transaction.

2.1.3 "**Consultant**" means a person who provides, under a written contract, management, technical or consulting services to ExelTech on an ongoing basis.

2.1.4 "**Eligible Person**" means any bona fide director, officer, employee or Consultant of ExelTech or its Subsidiaries.

2.1.5 "**ExelTech**" means ExelTech Aerospace Inc. and any successor thereof.

2.1.6 "**Exercise Price**" means the subscription price of a Share under the terms of an Option granted under the Plan.

2.1.7 "**Expiry Date**" means the date on which an Option expires pursuant to the Option Agreement or subsection 5.3 of this Plan.

2.1.8 "**Final Prospectus Receipt Date**" means the date on which the Canadian securities regulatory authorities issue a final receipt for the final prospectus of ExelTech, in connection with a public offering of Shares.

2.1.9 "**Grant Date**" means the date on which an Option is granted by the Board, unless the Board ratifies the grant of an option on a previous date, in which case this previous date shall be the Grant Date.

2.1.10 "**Insider**" means (i) an insider within the meaning of the *Securities Act* (Quebec) or (ii) an associate within the meaning of the *Securities Act* (Quebec) of another person who is an insider.

2.1.11 "**Market Price**" means the average of the bid and ask prices for the Shares on the TSX Venture Exchange or on any other exchange where the Shares are listed on such last trading day.

2.1.12 "**Market Price**" means the closing trading price per Common Share on the Exchange on the date preceding the date of grant, or if such Common Shares are not listed on any stock exchange at a price determined by the Board of Directors. If no trades are reported on the Exchange on such trading day, the trade occurring on the last day on which a trade took place preceding the date of grant, subject to the approval of the Board of Directors.

2.1.13 "**Notice of Exercise**" means the notice appended hereto in Schedule "B" under the terms of which an Optionholder notifies ExelTech of his intention to exercise Options.

2.1.14 "**Option**" means an option to purchase a Share granted to an Eligible Person under the terms of the Plan.

2.1.15 "**Option Agreement**" means an agreement essentially in the form of the agreement appended hereto in Schedule "A" between ExelTech and an Optionholder, setting out the terms of the Options granted to this Optionholder.

2.1.16 "**Optionholder**" means any Eligible Person who holds Options granted under the terms of the Plan.

2.1.17 "**Plan**" means the ExelTech Stock Option Plan as amended from time to time.

2.1.18 "**Share**" means an ExelTech common share.

2.1.19 "**Share Compensation Arrangement**" means any stock option, stock option plan, employee shareholding plan or any other compensation or incentive mechanism, involving the issuance or potential issuance of Shares to one or more of the employees, officers, directors or Consultants, including the subscription of new Shares that are part of the authorized capital associated with financial assistance from ExelTech, particularly by means of a loan or security.

2.1.20 "**Subsidiary**" means a legal person that is a subsidiary of ExelTech within the meaning of the *Securities Act* (Quebec).

2.1.21 "**Trading Blackout**" means any restricted trading period imposed by ExelTech during which the directors and officers of ExelTech and specified employees are prohibited from trading in the securities of ExelTech.

2.2 Applicable Legislation

The Plan and the Options granted under the terms of the Plan shall be interpreted and governed in accordance with the laws in force in the Province of Quebec.

3. ADMINISTRATION OF THE PLAN

3.1 Administration

The Plan will be administered by the Board or by any Committee of the Board that it may determine, at its complete discretion. Except for the purposes of subsection 3.2, if such a Committee is determined by the Board, any reference to Board in this Plan shall be deemed to be a reference to the Committee.

The Board may interpret the Plan and any of its decisions in this regard shall be final and binding.

3.2 Amendment of the Plan

The Board may amend, suspend or terminate the Plan at any time, it being understood that no amendment, suspension or termination may: (i) be made without obtaining any required regulatory or Shareholder approvals; or (ii) prejudice the rights of any Optionholder without the Optionholder's consent or deemed consent.

The Board may amend the terms of any Option (and, in particular, cancel an Option or amend the dates on which an Option or a portion thereof becomes exercisable) provided that: (i) any required regulatory and Shareholder approvals are obtained; (ii) the Board would have had the authority to grant the Option initially under the terms as so amended; and (iii) the consent or deemed consent of the Optionholder is obtained if the amendment would adversely affect the Optionholder's rights.

3.3 Termination of the Plan

The Plan shall remain in force as long as it has not been terminated by the Board, it being understood that the termination of the Plan shall have no effect on the

Options then outstanding, which shall remain in force and subject to the terms of the Plan.

3.4 Compliance with Legislation and Stock Exchange Rules

The Plan, the grant and exercise of Options under the Plan and ExelTech's obligation to issue Shares on exercise of Options shall be subject to all applicable federal, provincial and foreign legislation, rules and regulations and to the rules of any Stock Exchange on which the Shares are listed for trading. No Option shall be granted and no Common Shares shall be issued under the Plan where such grant or issue would require registration of the Plan or of such Shares under the securities legislation of any foreign jurisdiction, and any purported grant of any Option or any purported issue of Shares in violation of this clause shall be null and void. The Shares issued to Optionholders upon exercise of Options may be subject to limitations on sale or resale under the applicable Securities Legislation.

4. GRANT OF OPTIONS

4.1 Authority of the Board

For the purposes of the management of the Plan, the Board has the power and authority to: (i) determine which Eligible Persons are to be granted Options and grant Options to those Eligible Persons; (ii) determine the terms of such Options; and (iii) prescribe the form of Option Agreement and Notice of Exercise with respect to an Option other than those set out in Schedules "A" and "B" of this Plan.

4.2 Eligibility

The Board may determine the criteria of eligibility to determine any Eligible Person, which may, among other factors, be based on the position, remuneration and seniority of the Eligible Person and his current and future contribution to the success of ExelTech or its Subsidiaries, as well as any other factor that will be deemed relevant for the grant of Options.

4.3 Number of Shares Available

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4.3.1 The maximum number of Shares that may be reserved for issuance at any time pursuant to Options granted under this Plan shall not exceed 8% of the total number of Shares issued and outstanding at the date of any grant made hereunder (the "**Plan Limit**"). The Plan Limit less the number of Shares reserved for Options currently outstanding under the Plan shall, at any time, constitute the "**Available Option Shares**". The Plan Limit shall be adjusted to account for any subdivision or consolidation of the Shares. For the purposes of determining the Available Option Shares, Shares that were issuable pursuant to any Options that have expired or otherwise been terminated without being exercised, shall thereafter be included as

Available Option Shares. Any exercise of an Option previously granted under the Plan will result in an additional grant being available under the Plan.

4.3.2 No more than 5% of the total number of Shares issued and outstanding may be granted or issued to any one individual in any 12 month period.

4.3.3 No more than 2% of the total number of Shares issued and outstanding may be granted to any one Consultant in any 12 month period.

4.3.4 No more than 2% of the total number of Shares issued and outstanding may be granted to a Consultant or employee providing investor relation services, in any 12 month period.

4.3.5 Upon expiry or termination, in whole or in part, of any Option that has not been exercised, the Shares covered by such Option shall be available for additional grant to an Eligible Person. No fractional Share may be issued under the Plan.

4.4 Restriction on Insiders

4.4.1 The maximum number of Shares issuable to Insiders at any time under the Plan, together with any other Share Compensation Arrangements, is ten percent (10%) of the total number of Shares issued and outstanding.

4.4.2 The maximum number of Options that may be granted to Insiders under the Plan, together with any other Share Compensation Arrangements, during a one-year period, is ten percent (10%) of the total number of Shares issued and outstanding.

4.4.3 Any reduction of the exercise price of an Option granted to an Insider shall be approved by the shareholders of ExelTech (such approval to exclude the votes of said Insider and that Insider's associates within the meaning of the *Securities Act* (Québec)).

4.5 Restriction on IR Consultants

4.5.1 Any options granted to IR Consultants are subject to a vesting provision over a period of twelve (12) months.

5. TERMS OF OPTIONS

5.1 Option Agreement

As soon as possible after an Option is granted, ExelTech shall deliver to the Optionholder an Option Agreement dated on the Grant Date, containing the terms of the Option and signed and executed by ExelTech, and upon delivery to ExelTech of the Option Agreement signed and executed by the Optionholder, such Optionholder shall be a member of the Plan and shall be entitled to purchase the Optioned Shares on the terms set out in the Option Agreement and the Plan.

5.2 Exercise Price

5.2.1 Subject to subsection 5.2.2, the Exercise Price of the Shares subject to an Option shall be determined by the Board on the Grant Date and shall not be less than the Market Price.

5.2.2 If Options are granted within 90 days of the Final Prospectus Receipt Date for a distribution by a prospectus, the minimum exercise price of those Options will be the greater of the Market Price and the per share price paid by the public investors for Shares acquired under the distribution.

5.3 Expiry Date

Subject to the terms of subsection 5.6 of this Plan and to the applicable provisions of regulatory authorities in that respect and unless the Board determines a different Expiry Date upon the grant of Options, any Option shall expire ten (10) years after its Grant Date.

5.4 Terms of Exercise

An Optionholder may exercise Options on and after the Grant Date, subject to the right of the Board to establish, on the Grant Date, that any specific Option may be exercised in whole or in part on different dates and to establish, after the Grant Date, that any specific Option may be exercised in whole or in part at earlier dates for any reason whatsoever, notably the occurrence of a proposal made by ExelTech or anyone else with a view to implementing a transaction that, if it were implemented, would result in a Change of Control. Notwithstanding the foregoing and unless the Board determines otherwise on the Grant Date, Options granted to an Optionholder who is an employee of ExelTech shall vest and may only be exercised in three (3) equal yearly installments commencing on the first anniversary of the Grant Date.

5.5 Expiry During Trading Blackout

Notwithstanding any other provision of this Plan, no Option shall terminate, become void and of no effect or cease to be exercisable, whether as a result of the expiry of the term fixed for exercise of the Option or as a result of the termination or cessation of employment of an Optionholder, prior to 5:00 p.m. (Toronto time) on the tenth business day following the cessation of any Trading Blackout applicable to such Optionholder in effect at the time such Option would otherwise expire or terminate or if a Trading Blackout is not then in effect, prior to 5:00 p.m. (Toronto time) on the tenth business day following cessation of the most recent Trading Blackout applicable to such Optionholder prior to the Expiry Date.

5.6 Early Expiry

An Option will expire before its Expiry Date in the following circumstances:

5.6.1 If an Optionholder dies, any portion of the Options that have been granted and are exercisable at the date of death may be exercised by his assigns at any time within one hundred eighty (180) days of the date of death of the Optionholder (but in no case on any date falling after the Expiry Date).

5.6.2 If an Optionholder is no longer employed by ExelTech or his employment is terminated without serious reason or ExelTech terminates his contract as a Consultant before its scheduled termination date, any Options exercisable at the date of termination of his employment or his contract as a Consultant shall be exercisable by the Optionholder within a one-year period following such date (but in no case on any date falling after the Expiry Date).

5.6.3 If an Optionholder, who is not an employee of ExelTech, ceases to act as a director of ExelTech, this Optionholder, at any time within a one-year period following the date when he ceases to act as a director of ExelTech, may exercise the Options that have not been exercised at that date (but in no case on any date falling after the Expiry Date).

Notwithstanding the foregoing, any Option shall expire immediately when an Optionholder ceases to be an Eligible Person due to his dismissal for cause or the termination for cause of his contract as a Consultant (including any circumstances in which an Eligible Person resigns or consents to the termination of his contract as a Consultant pursuant to a request to this effect by ExelTech as an alternative to termination for cause).

5.7 No Right Resulting from the Status of Eligible Person

No provision of the Plan entitles an Optionholder to remain employed by, or to remain a Consultant of ExelTech, nor restricts, in any way, the right of ExelTech to terminate his employment, or his contract as a Consultant, at any time and for any reason.

5.8 No Rights as Shareholder

An Optionholder shall have no rights as a shareholder with respect to Optioned Shares before the date on which these Shares are validly issued to Optionholders, nor as long as these Shares are not fully paid-up. Except as prescribed in paragraph 5.10.1 of this Plan, no adjustment shall be made for dividends or other distributions or entitlements in respect of which the reference date precedes the date of issuance of the Shares.

5.9 Assignment

An Optionholder's rights in respect of the Options under the Plan may not be assigned or transferred by the Optionholder nor be made subject to any other alienation, sale, hypothec or encumbrance by this Optionholder.

5.10 Amendment

Upon the occurrence of any of the following events, the rights of an Optionholder in respect of the Options shall be amended in the following manner:

5.10.1 In the event of the split, subdivision or conversion of the Shares into a greater number of Shares at any time, or in the event of the issuance of ExelTech shares to the holders of its outstanding Shares by way of one or more stock dividend(s) (with the exception of an issuance of Shares to the Shareholders following their exercise of Options allowing them to receive ExelTech stock dividends instead of cash dividends declared payable on its Shares in the ordinary course of business by ExelTech), the number of Shares that ExelTech may issue upon the exercise of an Option shall be appropriately increased in proportion, and the appropriate adjustments shall be made to the Exercise Price, to account for this split, subdivision or conversion.

5.10.2 In the event of consolidation or conversion of the Shares into a smaller number of Shares at any time, the number of Shares that ExelTech may issue upon the exercise of an Option shall be appropriately reduced in proportion, and the appropriate adjustments shall be made to the Exercise Price to account for this consolidation or conversion.

5.10.3 In the event of a reclassification or reclassifications of the Shares, the Optionholder shall accept, at the time of the purchase of the Optioned Shares, instead of the number of Shares resulting from the exercise of Options, the number of ExelTech Shares of the corresponding Class or classes to which the Optionholder would be entitled following such reclassification(s) if the Options had been exercised prior to such reclassification(s).

5.10.4 If ExelTech is the object of a Change of Control, the Board of Directors of any corporation taking over ExelTech's obligations under the terms of the Plan (the "**Successor Board**") shall, in respect of the outstanding Options, a) provide for the appropriate reserves for the conversion of these Options by equitably replacing the Shares that are then the object of these Options with the consideration payable in respect of the outstanding Shares pursuant to the acquisition; or b) upon written notice to the Optionholders, provide that all the Options shall be exercised, to the extent that they are exercisable at that date, during a given period following the date of this notice, at the end of which the Options shall be terminated; or c) terminate all the Options in consideration of a cash payment equal to the amount by which the quoted market price of these Optioned Shares (to the extent that they are then exercisable) exceeds their option price; however, in the case of a) and c), these actions shall be subject to prior approval by the TSX Venture Exchange and other securities regulatory authorities.

5.10.5 In the event of a proposal for dissolution, winding up or liquidation of ExelTech, each Option shall be terminated immediately prior to the completion of such proposed action or at any time, subject to any other condition that the Board may determine.

5.10.6 Except as expressly stipulated herein, no issuance by ExelTech of Shares of any class or securities convertible into Shares of any Class shall alter the number of Shares nor the price of the Optioned Shares, and no changes shall be made accordingly in respect of the number of Shares or the price of the Optioned Shares. No adjustment shall be made for any dividends paid in cash or in kind, other than securities of ExelTech.

5.10.7 No fractional Shares shall be issued under the Plan and the Optionholder shall receive a lump sum from ExelTech instead of fractional Shares.

5.10.8 Upon the occurrence of any of the aforementioned events described in paragraphs 5.10.1 to 5.10.4, the Class and the aggregate number of Shares stipulated in paragraph 4.3.1 that were previously or may subsequently be granted under the Plan shall also be changed accordingly to account for the events described in the said paragraphs. The Successor Board shall determine the precise changes to be made pursuant to paragraph 5.10.4 and its decision shall be final and binding.

6. EXERCISE OF OPTIONS

6.1 Manner of Exercise

An Optionholder may exercise all or part of the Options at any time before the Expiry Date by delivering to ExelTech a Notice of Exercise, which shall specify the number of Optioned Shares that the Optionholder wishes to purchase and shall be accompanied by payment in full of the subscription price of these Optioned Shares, in cash or by certified cheque, bank draft or money order payable to ExelTech.

SCHEDULE "A"

EXELTECH AEROSPACE INC.

OPTION AGREEMENT

This Option agreement is entered into between ExelTech Aerospace Inc. (the "**Company**") and the Optionholder named below pursuant to the Stock Option Plan of ExelTech (the "**Plan**") and confirms that:

a) on __________________ (the "**Grant Date**");

b) ______________________ (the "**Optionholder**");

c) was granted a non-assignable option to purchase ___________ Common Shares (the "**Optioned Shares**") of the Company, exercisable as follows: ●;

d) at the price (the "**Exercise Price**") of $________ per Common Share; and

e) for a term expiring at 5 p.m., Eastern Standard Time, on _____________ (the "**Expiry Date**");

all on the terms and subject to the conditions set out in the Plan. By signing and executing this Agreement, the Optionholder acknowledges that he or she has read and understands the Plan.

IN WITNESS WHEREOF the Company and the Optionholder have signed and executed the Option Agreement as of ___________ 200__.

ExelTech Aerospace Inc.

By : ___________________________

●

____
Name of Optionholder

____
Signature of Optionholder

SCHEDULE "B"

FORM OF NOTICE OF EXERCISE

STOCK OPTION PLAN

OF EXELTECH AEROSPACE INC.

NOTICE OF EXERCISE

SECTION A – TO BE COMPLETED BY THE OPTIONHOLDER

TO: ●
● (address)
●
●
Attention ●

Reference is made to the Option Agreement made as of ● 200● between ExelTech (the "**Company**") and the Optionholder named below. The Optionholder hereby exercises the Option to purchase Common Shares of ExelTech as follows:

Number of Optioned Shares in respect of which the Option is being exercised:	●
Exercise Price per Common Share:	$●
Total Exercise Price (in the form of a cheque) (which need not be certified) or bank draft tendered with this Notice of Exercise:	$●
Name of Optionholder as it appears on the Stock Certificate:	●
Address of the Optionholder as it appears in the Register of Common Shareholders of the Company and to which a Certificate representing the Common Shares purchased must be delivered:	●

Dated ______________________________

____
Name of Optionholder

____
Signature of Optionholder

SECTION B – VALIDATION – TO BE COMPLETED BY THE COMPANY

I hereby certify that the aforementioned person is eligible to exercise the aforementioned number of Options and I acknowledge receipt of payment in this regard.

Signature: ___________________________ Date: _______________________________

INFORMATION FOR TAX PURPOSES

Quoted market price of the Common Shares at the exercise date:

SECTION C – RECEIPT OF SHARES

I acknowledge receipt of the Certificates bearing the numbers:

Signature: ___________________________ Date: _______________________________